

Anti-Russian Sanctions

May - June 2025

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On June 3, 2025, i.e. two weeks after the adoption of the 17th package of the EU and UK sanctions against Russia, the Swiss Confederation Federal Council decided to implement the restrictive measures imposed by the EU.

As you may recall, on May 20, 2025, the European Union and the United Kingdom, as part of their "coordinated efforts to ensure a just and lasting peace in Ukraine," adopted the regulations introducing further restrictive measures against Russia.

In this Alert, VERBA LEGAL's team provides an overview of the recent sanctions developments.

1. EUROPEAN UNION

On May 20, 2025, the European Union adopted its 17th package of sanctions against Russia expanding sectoral and individual restrictive measures. This package traditionally covers the defense and oil & gas sectors of the Russian economy. In the press release, the European Council pointed at sanctions targeting use of chemical weapons, domestic violations of human rights and political interference in foreign countries.

1. Individual Restrictions

The individual sanctions were imposed on further 17 individuals and 58 legal entities. Inclusion in Annex I to Regulation (EU) No. 269/2014 was triggered mostly by the involvement in the Russian military and defense sectors and operations in Crimea and Zaporizhzhia.

Individuals

1. Sergey Kogogin, the General Director of KAMAZ PJSC;
2. Konstantin Nikolayev, Businessperson (EU points at interests in the Russian entities Promtekhnologiya LLC, ScanEx Group of Companies and the Tula Cartridge Plant);
3. Nikolay Rogalev, Rector of the National Research University "Moscow Power Engineering Institute";
4. Alexey Vyaznikov, General Director of JSC Central Research Institute "Elektron".

Legal Entities

1. Public Joint Stock Company "Surgutneftegaz";
2. Insurance Joint Stock Company "VSK";
3. Joint Stock Company Volga Shipping;
4. Atlas Mining (Petropavlovsk Group of Companies);
5. State Unitary Enterprise "State Grain Operator";
6. Joint Stock Company "Novosibirsk Instrument Making Plant";
7. JSC "State Scientific Research Institute of Mechanical Engineering" (JSC GosNII mash).

Foreign Legal Entities

1. OJSC Minsk Wheel Tractor Plant (Belarus);
2. Cape Gemi Isletmeciligi AS (Turkey);
3. Texel F.C.G. Technology Ltd (Israel);
4. Moonlight Shipmanagement L.L.C – FZ (UAE);
5. Poly Technologies INC (China).

Additionally, the 17th package of sanctions extended the list of sanctioned persons in connection with the human rights violations in Russia (Decision (CFSP) 2024/1484)¹, Russia's destabilizing activities abroad (Regulation 2024/2642)², as well as the proliferation and use of chemical weapons (Regulation 2018/1542)³.

1 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202500957

2 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202500963;
https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202500966

3 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202500960

Please be reminded that individuals regarded as sanctioned persons under Regulation 269/2014 shall notify the competent authorities of the EU Member States of any assets owned or controlled by them and located in the respective EU Member State (Article 9(2)(a) Regulation 269/2014). Such notification shall be made within six (6) weeks following the inclusion of an individual in Annex I to Regulation 269/2014. A breach of this provision shall entail criminal prosecution of a sanctioned person in a EU Member State.

6. Oil & Gas Sector

A special attention was paid to the oil tankers that are used for transportation of Russian crude oil, oil products and natural gas the sanctions against which were widely discussed over the recent weeks. Resultantly, the new restrictions added 189 vessels to the list of the sanctioned vessels set out in Annex XLII to Regulation 833/2014. Please note that among other things, Article 3s of Regulation 833/2014 prohibits to sell or buy the sanctioned vessels, provide access to such vessels to EU Member States' ports, provide maritime services, such as flag registration, financing and financial assistance, technical assistance, and insurance services, as well as crew such vessels.

Furthermore, in connection with production and exportation of Russian crude oil, oil products and natural gas, the European Union imposed individual restrictive measures (under Regulation 269/2014) against:

1. Public Joint Stock Company "Surgutneftegaz", one of Russia's major oil and gas companies;
2. Joint Stock Company Volga Shipping, for involvement in transportation of oil and gas products;
3. Insurance Joint Stock Company "VSK", for, *inter alia*, insurance of vessels involved in transportation of Russian crude oil, oil products and natural gas;
4. Eiger Shipping DMCC (UAE), for involvement in procurement of numerous vessels forming part of the so-called "shadow fleet";
5. Moonlight Shipmanagement L.L.C - FZ (UAE), for managing tankers transporting Russian crude oil;
6. Cape Gemi Isletmeciligi AS (Turkey), for transportation of Russian crude oil and oil products;

4 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202500931

5 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202500936

7. Prominent Shipmanagement Ltd (China, Hong Kong), for transportation of Russian crude oil and oil products.

The 17th package includes an extension of the exemption from the oil price cap, allowing for the transport of crude oil originating in the Sakhalin-2 Project in Russia to Japan. The extension is granted for one year until June 28, 2026.

Sakhalin-2 Project is exempt from the oil price cap because supplies originating in its oilfields are critical for Japan's energy security. The current oil price cap is US\$60 per barrel.

8. Defense Sector

The restrictive measures aimed at undermining Russia's defense sector include:

1. Extension of the list of military end-users (Annex IV to Regulation 833/2014);
2. Extension of the list of persons in respect of which individual sanctions were imposed under Regulation 269/2014.

Apart from Russia-based persons, the restrictions also apply to companies based in Turkey, Vietnam, UAE, Serbia, and Uzbekistan. Please note that the bulk of the restrictive measures is aimed against persons, both Russian and foreign, involved in supplies of parts to, and assembling, drones used by the Russian military.

Also, the 17th extended the list of dual-purpose products that are prohibited from exporting to Russia. For instance, chemical precursors to energetic materials (sodium chlorate, potassium chlorate, aluminum powder, magnesium powder and boron powder).

3. Crypto and Tangible Assets

Additionally, amendments were made to Council Regulation (EU) 2024/2642⁶. The European Union has prohibited to engage, directly or indirectly, in any transaction with a legal person, entity or body established outside the European Union that is a credit or financial institution or an entity providing crypto assets services, involved in transactions that facilitate, directly or indirectly, Russia's alleged destabilizing activities. Such entities should be listed in Annex IV to Regulation 2024/2642, but, in the meantime, the said Annex remains blank.

Other amendments made to Regulation 2024/2642 introduced a new type of restrictive measures. Now, the prohibition extends to any transactions relating to, or involving, certain "tangible assets," that will be listed in Annex III. The said Annex is left blank as well, yet the Regulation says that it may include such assets as vessels, aircraft, real estate, ports, airports, and physical elements of digital and communication networks."

This type of sanctions are a novelty in the EU sanctions architecture, as they enable the European Union to target specific assets deemed to be "used in" particular types of "activities of a destabilizing character" attributable to, or benefiting, Russia, as well as assets "owned, chartered or operated" or "otherwise used in the name of, on behalf of, in relation with, or for the benefit of" persons targeted by the blocking sanctions.

4. SWITZERLAND

On June 3, 2025, the Swiss Confederation Federal Council ruled to join the 17th package of the EU sanctions.

As part of its implementation of the 17th package of the EU sanctions, Switzerland has:

1. imposed blocking sanctions in respect of 17 individuals and 58 legal entities;
2. imposed restrictions in respect of 189 vessels;
3. extended the list of dual-purpose products.

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0269-20250515>

All of the aforementioned sanctions mirror the respective restrictions imposed by the European Union.

4. UNITED KINGDOM

Half a year after the inclusion of the Russian financial organizations into the U.S. SDN List, in order to "disrupt Russia's revenue streams," the United Kingdom imposed sanctions against, *inter alia*, the following entities:

1. Russia-based registrars;
2. St Petersburg Currency Exchange (JSC SPCEX);
3. Petersburg Settlement Center;
4. State Corporation Deposit Insurance Agency (DIA);
5. Joint Stock Company "VTB Specialized Depository";
6. Joint Stock Company "Surgutinvestneft";
7. Specialized Depository Company "Garant".

Unsurprisingly, the UK sanctions targeted Russia's defense sector, specifically 12 legal entities involved in supporting the defense industry, including:

1. Metallurgical Plant "Red October" (Volgograd);
2. JSC Metafrax Chemicals;
3. Innopolis Ltd. (office of Innopolis University in China).

Also, the list of sanctioned entities includes certain non-Russian individuals and legal entities, for instance, China-based suppliers of electronic products, and John Michael Ormerod, a UK citizen, who has been involved in procuring vessels for Russia's "shadow fleet."

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