EU RUSSIA SANCTIONS

Plain-Language Guide

For compliance professionals new to sanctions, and colleagues in legal, finance, operations, and business who encounter EU Russia sanctions in their work

Based on Council Regulation (EU) No 833/2014 (Sectoral Sanctions)
Council Regulation (EU) No 269/2014 (Individual Listings)
Reflects 20th Sanctions Package (April 2026)

Produced by mrsanctions.com

Not legal advice. Verify against current Official Journal publications and EUR-Lex consolidated texts before use.

1. What These Laws Are and Why They Were Passed

The European Union has imposed some of the broadest and most complex economic restrictions in its history in response to Russia's actions in Ukraine — from the annexation of Crimea in 2014 through the full-scale invasion launched in February 2022. The legal restrictions are commonly called "EU Russia sanctions," though they are technically "restrictive measures."

These restrictions are set out primarily in two directly applicable EU Regulations — legal instruments that automatically have the force of law in every EU member state without any need for national legislation to implement them. As of the 20th sanctions package in April 2026, the main laws are:

- **Council Regulation (EU) No 833/2014** — the sectoral sanctions regulation. This is the engine of the regime. It covers exports, imports, financial transactions, professional services, energy, shipping, and anti-circumvention obligations. It has been amended 20 times since 2014.
- **Council Regulation (EU) No 269/2014** — the individual listings regulation. This freezes the assets of specific named individuals and entities and prohibits anyone from making funds or assets available to them.

Two companion regulations extend equivalent restrictions to Crimea and Sevastopol (Regulation 692/2014) and to Russian-controlled areas of Donetsk, Luhansk, Zaporizhzhia, and Kherson (Regulation 2022/263).

In plain terms, the EU sanctions pursue three goals: (1) freeze the EU-held assets of specific Russian individuals and organisations so they cannot use that wealth to fund the war; (2) cut Russia off from the goods, technology, financial services, and professional expertise it needs to sustain its military-industrial complex; and (3) reduce the revenue Russia earns from exporting oil, gas, steel, gold, and other commodities.

The rules apply to businesses operating in the EU, to EU nationals wherever they are in the world, and to any company incorporated under the law of an EU member state — including their overseas branches and subsidiaries.

1.1 A Three-Line Summary

Category	What it means in plain English
Individual listings (Reg 269/2014)	Specific named Russians have had their EU-held assets frozen. No one in the EU can send them money, do business with them, or make anything of financial value available — directly or indirectly.
Sectoral sanctions (Reg 833/2014)	Hundreds of categories of goods cannot be exported to Russia or imported from it. Specific financial services, professional services, and energy transactions are prohibited. These restrictions apply to entire economic sectors — they do not require the counterparty to be a named individual on any list.
Crimea / occupied territories (Regs 692/2014 and 2022/263)	Investment and trade with Russian-controlled areas of Ukraine are broadly prohibited. These operate alongside, and in addition to, the two main regulations.

KEY TAKEAWAY

EU sanctions are directly applicable EU law — they override any conflicting national law in all 27 member states and apply immediately when adopted by the Council. No member state can opt out of them.

2. Essential Concepts: The Words You Need to Know

EU sanctions documents use specific technical terms. This section defines the ones you will encounter most often — plain English first, technical detail below.

2.1 People and Organisations

Listed person / designated person: An individual or organisation specifically named in Annex I to Regulation 269/2014. Being listed is the trigger for the asset freeze. The list currently covers more than 1,200 individuals and 108+ entities.

Annex IV entity: A company — primarily Russian defence and industrial firms — listed in Annex IV to Regulation 833/2014. Annex IV entities face tighter export restrictions on specific goods, but they are NOT subject to an asset freeze. They do NOT appear on the EU Consolidated Financial Sanctions List. This is one of the most commonly missed distinctions in EU sanctions compliance.

National Competent Authority (NCA): The government body in each EU member state responsible for implementing and enforcing EU sanctions — investigating breaches, issuing authorisations (the EU equivalent of licences), and receiving frozen asset reports. There is no single EU-wide sanctions enforcement authority. In France it is the Direction Générale du Trésor. In Germany it is the Bundesbank. In Ireland it is the Central Bank of Ireland. Every member state has its own NCA.

Person connected with Russia: Used in the financial restrictions under Reg 833/2014 to catch a broad category: individuals with Russian nationality or residency, and entities incorporated in Russia — without requiring them to be listed on any EU list.

2.2 Financial Concepts

Asset freeze: When a listed person's assets are frozen, all funds and economic resources they own, hold, or control in the EU — bank accounts, property, shares, vehicles — must be blocked immediately. No one can release them without NCA authorisation.

Funds: Defined very broadly: financial assets and benefits of every kind. This includes cash, securities, claims, instruments, and any economic right that has value. There is no minimum threshold.

Economic resources: Assets of every kind that can be used to obtain funds, goods, or services. Includes real estate, intellectual property, and contractual rights. The prohibition on making economic resources available is as broad as the prohibition on making funds available.

Making funds available: The prohibition that catches indirect dealings. It is not only prohibited to pay a listed person directly — it is prohibited to take any action that results in them receiving funds or economic resources, even through intermediaries. Paying a company that will pass the money to a listed person violates this prohibition.

Derogation / authorisation: The EU term for what the UK calls a "licence" and OFSI calls a "general licence." A derogation is a specific exception written into the regulations that permits otherwise-prohibited activity, usually subject to prior authorisation from the NCA. Unlike OFAC general licences, EU derogations almost always require you to apply to your NCA before proceeding — they are not self-executing permissions.

2.3 Lists and Tools

EU Consolidated Financial Sanctions List: A database maintained by the European Commission's DG FISMA that aggregates all Reg 269/2014 Annex I listings into one searchable and downloadable list. Important limitation: it does NOT include Annex IV export-restricted entities. Screening only the Consolidated List leaves an important gap for export compliance.

EU Sanctions Map: An interactive online tool (sanctionsmap.eu) maintained by the EEAS that provides a broader view of all EU sanctions regimes. Useful for identifying which EU programs affect a given counterparty.

Annex I (Reg 269/2014): The list of individuals and entities subject to the asset freeze. This is the list that feeds the EU Consolidated Financial Sanctions List.

Annex III (Reg 833/2014): The list of major Russian banks and financial institutions subject to capital market and lending restrictions under Art. 5. These entities are NOT in the EU Consolidated Financial Sanctions List — they face specific financial restrictions, not an asset freeze.

Annex IV (Reg 833/2014): The list of Russian military-industrial and defence entities subject to tighter export controls. NOT an asset freeze list. NOT in the EU Consolidated Financial Sanctions List. Over 200 entities as of the 20th package.

2.4 Trade and Regulatory Concepts

Dual-use goods: Products with both civilian and potential military applications — electronics, semiconductors, navigation equipment, sensors, precision machinery. Exporting dual-use goods to Russia is broadly prohibited under Reg 833/2014 regardless of whether the buyer is on any list.

Art. 12g / "No re-export" clause: A contractual obligation introduced in the 12th package: EU exporters of certain goods must include a clause in their contracts with buyers in specified third countries prohibiting those buyers from re-exporting the goods to Russia. Failure to include the clause is itself a breach by the EU exporter — even if no re-export ever happens.

Art. 8a / "Best efforts" obligation: EU operators who own or control non-EU entities must use best efforts to prevent those entities from engaging in conduct that would violate Reg 833/2014 if carried out by an EU operator. Introduced in the 11th package. This extends the sanctions' reach to non-EU subsidiaries of EU companies.

Oil price cap: A mechanism allowing EU shipping, insurance, and financial service providers to continue serving Russian oil shipments — but only if the oil is sold at or below specified price ceilings set by the G7+ coalition. EU operators who provide maritime services above the cap without a derogation are in breach.

> **KEY TAKEAWAY**
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> The single most important concept to understand early: Annex IV entities under Reg 833/2014 are export-restricted but NOT asset-frozen. They are invisible to a screening system that only checks the EU Consolidated Financial Sanctions List. Every compliance programme needs a separate check for Annex IV.

3. How the Two Main Laws Work Together

The EU Russia sanctions framework can be confusing because two very different regulations carry the "EU Russia sanctions" label. Understanding the difference between them is the foundation of everything else.

3.1 Regulation 269/2014: The Named-Person Freeze

Regulation 269/2014 works like most people imagine sanctions work: specific named Russians have been listed, and EU persons cannot deal with them financially.

The key features:

- Any funds or economic resources belonging to, held by, or controlled by a listed person must be frozen immediately upon listing.
- No one may make funds or economic resources available to a listed person — directly or indirectly, or for their indirect benefit.
- The freeze and the making-available prohibition extend automatically to entities that a listed person owns or controls — even if those entities are not themselves listed by name.
- The Regulation applies wherever in the world EU persons operate, and to any person in the EU's territory.

More than 1,200 individuals and 108+ entities are currently listed in Annex I. The EU Consolidated Financial Sanctions List is the aggregated, searchable version of this list.

3.2 Regulation 833/2014: The Sectoral Prohibitions

Regulation 833/2014 works completely differently: it does not primarily target named individuals. Instead, it imposes category-wide prohibitions — on entire classes of goods, financial transactions, and services — that apply regardless of whether any specific counterparty is listed.

A Russian engineering company that does not appear on any EU list is still covered by the Art. 2 export prohibition for dual-use goods. A Russian bank not designated under Reg 269/2014 may still be subject to the Art. 5 capital market restrictions if it is listed in Annex III of Reg 833/2014.

The two regulations therefore catch different things:

If you ask…	The answer comes from…
"Is this person or entity frozen? Can I pay them?"	Reg 269/2014. Screen the EU Consolidated Financial Sanctions List. Check whether the entity is owned or controlled by an Annex I listed person.
"Can I export these goods to Russia?"	Reg 833/2014. Check whether the goods appear in Annex I (dual-use), Annex VII (advanced technology), Annex X (military-industrial), or other applicable annexes. Counterparty listing status is a secondary, not primary, question.
"Can I invest in this Russian company or lend to it?"	Reg 833/2014 Art. 5 (if the entity is in Annex III or VI) and Reg 269/2014 (if it is listed in Annex I). Potentially both apply.
"Can I provide accounting / legal / consulting services to this Russian entity?"	Reg 833/2014 Art. 5aa and Art. 7. Counterparty listing status is not the primary question — the prohibited service category is.
"Can I deal with goods from Crimea or Russian-controlled eastern Ukraine?"	Reg 692/2014 and Reg 2022/263 — the geographic companion regulations.

> **COUNTER-INTUITIVE RULE: MOST TRADE PROHIBITIONS APPLY REGARDLESS OF WHETHER THE BUYER IS LISTED**

This surprises many people new to EU sanctions. The Reg 833/2014 export bans on dual-use goods, advanced technology, and revenue-generating goods are not "targeted" restrictions — they apply to all exports to Russia, to all Russian persons, for all Russian uses. You do not need a named counterparty on a list to trigger most trade prohibitions. The question is: are the goods on a prohibited list? Is Russia the destination?

KEY TAKEAWAY

Every Russia-related transaction needs two independent analyses: (1) Are any of the people or entities involved listed under Reg 269/2014? (2) Does the transaction itself — the goods, service, or financial instrument — fall within any prohibition in Reg 833/2014? Answering only one question is insufficient.

4. Individual Listings and the Asset Freeze — What You Must Do

This section explains what happens when you discover that a client, counterparty, or payment recipient is listed under Regulation 269/2014.

4.1 When You Discover a Listed Person

The obligations are immediate:

- Stop all dealings with the listed person.
- Freeze any funds or economic resources you hold for them.
- Notify your National Competent Authority (NCA) — the specific authority depends on which EU member state you operate in.
- Do not release any frozen assets without prior NCA authorisation.
- Do not make any funds or economic resources available to them, directly or indirectly, or to any entity they own or control.

There is no grace period. A payment that was already in process when the listing takes effect must be stopped if it would benefit the newly listed person.

4.2 Why "Not Directly Listed" Is Not Enough

The prohibition on making funds available is not limited to the named listed person — it extends to anyone who owns or controls them, and to entities the listed person owns or controls.

> **Q&A**
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> **Q: Our counterparty is not on any EU list. But we think one of its shareholders might be listed. Does that matter?**
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> Yes, potentially significantly. If a listed person owns or controls your counterparty — even indirectly, through a chain of companies — the counterparty itself is treated as if it were listed. The prohibition on making funds available would apply to any payment to that counterparty. You need to investigate the beneficial ownership structure, not just screen the direct counterparty name.

4.3 The "Owned or Controlled" Test — No Fixed Percentage Threshold

This is one of the most important structural differences between EU sanctions and both OFAC (US) and UK sanctions.

- **OFAC (US):** 50%+ direct or indirect ownership automatically creates SDN status — a mechanical rule.
- **UK law:** 50%+ ownership is one route to "owned or controlled," but control through other means is also a trigger.
- **EU law:** There is NO fixed percentage threshold. The "owned or controlled" assessment is entirely fact-based. An entity with 40% listed-person ownership can still be "controlled" if the listed person appoints the board, holds veto rights, or otherwise exercises dominant influence. An entity with 55% listed-person ownership might not be "controlled" if the listed person is genuinely passive.

> **WARNING: THE EU HAS NO 50% SAFE HARBOUR**
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> A common mistake made by practitioners familiar with OFAC is to treat the EU "owned or controlled" assessment as a mirror of the OFAC 50% Rule. It is not. EU law requires you to assess the full picture of ownership AND control — voting rights, board composition, contractual rights, economic dependency. A 49%-owned entity where the listed person controls the board is still within scope. Do not apply a percentage threshold that does not exist in EU law.

4.4 What Derogations Exist from the Asset Freeze?

Regulation 269/2014 contains specific derogations — exceptions that allow otherwise-prohibited activity if certain conditions are met. Key derogations include:

- **Basic needs (Art. 4):** An NCA can authorise the release of frozen funds to cover a listed natural person's essential living expenses: food, rent, mortgage, medicines, taxes, insurance, and utilities.
- **Legal fees (Art. 4(c)):** Reasonable professional legal fees — to cover the legal representation of the listed person — may be authorised by the NCA. This is not unlimited: fees must be reasonable and relate to legal services.
- **Pre-existing contracts (Art. 6):** Payments under contracts entered into before the listing date may be authorised by the NCA. Strictly construed — new contracts made after listing are not covered.
- **Humanitarian purposes (Art. 4(e)):** Diplomatic, consular, international organisation activities, or transactions for humanitarian purposes, with prior NCA authorisation.

CRITICAL: ALMOST ALL DEROGATIONS REQUIRE PRIOR NCA AUTHORISATION

Unlike OFAC general licences, which are typically self-executing (you read the licence, confirm you qualify, and proceed), EU derogations almost always require you to apply to your NCA and receive written authorisation before acting. You cannot simply rely on the derogation existing in the text of the regulation. This is a fundamental operational difference that catches many practitioners who are used to the OFAC system.

Q&A

Q: We are based in Germany but hold frozen assets for a Belgian listed person. Which NCA do we approach?

The NCA with jurisdiction is typically the NCA of the member state where the frozen assets are held. In this scenario — assets held in Germany — you would approach the German NCA (the Deutsche Bundesbank). If the transaction also involves Belgian-law contracts or Belgian counterparties, you may need to engage with the Belgian NCA as well. An authorisation granted by one member state's NCA does not automatically bind another member state's NCA.

KEY TAKEAWAY

The asset freeze under Reg 269/2014 is powerful and fast-acting: it takes effect the moment a person is listed, with no notice to the listed person and no grace period. Your obligation to freeze and report is immediate. Your ability to unfreeze requires prior NCA authorisation.

5. Sectoral Sanctions: What Cannot Be Traded or Done

Regulation 833/2014 is the most complex part of the EU Russia sanctions framework. It covers goods, imports, financial services, professional services, and energy — and has been amended 20 times since 2014. This section explains the key prohibitions in plain language.

5.1 What Cannot Be Exported to Russia

The export prohibitions in Reg 833/2014 cover a very wide range of goods. Unlike the individual listings freeze, most export bans apply to exports to Russia in general — not just to listed persons.

- **Dual-use goods (Art. 2 / Annex I of Reg 2021/821):** Goods with both civilian and military potential — certain electronics, sensors, lasers, computers, navigation systems. Export, supply, brokering, and financing are all prohibited.
- **Advanced technology goods (Art. 2a / Annex VII):** A specific list of items chosen because of their contribution to Russian military capability — semiconductors, aerospace components, quantum technology, marine technology. Annex VII is updated with each package.
- **Military-industrial goods (Art. 2b / Annex X):** Broader industrial goods — chemicals, electrical machinery, vehicles — that can enhance Russia's industrial capacity. Added from the 11th package.
- **Luxury goods (Art. 3k):** Goods worth more than €300 per item in most categories — high-end vehicles, jewellery, designer clothing, fine art, watches, spirits. Exporting to Russia is prohibited.
- **Energy sector equipment (Art. 3):** Technology and equipment for deep-water, Arctic, and shale oil exploration and production. Covers the goods and all related services (drilling, testing, logging).

Brokering — arranging for a third party to supply prohibited goods to Russia — is prohibited on the same basis as direct export. An EU person who arranges a shipment from Taiwan to Russia of Annex VII goods is in breach, even if the goods never touch EU territory.

> **WARNING: ANNEX VII AND ANNEX X ARE UPDATED WITH EVERY PACKAGE**
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> A product that was freely exportable to Russia before the 11th package may now appear in Annex X. A component that cleared an earlier export check may have been added to Annex VII in a later package. Before any export, always check the current consolidated text of Regulation 833/2014 on EUR-Lex — not a summary from a previous package or a compliance checklist that pre-dates recent amendments.

5.2 What Cannot Be Imported From Russia

The EU has imposed successive import bans on Russian goods that generate significant state revenue. Key categories:

- **Coal and solid fossil fuels (Art. 3g):** Complete import ban from August 2022. No energy-security derogation.
- **Iron and steel (Art. 3h):** Broad import ban. Applies to goods originating in Russia. Separate from the specific rules on third-country-processed steel containing Russian content.
- **Gold (Art. 3o):** Import ban on Russian-origin gold from July 2022. Extends to Russian gold processed in third countries — origin of the underlying metal, not the finished product, is what counts.
- **LNG (Art. 3e, from 14th package):** Ban on importing Russian LNG — including through EU ports used as trans-shipment hubs for re-export to non-EU buyers. This closed a major gap used by traders routing Russian LNG through Belgian and French terminals.
- **Revenue-generating goods generally (Arts. 3m, 3n, 3i, 3j):** A wide range of goods across Annexes XVII–XXIII: cement, ceramics, glass, rubber, paper, road vehicles, machinery, electrical equipment, and others that collectively generate significant Russian state revenue.

Q&A

Q: We import goods that use some Russian-origin materials but are mostly manufactured elsewhere. Are we covered?

It depends on the specific goods category. For most goods, "originating in Russia" follows standard EU customs origin rules — substantial transformation in a third country can give the finished product non-Russian origin, removing it from the import ban scope. But for certain categories — including gold and petroleum products — the EU has explicitly extended the ban to cover Russian-origin inputs even after third-country processing. If your supply chain includes any Russian-origin raw materials, you need to do a category-specific origin analysis, not rely on a general rule.

5.3 Financial Restrictions: When Transactions Are Prohibited Regardless of Lists

Some of the most significant restrictions in Reg 833/2014 apply to financial transactions — not because the counterparty is listed, but because of what the transaction is.

5.3.1 Capital Market Restrictions (Art. 5)

EU persons cannot deal in (buy, sell, provide investment services for) transferable securities or money market instruments issued after specified cut-off dates by:

- Major Russian state-controlled banks listed in Annex III — including Sberbank, VTB, Gazprombank, VEB, and Rosselkhozbank (cut-off: 1 August 2014 for most);
- Major Russian state-owned enterprises listed in Annex VI — including Rosneft, Gazprom Neft, Transneft, and others (cut-off: 12 September 2014 for equity);
- Any person "connected with Russia" (cut-off: 1 March 2022);
- The Russian Government itself (cut-off: 1 March 2022).

These restrictions apply to both primary markets (new issuances) and secondary markets (buying and selling existing bonds or shares). They also apply to depositary receipts representing shares in listed entities.

KEY LIMIT: ANNEX III ENTITIES ARE RESTRICTED BUT NOT FROZEN

An entity in Annex III of Reg 833/2014 (like Sberbank) is subject to capital market restrictions under Art. 5 but is NOT necessarily subject to an asset freeze under Reg 269/2014. Paying a Sberbank invoice for pre-existing services is generally not prohibited (no asset freeze). Buying a Sberbank bond issued after August 2014 is prohibited (capital market restriction). These require separate analyses.

5.3.2 Payment Services (Art. 5b)

EU payment service providers cannot provide payment services to Russian nationals, persons residing in Russia, or entities incorporated in Russia — regardless of whether they are listed. There is no monetary threshold: a single payment service to a Russian national residing in Russia triggers the prohibition.

WARNING: NO DE MINIMIS THRESHOLD FOR PAYMENT SERVICES

Unlike the €100,000 deposit ceiling in Art. 5b(1) — which does have a threshold — the payment services prohibition in Art. 5b(2) applies to any payment service provided to Russian nationals or residents. Payment service providers cannot set a minimum transaction value below which they will ignore this restriction. Every payment to a Russian national residing in Russia needs to be assessed.

5.3.3 Lending (Art. 5)

New loans or credit with a maturity exceeding 30 days are prohibited to Annex III entities, Annex VI entities, persons connected with Russia, and the Russian Government. Pre-existing credit facilities can generally be drawn on, but material amendments — extending maturity, increasing the amount — may constitute a new loan.

5.4 Professional Services: When What You Do Is Prohibited

Regulation 833/2014 prohibits a range of professional services provided to Russia. These are categorical prohibitions — they apply to entire service types, not just to services provided to listed persons.

- **Accounting, auditing, bookkeeping, and tax advisory services (Art. 5aa):** Prohibited when provided in connection with Russia. Affects accounting firms, auditors, and tax advisers.
- **Management consulting, business consulting, and public relations (Art. 5aa):** Prohibited. Affects strategy consultants, restructuring advisers, and PR firms.
- **IT consultancy and IT support (Art. 5aa):** Prohibited for Russian government entities and state-owned companies. Technology and software firms should review Russia-connected client relationships.
- **Legal advisory services (Art. 7):** Prohibited. Narrow exception for legal representation in litigation and arbitration (active proceedings) — but transactional advice is prohibited. Law firms providing Russia-connected deal advice need to assess whether a trade licence (from the relevant NCA under trade sanctions mechanisms) is available.
- **Engineering, architecture, and technical testing (Art. 7):** Prohibited for Russian government and state-owned entities.

NOTE: THE LEGAL SERVICES PROHIBITION IS CATEGORICAL

Legal advisory services are prohibited under Art. 7 for Russia-connected transactional work. The exception covers legal representation — appearing in, or giving advice directly connected to, court or arbitral proceedings. Pure advisory work for Russian parties on transactions, contracts, or structuring remains prohibited regardless of the subject matter of the advice. The line between "representation" and "advice" is operationally significant.

5.5 The Oil Price Cap: How EU Operators Are Affected

The EU participates in the G7+ Oil Price Cap mechanism. EU shipping companies, insurers, brokers, and banks may continue to provide maritime services for Russian oil shipments — but only if the oil is sold at or below the price cap.

- **Russian crude oil:** USD 60 per barrel. (Note: this is the EU/G7 cap at time of writing, April 2026. Confirm current cap level before relying on it, as G7 partners review it periodically.)
- **Premium petroleum products (diesel, jet fuel):** USD 100 per barrel.
- **Discount petroleum products (fuel oil, naphtha):** USD 45 per barrel.

EU operators in the shipping chain use an attestation process: whoever in the chain knows the actual price paid provides a certificate to their counterparties confirming it does not exceed the cap. EU insurers and P&I clubs can rely on these attestations — but must be alert to red flags suggesting the price exceeds the cap.

SAFE HARBOUR: PRICE ATTESTATION

An EU operator who receives a credible price attestation from their counterparty confirming the price is at or below the cap, and who has no reasonable cause to believe the attestation is false, is protected. But if red flags are apparent — unusually high proceeds, indirect routing, opaque counterparties, vessels with obscured ownership — reliance on attestation alone may not be sufficient.

5.6 Anti-Circumvention: Obligations That Extend Beyond the EU

Regulation 833/2014 contains several provisions that extend EU sanctions obligations beyond the EU's borders:

- **Art. 12 (Circumvention prohibition):** Participating, knowingly and intentionally, in any activity whose object or effect is to circumvent the regulation is prohibited. This catches transactions routed through third-country intermediaries in the UAE, Türkiye, Kazakhstan, or elsewhere to supply Russia with prohibited goods or services.

- **Art. 12g ("No re-export" clause):** EU exporters of specific goods to buyers in listed third countries must include a contractual clause prohibiting re-export to Russia. The obligation falls on the EU exporter — failure to include the clause is a breach regardless of whether re-export actually occurs.
- **Art. 8a ("Best efforts" obligation):** EU companies that own or control non-EU entities must use best efforts to ensure those entities do not engage in conduct that would be prohibited by Reg 833/2014 if carried out by an EU person.

Q&A

Q: We are an EU company and one of our non-EU subsidiaries does business with Russian customers. Is that our problem?

Yes. Art. 8a requires you to use best efforts to prevent your non-EU subsidiary from engaging in conduct that would violate Reg 833/2014 if done by an EU person — even if that conduct happens outside the EU. "Best efforts" means implementing policies, contractual restrictions, and monitoring mechanisms in the non-EU entity. It is a conduct standard: you are not automatically liable for what your subsidiary does, but you can be liable for failing to take reasonable steps to prevent prohibited conduct.

KEY TAKEAWAY

The sectoral sanctions in Reg 833/2014 are not targeted — they apply to entire categories of goods, transactions, and services connected to Russia. The question is never just "is my counterparty listed?" It is "does this transaction, service, or shipment fall within a prohibited category?"

6. The Lists: What to Screen and Why One Check Is Never Enough

EU Russia sanctions involve multiple distinct lists with different legal effects. A compliance programme that checks only the EU Consolidated Financial Sanctions List will miss important restrictions.

List	What it is	In Consolidated Financial Sanctions List?	Effect
Annex I (Reg 269/2014)	Named listed persons — the asset freeze list. Over 1,200 individuals and 108+ entities.	YES	Full asset freeze; prohibition on making funds/resources available; travel ban via parallel CFSP Decision.
Annex III (Reg 833/2014)	Russian banks and financial institutions subject to capital market and lending restrictions under Art. 5.	NO	Cannot deal in their securities or money market instruments (>30 days maturity). Cannot grant new loans above 30 days.
Annex IV (Reg 833/2014)	Russian military-industrial and defence entities — over 200 entries as of 20th package.	NO	Tighter export controls for Annex VII and Annex X goods. No asset freeze.
Annex VI (Reg 833/2014)	Russian state-owned enterprises subject to equity restrictions.	NO	Cannot deal in their equity instruments issued from March 2022.
Annex XLIV (Reg 833/2014)	SPFS (Russian financial messaging system) users — added 14th package.	NO	Prohibition on transactions with listed SPFS users in third countries.
Specified vessels (Reg 833/2014)	Shadow fleet vessels, added from 15th package onwards.	PARTIAL	EU port access restrictions; prohibition on EU services (insurance, bunkering) to listed vessels.

THE CRITICAL GAP: ANNEX IV ENTITIES ARE INVISIBLE TO FINANCIAL SANCTIONS SCREENING

More than 200 Russian defence, aerospace, and industrial companies appear in Annex IV of Reg 833/2014 as export-restricted entities. None of them appear in the EU Consolidated Financial Sanctions List. A compliance system that only screens against the Consolidated List will not flag any Annex IV entity. If your business involves exporting goods to Russia — or arranging the export of goods by others — you need a separate Annex IV check built into your export compliance workflow, entirely separate from your sanctions name-screening process.

6.1 How to Access the EU Sanctions Lists

- EU Consolidated Financial Sanctions List — managed by DG FISMA. Downloadable as XML and PDF. Covers Reg 269/2014 Annex I listings only.
- EU Sanctions Map — broader view of all EU sanctions regimes including travel bans, asset freezes, and sectoral restrictions. Useful for counterparty checks across multiple EU regimes.
- EUR-Lex — for the current consolidated text of Reg 833/2014 and Reg 269/2014 including all annexes. The annexes are part of the legal text and must be checked in their current form.

For Annex IV entities specifically: the list is in Annex IV to the current consolidated version of Reg 833/2014 on EUR-Lex. There is no standalone searchable tool for Annex IV. Export compliance teams need to check the annex directly against the legal text.

Q&A

Q: Our screening vendor says they cover all EU sanctions lists. How do we verify that?

Ask your vendor specifically: (1) Do they include Annex I to Reg 269/2014 (the asset freeze list)? (2) Do they include Annex III and Annex VI to Reg 833/2014 (the financial restrictions lists)? (3) Do they include Annex IV to Reg 833/2014 (the export-restricted entities list)? Many vendors cover (1) and sometimes (2), but not (3). Annex IV is typically an export control compliance tool, not a financial sanctions tool — so financial-sanctions-focused screening vendors often do not include it. If your business involves goods exports, you may need a separate export control compliance system in addition to your financial sanctions screening tool.

KEY TAKEAWAY

A complete EU Russia sanctions screening programme requires checking: (1) the EU Consolidated Financial Sanctions List (Annex I asset freeze); (2) Annex III and VI (financial restrictions); and (3) Annex IV (export restrictions). No single tool automatically does all three.

7. Derogations: Getting Permission for Otherwise-Prohibited Activity

The EU regulations contain derogations — specific exceptions that can permit otherwise-prohibited activity if conditions are met. Unlike OFAC general licences, most EU derogations are not self-executing: you usually need to apply to your National Competent Authority (NCA) and receive written authorisation before proceeding.

7.1 Key Derogations Under Regulation 833/2014

Derogation	Article	What it permits and key conditions
Pre-existing contracts	Art. 2(3), 3(3)	Completing contracts entered into before the prohibition came into force. Prior NCA notification (usually 10 business days). Does not cover new contracts entered after the prohibition.
Food, agricultural and medical goods	Art. 2(3)(c)	Goods clearly intended for food, agricultural, or medical purposes are generally excluded from the export restriction scope. Check whether the specific annex you are working with has its own carve-out.
Humanitarian purposes	Art. 2(3)(a)	Goods for humanitarian, medical, or safety purposes. Self-executing in some member states; NCA notification or authorisation required in others.
Diplomatic/consular missions	Art. 2(3)(b)	Goods for the official use of diplomatic missions of third countries in Russia. Prior NCA authorisation required.
LNG energy security	Art. 3e (14th package)	Temporary derogation for member states that depend on Russian LNG for energy security. NCA authorisation required. Subject to sunset provisions.
Unwinding pre-existing securities positions	Art. 5(3)(a)	Selling securities purchased before the applicable prohibition date is generally permitted. Buying new securities is not.

NO BLANKET HUMANITARIAN DEROGATION EXISTS IN REG 833/2014

There is no catch-all humanitarian exception in Regulation 833/2014. Humanitarian carve-outs exist only for specific goods categories under specific articles. An NGO shipping equipment to Russia cannot assume that a humanitarian purpose provides a general exception — it must identify the specific article under which the goods would otherwise be prohibited, then identify whether that specific article has a humanitarian carve-out, and then apply to the NCA for authorisation if required. Assuming humanitarian purpose provides a general exemption is a compliance failure.

7.2 Key Derogations Under Regulation 269/2014 (Asset Freeze)

For the asset freeze, the main derogations are:

- **Basic needs (Art. 4):** NCA authorisation to release funds for essential living expenses of a listed natural person — food, rent, medicines, utilities.
- **Legal fees (Art. 4(c)):** NCA notification (at minimum) to allow payment of reasonable legal fees for legal representation of the listed person.
- **Pre-existing contracts (Art. 6):** NCA authorisation for payments under contracts made before the listing date. Strictly applied — does not cover post-listing commercial arrangements.
- **Humanitarian/diplomatic (Art. 4(d)/(e)):** NCA authorisation for official or humanitarian-purpose transactions.

7.3 The NCA Authorisation Process

There is no single EU-level licensing body for derogations. Each member state has its own NCA, its own application process, and its own timelines. Common NCAs for financial sector firms:

Member State	NCA (Financial Sanctions)	Notes
France	Direction Générale du Trésor (DGT)	Authorisations for asset freeze derogations submitted to DGT. Export control derogations via Ministère de l'Économie.
Germany	Deutsche Bundesbank	Frozen asset reports and derogation requests. Export control matters via BAFA (Bundesamt für Wirtschaft und Ausfuhrkontrolle).
Netherlands	De Nederlandsche Bank (DNB)	Financial sanctions authority. Export authorisations via Rijksdienst voor Ondernemend Nederland (RVO).
Ireland	Central Bank of Ireland	Financial sanctions. Trade and export matters via Department of Enterprise.
Luxembourg	Ministry of Finance	Coordinates with CSSF for financial sector entities.
Spain	Secretaría de Estado de Comercio / Banco de España	Split between financial and trade sanctions authorities.

AN AUTHORISATION FROM ONE MEMBER STATE'S NCA DOES NOT BIND ANOTHER

If you obtain a derogation authorisation from the Dutch NCA, that does not permit an Irish entity to release frozen assets or engage in the same activity in Ireland. Each jurisdiction that has a role in the transaction may need to authorise it separately. Transactions spanning multiple member states require careful consideration of which NCA has jurisdiction over each element.

KEY TAKEAWAY

The practical rule for EU derogations: identify the specific article and specific derogation that applies, read the conditions carefully, identify which NCA has jurisdiction, and apply before acting. Never assume a derogation is available without completing this analysis.

8. Penalties: What Happens if You Get It Wrong

EU sanctions enforcement is entirely national — the European Commission interprets the regulations and publishes guidance, but it has no power to investigate breaches or impose penalties. Sanctions violations are prosecuted and penalised by the authorities in each member state.

8.1 Criminal and Civil Penalties

Sanctions violations are criminal offences in most EU member states. Penalties vary by country:

- France: up to 5 years' imprisonment and €750,000 in fines for companies (may be multiplied).
- Germany: up to 5 years' imprisonment and significant fines under the Foreign Trade Act (Außenwirtschaftsgesetz).
- Netherlands: up to 6 years' imprisonment under the Sanctions Act 1977, with fines up to 10% of annual turnover for serious breaches.
- Ireland: up to 5 years' imprisonment and unlimited fines.

Some member states also have civil penalty regimes for less serious violations. The variation in enforcement intensity across member states is significant — some jurisdictions are more proactively enforcement-minded than others.

8.2 The European Commission's Role

The Commission cannot investigate or penalise breaches, but it plays a crucial compliance role:

- Publishing interpretive guidance and FAQs that explain how the regulations should be applied.
- Coordinating with NCAs through the Sanctions Coordination Group.
- Proposing new packages of sanctions and amendments to existing packages.
- Maintaining the EU Consolidated Financial Sanctions List and the EU Sanctions Map.

Commission guidance is not legally binding, but it carries significant persuasive authority. When the Commission publishes an FAQ saying a particular activity is or is not prohibited, that is the Commission's authoritative interpretation — and NCAs generally follow it.

8.3 The Circumvention Trap

Art. 12 of Reg 833/2014 prohibits knowingly and intentionally participating in activities whose object or effect is to circumvent the regulation. This has been used to pursue companies in the EU supply chain that knowingly supplied Russian buyers through third-country intermediaries in the UAE, Türkiye, Kazakhstan, and Hong Kong.

Being ignorant of the circumvention is not automatically a defence — if the red flags were present (unusual routing, atypical buyers, goods known to be Russia-bound), companies are expected to have conducted sufficient due diligence to identify them.

> **KEY TAKEAWAY**
>
> Enforcement is national and varies significantly across member states. But the Commission's role in publishing guidance and coordinating NCAs means that interpretive consistency is increasing. The most significant enforcement risk for most businesses is not the dramatic deliberate breach — it is the supply chain circumvention case where due diligence was inadequate.

9. What This Means for Your Organisation

Different parts of an organisation encounter different EU Russia sanctions obligations. This section maps the main restrictions to the teams most affected.

9.1 For Finance, Banking, and Payment Teams

- Screen all counterparties, beneficial owners, and payment chain participants against the EU Consolidated Financial Sanctions List before processing any transaction.
- The Consolidated List covers only Annex I (asset freeze). For Annex III and Annex VI entities (capital market restrictions), check a separate list derived from the Reg 833/2014 schedules.
- For correspondent banking: the asset freeze and making-available prohibition extend to EU banks processing payments that flow through to listed persons, even via intermediaries.
- For payment services (Art. 5b): there is no de minimis threshold. Any payment service provided to a Russian national residing in Russia requires assessment under Art. 5b(2), regardless of transaction size.
- For capital markets: do not deal in securities or money market instruments (>30 days maturity) issued after the relevant cut-off dates by Annex III or Annex VI entities.
- For oil and petroleum shipments: confirm price cap compliance and obtain voyage-level price attestation before providing maritime services.

9.2 For Legal and Compliance Teams

- The legal advisory services prohibition (Art. 7) is categorical. Transactional advice for Russia-connected deals is prohibited. Representation in litigation or arbitration is permitted. Map your existing Russia-connected mandates to this distinction.
- The "owned or controlled" assessment has no fixed percentage threshold in EU law. Fact-based assessment of ownership AND control is required for any entity with Russian beneficial ownership.
- Derogations require NCA authorisation — identify the correct NCA for each member state where your firm operates and understand each NCA's application process before you need it in an emergency.
- For multi-jurisdictional matters: an authorisation from one NCA does not automatically cover another. Map the jurisdictional reach of each transaction and engage all relevant NCAs.

9.3 For Export, Import, and Trade Teams

- Every export to Russia needs an analysis against all applicable Reg 833/2014 annexes: Annex I (dual-use), Annex VII (advanced technology), Annex X (military-industrial), and any other sector-specific annex. Check the current consolidated text — not a version from a previous package.
- For imports: check whether goods are Russian-origin and whether the specific import ban extends to third-country-processed goods in your category (it explicitly does for gold and petroleum products; it does not for all categories).
- For exports to third countries: assess Art. 12g. If the goods fall within scope and the buyer is in a listed third country, include the no re-export clause in your contract. Failure to include it is a breach regardless of what the buyer actually does.
- For non-EU subsidiaries: assess Art. 8a. If you own or control a non-EU entity, implement policies preventing it from engaging in conduct that EU-person conduct would prohibit.

9.4 For Shipping, Insurance, and Trade Finance Teams

- Screen all vessels against the Annex XLIV SPFS list and any specified vessel lists in Reg 833/2014. The EU Sanctions Map covers these restrictions.
- For Russian oil shipments: confirm price cap compliance. The G7 crude oil cap under EU sanctions is USD 60/bbl (check for any recent G7 Coalition updates at the time of your transaction).
- LNG trans-shipment through EU ports (Art. 3e) is prohibited — this includes re-loading Russian LNG onto a different vessel in an EU port for onward delivery to a non-EU buyer.

9.5 For Everyone

- Ensure your sanctions screening covers all relevant EU Russia sanctions lists — not only the EU Consolidated Financial Sanctions List.
- Subscribe to the European Commission's EU sanctions notifications and check the EU Sanctions Map regularly for updates.
- Any time a major new package is announced, review the new measures against your existing Russia-connected operations and client book.
- When in doubt about whether a specific transaction is prohibited, consult your NCA or seek independent legal advice — the Commission's published FAQ guidance is a useful starting point, but it does not replace specific legal advice for complex fact patterns.

KEY TAKEAWAY

EU Russia sanctions have been amended 20 times since 2022. A compliance programme built to the 1st or 5th package is now substantially inadequate. The LNG trans-shipment ban, the "no re-export" clause obligation, the best-efforts requirement for non-EU subsidiaries, and the SPFS restrictions are all measures that did not exist in early packages.

10. Official Answers to Common Questions

The European Commission publishes topic-specific FAQ guidance for Regulation 833/2014. The following summarises the most commonly encountered questions in plain language. Always check the current consolidated FAQ document on the Commission's website for the most recent official position.

Q&A

Q: We are a non-EU company. Do EU Russia sanctions apply to us?

Yes, in part. If your company is incorporated in an EU member state, or if any of your employees who make decisions are EU nationals — those EU persons are bound by the regulations wherever they operate. If your company uses EU banks, EU insurers, or EU persons as intermediaries, those EU actors are bound by the regulations in their role in your transaction. And if you operate within EU territory (using EU ports, transit through EU airspace, using EU financial market infrastructure), that activity is within scope. Non-EU companies cannot ignore EU sanctions simply because they are headquartered outside the EU.

Q&A

Q: How do we tell the difference between a listed person and an Annex IV entity? Can we pay an Annex IV entity?

An Annex I listed person (under Reg 269/2014) is subject to an asset freeze — you cannot pay them, receive funds from them, or deal with them financially without NCA authorisation. An Annex IV entity (under Reg 833/2014) is NOT subject to an asset freeze. Paying an Annex IV entity for services already rendered — where no export of listed goods is involved — is generally not prohibited by virtue of the Annex IV listing alone. The Annex IV listing means you cannot sell them Annex VII or Annex X goods. To tell them apart: check the EU Consolidated Financial Sanctions List for Annex I. Check Annex IV of the current consolidated Reg 833/2014 text on EUR-Lex for export-restricted entities.

Q&A

Q: A supplier in our chain tells us their goods contain no Russian components. Is that assurance sufficient?

No — a self-certification is not sufficient due diligence in a high-risk supply chain. Regulators in multiple member states have made clear that companies must exercise proportionate due diligence to verify the origin claims they rely on. For goods where Russia is a known source of inputs (steel, aluminium, certain chemicals, electronics components), you should seek documentary evidence of non-Russian origin — supplier declarations backed by customs documentation, bills of lading, and manufacturing records. A bare assurance without documentary backup will not satisfy a regulator conducting a post-breach review.

Q&A

Q: Can we continue an existing contract with a Russian company if that company gets listed?

No — not without NCA authorisation. The moment a company is listed under Reg 269/2014, all ongoing payments, deliveries, and commercial dealings are frozen. There is a pre-existing contracts derogation in Art. 6, but it requires NCA authorisation before you proceed, not after. Contact your NCA immediately, explain the situation, and apply for authorisation to complete specified elements of the pre-existing contract. Until you have that authorisation, the contract is frozen.

Q&A

Q: What is the "no re-export clause" and do we actually have to put it in our contracts?

Yes — it is a mandatory contractual requirement, not optional guidance. Article 12g of Reg 833/2014 requires EU exporters of goods within scope to include, in their contracts with buyers in specified third countries, a clause prohibiting the buyer from re-exporting those goods to Russia or for use in Russia. The clause must also contain effective remedies (for example, a right to terminate the contract or impose penalties if the clause is

> breached). Failure to include the clause is a breach of Art. 12g by the EU exporter — even if the goods are never actually re-exported to Russia. Check the Commission's dedicated FAQ on Art. 12g for the current model clause language and scope.

11. Where to Find Official Information

All official EU Russia sanctions information is published through official EU channels. Here is a reference table of the key resources.

Resource	What It Contains	Where to Find It
Reg 833/2014 — current consolidated text	The sectoral sanctions regulation with all 20 package amendments incorporated. The operative legal text for all trade, financial, energy, and services restrictions. Always use the consolidated version — never the original 2014 text.	EUR-Lex consolidated Reg 833/2014
Reg 269/2014 — current consolidated text	The individual listings regulation with all amendments incorporated.	EUR-Lex consolidated Reg 269/2014
EU Consolidated Financial Sanctions List	All Annex I listed persons subject to the asset freeze. Downloadable as XML and PDF. Does NOT include Annex III, IV, or VI entities.	DG FISMA Sanctions Overview
EU Sanctions Map	Broader interactive view of all EU sanctions regimes. Useful for counterparty checks and identifying which EU programs apply to a given entity.	sanctionsmap.eu
DG FISMA Russia Sanctions Page	Central hub for all Commission information on EU Russia sanctions: guidance, news, FAQ documents, and links to legislation.	finance.ec.europa.eu — Russia sanctions
Commission FAQ (all topics consolidated)	The Commission's authoritative non-binding guidance across all FAQ topics. A single PDF consolidating all topic-specific FAQs. Updated periodically — always check the date.	Consolidated FAQ version
FAQ: No Re-Export Clause (Art. 12g)	Specific guidance on the contractual no re-export obligation — which contracts require it, model clause language, which goods are in scope, timing.	No Re-Export Clause FAQ
FAQ: Payment Services (Art. 5b)	Guidance on the payment services prohibition — who is a "Russian national" for this purpose, allocation of responsibility across payment service provider chains, Type D visa holders.	Payment Services FAQ
FAQ index (all Russia topics)	All Commission topic-specific FAQ documents listed in one	Commission Russia FAQ index

Resource	What It Contains	Where to Find It
	place. Filter by Finance, Trade, or Energy topic.	
EUR-Lex	Official gateway to EU law. Use for consolidated texts, Official Journal publications of new packages, and amendment history for all EU Russia sanctions regulations.	eur-lex.europa.eu

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