

Sanctions in the context of Russia's invasion of Ukraine

This briefing provides summarised and simplified information regarding the sanctions the EU is imposing following the Russian invasion of Ukraine. It covers the EU framework for adopting and imposing sanctions; the sanctions EU is imposing following Russia's attack on Ukraine; how these are being implemented and enforced and how the EU sanctions can be rendered more effective.



1. Object and scope

This paper addresses the so-called “sanctions”, in legal language terms referred to as “restrictive measures” (sanctions will be used hereafter for brevity), which the European Union (EU) is imposing on Russia (and Belarus) following the invasion of Ukraine. The paper does not directly address issues relating to the protection of the EU against sanctions imposed by third countries (usually referred to as the “extraterritorial effects” of sanctions), notably the EU [blocking statute](#). The EU anti-money laundering framework, which includes specific sanctions for non-compliant firms and individuals, is also covered in a different EGOV paper (see [here](#)). The paper is organised as follows: [Section 2](#) briefly explains the EU framework for sanctions (notably as regards the governance framework). [Section 3](#) details the EU sanctions against Russia (and Belarus) following the invasion of Ukraine and [section 4](#) discusses implementation and enforcement of such sanctions. [Section 5](#) reflects on how enforcement of sanctions can be reinforced. Specific EGOV papers address the economic repercussions of Russia's war on Ukraine. The latest update was published on [8 April](#).

2. Setting the scene: how EU sanctions are adopted and implemented

One of the instruments the EU can (and is using) to bring about changes and exert pressure on Russia to stop its military attack on Ukraine are the so-called “sanctions”. EU sanctions can either replicate those imposed by international organisations (such as the [Security Council of the United Nations' sanctions](#)) or be EU-specific (or a combination of both). Sanctions are instruments of foreign policy and are based on [article 29](#) of the Treaty of the European Union. They target non-EU individuals and firms but are binding on authorities in the EU, firms or persons located in the EU or doing business here (territorial effect of sanctions). *Per se*, sanctions do not primarily aim to punish, but to deter actions or change behaviours by imposing economic costs on those covered by the sanctions (for an overview of what sanctions aim to achieve see [here](#)). The EU has been using sanctions for a variety of causes, notably to defend human rights and international law or to prevent conflicts.

Sanctions can take a variety of forms, notably restrictions on admission (travel bans), asset freezes and economic measures such as restrictions on imports and exports. Sanctions allow targeting a broad range of economic activities and may have different effects, depending on their design and scope (more targeted or broader).

Decisions on the **adoption, renewal, or lifting of sanctions regimes are taken by the Council**, on the basis of proposals from the [High Representative of the Union for Foreign Affairs and Security Policy \(CFSP\)](#).



In this context, the European Commission and the European External Action Service (EEAS) have a particular role to play, as they jointly prepare, on behalf of the High Representative, the proposals for a decision, which are subsequently reviewed in the relevant Council working groups and finally adopted by the Council (Foreign Affairs formation).

The first sanctions regarding Ukraine were taken in 2014 and have been amended and reinforced since Russia stepped up its offensive on Ukraine, with a first package of CFSP decisions from [23 February](#) (see [here](#) for an overview of sanctions under CFSP and its developments over time). If the CFSP sanctions includes measures with economic and/or financial implications, those measures need to be implemented through a Council implementing regulation (see [here](#)) based on [article 215](#) of the Treaty on the Functioning of the European Union. Based on the CFSP decision, the High Representative and the European Commission (led by [DG FISMA](#)) present a joint proposal for a Council implementing regulation. The CFSP Council decision and the Council implementing regulation are adopted together to allow for both legal acts to produce their effects at the same time.

Member States are the addressees of such decisions and are due to implement and enforce the sanctions (a list of the national competent authorities can be found [here](#)). DG FISMA monitors the implementation and enforcement. The EU sanctions governance framework is centralised as regards the setup of sanctions but rather decentralised as regards implementation and enforcement.

The [Europol](#) and the [European Public Prosecutor's Office](#) may also be involved in ensuring enforcement of EU sanctions: upon request of Member States' authorities, Eurojust can coordinate the freezing of assets in an ongoing cross-border case. If assets affect the EU's financial interests, the European Public Prosecutor's Office would be competent to investigate and order the freezing of assets. Both institutions are part of the Commission "Freeze and Seize" Task Force (see below [section 4](#)). Europol is also active in a "human trafficking task force", which seeks to protect vulnerable Ukrainian refugees from human trafficking networks which are taking advantage of the mass exodus of citizens from Ukraine (see [here](#)).

Box 1: Freezing and seizing assets

Freezing and seizing assets are often referred in conjunction but these are two different concepts.

[Council Regulation \(EU\) No 269/2014](#) (setting out restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine) defines freezing (of economic resources or funds) as "*preventing the use of economic resources to obtain funds, goods or services in any way, including, but not limited to, by selling, hiring or mortgaging them*" and "*preventing any move, transfer, alteration, use of, access to, or dealing with funds in any way that would result in any change in their volume, amount, location, ownership, possession, character, destination or any other change that would enable the funds to be used, including portfolio management*". So, freezing allows preventing the owners' disposition over funds and is temporary.

Seizing or confiscation, on the other hand, imply dispossession - the original owner no longer would be able to use (and dispose of) the seized asset. The asset would be taken over by a different entity. This dispossession may require a court decision, which limits its immediate effectiveness.

Freezing and confiscating are widely used instruments to prevent ill-gotten resources to continue being used by criminals. The EU has established mechanism to ensure mutual recognition of freezing and confiscation orders (see [here](#) for more details).

As part of its guidance on sanctions' implementation, the Commission is making publicly available [Q&A](#) in its website (see further [section 4](#)). Some of these Q&A target asset freeze and confiscation (see [here](#)). The Commission also issued guidance in the past that remains applicable (see [here](#) and [here](#), in particular, as regards the scope of asset freezes).

Amid [calls](#) for more effective confiscation of assets, the media has been reporting cases of assets seizures and of difficulties in doing so (see [here](#), [here](#), [here](#), or [here](#), just to mention a few; see as well [section 4](#) as regards Transparency International recommendations).

3. EU Sanctions

3.1. EU sanctions imposed

According to the Council, the EU has **progressively imposed sanctions** since March 2014 in response to the:

- illegal annexation of Crimea in 2014;
- decision to recognise the non-government controlled areas of Donetsk and Luhansk oblasts as independent entities in 2022; and the
- unprovoked and unjustified military aggression against Ukraine in 2022.

Overtime, the EU has imposed **different types of sanctions**:

- diplomatic measures
- individual restrictive measures (asset freezes and travel restrictions)
- restrictions on economic relations with Crimea and Sevastopol, and with the non-government controlled areas of Donetsk and Luhansk
- economic sanctions
- restrictions on media
- restrictions on economic cooperation.

Since the outbreak of the Russia-Ukraine war, and up to 11 April, there have been **five sanction packages** adopted by the Council¹.

The first package of sanctions were adopted on 23 February aiming at restraining *“the ability of Russian state and government to access the EU’s capital and financial markets and services ... to limit the financing of escalatory and aggressive policies”*. It also adopted asset freezes and travel bans to 351 members of the Russian State Duma² and 27 high individuals and entities. Also, restrictive measures were introduced on import of goods *“from the non-government controlled areas of the Donetsk and Luhansk oblasts, restrictions on trade and investments related to certain economic sectors, a prohibition to supply tourism services, and an export ban for certain goods and technologies”*.

The second package of sanctions was adopted just two days later on 25 February, which even further cut off Russian access to the most important capital markets, including prohibition of *“the listing and provision of services in relation to shares of Russian state-owned entities”* and limiting financial inflows from Russia to the EU. According to the initial assessment, *“these sanctions will target 70% of the Russian banking market, and key state-owned companies ... They will increase Russia’s borrowing costs, raise inflation and gradually erode Russia’s industrial base”*. This sanction package also comprised of individual sanctions, among them freezing the assets of the Russian President and Minister of Foreign Affairs. It was also prohibited to sell, supply, transfer or export to Russia specific goods and technologies in oil refining, aviation and space industry³, as well as further restriction on exports of dual-use goods and technology⁴.

The third package of sanctions followed on 28 February and *“deny permission to land in, take off from or overfly [EU Member States’] territories to any aircraft operated by Russian air carriers ... prohibited to make transactions with the Russian Central Bank or any legal person, entity or body acting on behalf or at the direction*

¹ See [here](#) for a summary description of the legal acts underpinning the sanctions’ packages (the 5th package is still missing). See also these two EPFR documents ([here](#) and [here](#)) with additional background information on sanctions relating to the situation of Ukraine. Further documents can be found [here](#).

² *“Who voted on 15 February in favour of the appeal to President Putin to recognise the independence of the self-proclaimed Donetsk and Luhansk ‘republics’ ”.*

³ *“Including a prohibition on the provision of insurance and reinsurance and maintenance services related to those goods and technology”.*

⁴ It includes products such as semiconductors or cutting-edge technologies.

of the Russian Central Bank". As part of the third sanctions' package, on 2 March [the Council](#) has introduced further restrictions. Seven banks have been prohibited from the specialised financial messaging services, which is used to exchange financial data (SWIFT). Also, the EU has prohibited investing in projects co-financed by the Russian Direct Investment Fund and provision of euro-denominated banknotes to Russia. As Belarus got also involved in the conflict, on [9 March](#) sanctions were extended to Belarus as well. As part of the same package, [the Council](#) also adopted a Regulation and a Decision suspending the broadcasting activities of two state-owned media outlets, Sputnik' and RT/Russia Today, which engaged in a systematic campaign of disinformation, information manipulation and distortion of facts.

The [fourth sanction](#) package (also [here](#)) adopted on 15 March further extended the list of sanctioned individuals and entities and adopted a full prohibition of any transactions with certain Russian state-owned enterprises across different sectors, as well as a ban for EU credit rating agencies to provide rating services to Russia and Russian companies (it should result in further loss of access to the EU's financial markets). This sanction package also comprised an import ban on steel products that were at the time under EU safeguard measures and luxury goods, as well as banned EU investments in Russian energy sector. Simultaneously, the Council gave green light to the Commission to join, on behalf of the EU, a plurilateral statement on aggression by Russia against Ukraine with the support of Belarus. The EU thereby confirmed its readiness to suspend concessions or other obligations with respect to the Russian Federation, such as the suspension of the most-favoured-nation (MFN) treatment to products and services of Russia, and to suspending the World Trade Organisation (WTO) accession of Belarus.

The [fifth sanction package](#) adopted on 8 April, following the atrocities committed by Russian armed forces in Bucha and other places in Ukraine, further expanded the list of sanctioned companies and persons (currently, EU restrictive measures apply to 1091 individuals and 80 entities). This sanction package also prohibited *"purchase, import or transfer coal and other solid fossil fuels into the EU if they originate in Russia or are exported from Russia, as from August 2022 ... to provide access to EU ports to vessels registered under the flag of Russia ... [ban] any Russian and Belarusian road transport undertaking preventing them from transporting goods by road within the EU, including in transit ... export bans, targeting jet fuel and other goods such as quantum computers and advanced semiconductors, high-end electronics, software, sensitive machinery and transportation equipment, and new import bans on products such as: wood, cement, fertilisers, seafood and liquor ... series of targeted economic measures intended to strengthen existing measures and close loopholes"*⁵ (also see EGOV [briefing](#) for more information on EU dependency on coal).

On [7 April](#), the **European Parliament adopted a [resolution](#) calling for a step up of sanctions on Russia** (including a full embargo on oil, coal, nuclear fuel and gas and further addressing the links between Russia and Belarus), calling for a special United Nations tribunal for war crimes⁶ and fostering delivery of weapons to Ukraine. The resolution also calls to expel Russia from international organisations and for increasing the effectiveness of sanctions, notably by fostering international cooperation (see further on [section 5](#) on international cooperation). This follows earlier appeals by Parliament (notably through a resolution adopted on [9 March](#))⁷.

See the [Annex](#) for more elaborate list of Economic Sanctions.

⁵ Derogations for sanction related to accessing EU ports are granted for *"agricultural and food products, humanitarian aid, and energy"*, as well as *"pharmaceutical, medical, agricultural and food products, including wheat, and ... [products] for humanitarian purposes"* are also exempt from the road transport ban.

⁶ On 16 March, the International Court of Justice ordered provisional measures in the Ukraine v Russia case. See [here](#), [here](#) and [here](#) for additional information. At least two more cases are pending involving Russia and Ukraine (see [here](#)).

⁷ A specific webpage sets out the relevant information on Parliaments' side ([here](#)).

3.2. EU sanctions: A comparison with Transparency International's proposals

[Transparency International](#) (TI) recently issued a number of [recommendations](#) to foster EU sanctions and ensure these are not circumvented. A possible matching of those recommendations to EU actions to date is outlined below. Please note that the table is based on EGOV's subjective assessment of information publicly available on how the EU acted or is acting as regards the attacks on Ukraine.

Table 1: Comparison how well EU sanctions address Transparency International issued recommendations

TI recommendations	EU sanctions and related actions until 11 April 2022
Target the sale of luxury goods and diamonds	It is prohibited to sell, supply, transfer or export luxury goods (e.g. luxury cars, jewellery, diamonds, etc.), as listed in Annex XVIII of Regulation (EU) 833/2014 , to any person or entity in Russia or for use in Russia.
Seize Russian yachts in EU ports and extend the EU flight ban to Russian jets owned through tax havens	The sanctions cover freezing and seizing of assets of a number of people related to President Putin (see here the various updates to the list of covered individuals). Some examples of seized yachts could be found here , here and here). EU airspace is closed to all Russian-owned, registered or controlled aircraft, including private jets of oligarchs (see here). Keeping the spirit of the recommendation, the EU adopted sanctions banning Russian ships from accessing EU ports and ground freight transportation. Nevertheless it might be difficult to control if the end-ownership as some of the yachts are registered through non-Russian companies (see here).
Expand the EU Magnitsky Sanctions Regime to include corruption	Currently the Regulation and the Council adopted decision concerning restrictive measures against serious human rights violations and abuses does not include corruption as serious human rights violation and/or abuse.
Make ownership information public and free to track down dirty money	No public sources found available. Some private information here . The EU AML legislation requires Member States to establish and maintain publicly available registers for companies, trusts and other legal arrangements that include information on beneficial ownership. The 2020 Commission report assessing implementation of AML legislation shows still divergent practices and loopholes on beneficial ownership transparency. The July 2021 Commission AML proposals aim to close some of those loopholes but are still being negotiated.
Stop Russian elite from hiding their money in EU real estate	The sanctions cover freezing and seizing of assets of a number of people related to President Putin (see here the various updates to the list of covered individuals). Due to the fact that there are various schemes for hiding assets, the European Commission has established a "Freeze and Seize Task Force" and is working alongside the REPO Task Force to facilitate implementation of sanctions against Russia and Ukraine (see further section 4).
Introduce common EU rules on seizing oligarchs' ill-gotten assets	(see below and further on section 5)
Freeze wealthy Russians' assets in EU sports clubs, prohibit sponsorship by Russian oligarchs and state-owned companies	The sanctions cover freezing and seizing of assets of a number of people related to President Putin (see here the various updates to the list of covered individuals). The Commission also committed to foster asset seizing (see here) notably through cooperation with international partners (<i>"we are committed to employing sanctions and other financial and enforcement measures on additional Russian officials and elites close to the Russian government, as well as their families, and their enablers to identify and freeze the assets they hold in our jurisdictions. We will also engage other governments and work to detect and disrupt the movement of ill-gotten gains, and to deny these individuals the ability to hide their assets in jurisdictions across the world"</i>).

	There are no specific mention to sports clubs, however, UEFA implemented a ban on Russian-related sponsoring.
Ban golden passports and regulate the sale of EU residency, rescinding the rights of sanctioned individuals	The EU second package of sanctions (here , 25 February) comprise a visa policy ban. The extent to which this covers all individuals that TI recommendation would address is unclear, as the exact scope of the individuals benefiting from “golden visas and golden passports” is unknown (Malta has recently suspended its visa programme for Russia and Belarus citizens). Golden visas and golden passports regimes are heavily questioned and criticised, notably by the European Parliament (see here). The Commission issued a recommendation to all Member States to act on “golden passports” and “golden residence permits” schemes.
Prohibit the use of the so-called “digital rubble” and other tools designed to circumvent sanctions	Crypto assets are considered securities for the purpose of EU sanctions (see here ; 9 March package of sanctions). Persons and entities subject to restrictions are therefore also prevented from using crypto assets to circumvent sanctions (see Commission Q&A here). On 8 April the EU adopted sanctions prohibiting provision of high-value crypto-asset services to Russia aiming to close potential loopholes of earlier sanction packages. In any case, this may not address fully the concerns highlighted.
Suspend EU member state membership in the Russian-founded International Investment Bank	This is possibly a matter for national decisions by the affected Member States (Bulgaria, Czechia, Romania, Slovakia and Hungary are EU members of the IIB; the first 4 countries have announced their intention to exit the Bank). The EU sanctions cover the Russia Direct Investment Fund (see EU third package, of 2 March here) but apparently not the IIB. Fitch Ratings downgraded IIB on 9 March on account of the Ukraine situation and arguing the decision of EU shareholders to leave the institution would affect its credit standing; Fitch also mentions IIB is excluded from the EU sanctions on account of being an international organisation.
Ban EU lobbying by companies and other actors with links to the Russian and Belarusian states	Not covered by current sanctions. The Commission committed to “step up our coordination against disinformation and other forms of hybrid warfare”. TI proposed a number of practical steps for that effect.
Ban Russian funding of EU political parties	Partly addressed through limitations on Russia and Russian financial flows to the EU and by EU suspension of Russia media (see here , notably the measures adopted on 15 March); through EU actions to address misinformation (see here , in particular the measures adopted on 2 March) and the EU AML framework (see here). Challenges identified might be covered through the European Elections’ Democracy and Integrity Package in particular through the Commission proposals on financing EU political parties; recent Council press release on developments in the legislative front of the package here .

4. EU sanctions implementation and enforcement

The effectiveness of sanctions depends on their **coherent implementation**. Commissioner McGuinness [mission letter](#) mentions “*I want you to ensure that the sanctions imposed by the EU are properly enforced, notably throughout its financial system*”. Enforcement - meaning, being able to effectively carry on orders to apprehend goods and values held by those covered by the sanctions) is also key.

On [5 April](#), the **Ecofin Council adopted [conclusions](#) where it supported** “*on-going work to identify and combat practices that aim to circumvent and undermine EU sanctions, including in some cases the risk of circumvention that could derive from certain transactions in crypto-assets*” and emphasised “*the importance of continued efforts to enforce strictly and uniformly all sanctions adopted*”.

Such EU concerns are echoed at international level. In that context, the leaders of the world's leading industrial nations have signalled openness to apply additional measures, if required, as can be seen in a [G7 statement](#) of 24 of April: *"We underline our resolve to impose severe consequences on Russia, including by fully implementing the economic and financial measures we already imposed. We will continue to cooperate closely, including by engaging other governments on adopting similar restrictive measures to those already imposed by G7 members and on refraining from evasion, circumvention and backfilling that seek to undercut or mitigate the effects of our sanctions. We task the relevant Ministers in a focused initiative to monitor the full implementation of sanctions and to coordinate responses related to evasive measures, including regarding gold transactions by the Central Bank of Russia. We stand ready to apply additional measures as required, continuing to act in unity as we do so. We commend those partners who have aligned with us in these efforts."*

But some still question whether the EU (and overall the largest economies imposing sanctions on Russia) are being effective (a [study for the European Parliament](#), for example, mentions the relatively large number of court cases that overturned sanctions against individuals on grounds of insufficient reasoning and evidence, a practice that has only recently been improved; for other articles also see [here](#) and [here](#)). The current crisis requires to take stock of implementation and enforcement of EU sanctions against Russia⁸.

In that context, a Commission [Communication](#) of January 2021 (*"The European economic and financial system: fostering openness, strength and resilience"*) set out the Commission strategy to a more resilient and open global economy, well-functioning international financial markets and the rules-based multilateral system and to increasing the EU's resilience to the effects of the unlawful extra-territorial application of unilateral sanctions and other measures by third countries. In the Communication, the **Commission committed to a number of actions regarding the sanctions framework**, notably to:

- contribute, from 2021, to the assessment of the effectiveness of EU sanctions, by **examining "the economic impact of sanctions on the entities subject to them, on trade patterns between the EU and the country concerned, on EU businesses and on the provision of humanitarian aid. Based on this assessment, the Commission will coordinate with the High Representative to propose to improve the effectiveness of EU sanctions regulations"**;
- conduct, in 2021, **"a review of practices that circumvent and undermine sanctions, including the use of cryptocurrencies and stablecoins. The results of this will inform possible legislative proposals or implementation guidelines from 2022"**;
- also in 2021, **develop a database to ensure effective reporting** and exchange of information between Member States and the Commission on the implementation and enforcement of sanctions (the so-called Sanctions Information Exchange Repository). A 24 March piece by [Reuters](#) reports the Repository being *"currently in the development phase"*;
- set up a specific group with the Member States to discuss the implementation of EU sanctions, including further work to ensure that national penalties for breaching EU sanctions are effective, proportionate and dissuasive;
- establish, in 2021, a single contact point for enforcement and implementation issues with cross-border dimensions;
- ensure that EU funds provided to third countries and to international organisations are not used in violation of EU sanctions; and to

⁸ For some examples of situations where sanctions had (some) of its intended effects see World Economic Forum *"What do sanctions help achieve? An expert explains"* [here](#).

- set up a dedicated system allowing for the anonymous reporting of sanctions evasion, including whistleblowing (see more below on this tool);
- in the first half of 2022, draw up a roadmap (including criteria and a timetable) for moving from detection of systematic non-compliance with EU sanctions to action before the Court of Justice of the European Union.

There is **limited information available on the status quo** of those initiatives. On 16 March, Commissioner McGuinness [underlined](#) that: *"We need to ensure that those who provide services - financial, legal and others - to oligarchs to facilitate sanctions evasion are fully aware of the risks they run. The focus of our work is to stop money flowing to the Russian war machine. Wealthy oligarchs need to know that they will not find any safe haven in the EU or elsewhere. We will follow any and all efforts to breach our sanctions legislation and there will be consequences."*

A Commission press release of [26 February](#) provides some information as regards implementation and enforcement of the current sanctions against Russia (and Belarus).

First, the Commission is **keeping updated its "sanctions map"** (see [here](#), and [here](#) on Ukraine) and providing additional information on each package of measures (see notably [here](#); a full list of sanctions with financial/economic impact can be found [here](#)). The EU-Lex website also provides a list of all acts published in the EU Official Journal as regards support to Ukraine (see [here](#)). These initiatives contribute to transparency and to facilitate compliance with the sanctions.

Second, the Commission **made available a "sanctions whistleblowing tool"** to facilitate reporting on potential violation of sanctions. On a similar line, the US adopted on [16 March](#), a whistle-blower programme (the [Kleptocracy Asset Recovery Rewards Program](#)) offering rewards of up to \$5 million for information leading to seizure, restraint, or forfeiture of assets linked to foreign corruption, specifically targeting corruption involving Russian government officials and oligarchs.

Third, the Commission is continuously updating and replying to **questions from market participants** as to the scope and interpretation of sanctions (see [here](#)). Questions are also being collected and filtered by the European Supervisory Authorities. These cover, currently, 5 sections - general questions, individual financial measures, finance and banking, trade and customs and other fields. On banking and finance, the Commission notably replied to questions regarding [crypto assets](#), [trading](#) or [euro-denominated banknotes](#). The Commission also issued guidance on the applicable regulations that remains useful to better understand the scope of sanctions (see [here](#)).

Furthermore, the Commission **issued guidance on export-related sanctions** (see notably [here](#) and [here](#)). Such actions are an important contribution to **increasing transparency, raising awareness and facilitating compliance** with the sanctions, thus contributing to **its effectiveness**.

In addition, through its **'Freeze and Seize' Task Force**⁹, the Commission is working alongside the newly established 'Russian Elites, Proxies, and Oligarchs (REPO)' Task Force¹⁰ to ensure international coordination and effectiveness of the sanctions.

Nevertheless, there is limited information available on the proceedings and results of this Task Force discussions. A Commission [press release](#) of 8 April reports that the Task Force *"is meeting on a regular basis"*

⁹ The [Task Force](#) was set up by the Commission to ensure EU-level coordination to implement sanctions against listed Russian and Belarusian oligarchs. It is composed of the Commission, national contact points from each Member State, Eurojust and Europol as well as other EU agencies and bodies as necessary. It will coordinate actions to seize and, when possible, confiscate assets of Russian and Belarusian oligarchs. The Commission provides strategic coordination and Eurojust and Europol ensure operational coordination. The first meeting took place on 11 March and was chaired by Commissioner Reynders. The Task Force is set to meet at least weekly. The US Justice Department announced a task force known as [KleptoCapture](#).

¹⁰ Composed by representatives of the EU and the G7 countries Canada, France, Germany, Italy, Japan, the United Kingdom and the United States, as well as Australia and set up by Ministerial Declaration on [16 March](#). It aims at ensuring the effective implementation of the sanctions, to assist other cooperating nations to locate and freeze assets and to determine the possibility to forfeiture the frozen assets.

and that, following requests from the Commission, “**more than half of the Member States** have reported to the Commission the measures taken to freeze assets. They informed about frozen assets worth **€29.5 billion**, **including** assets such as boats, helicopters, real estate and artwork, worth almost **€6.7 billion**. In addition, about **€196 billion** of transactions have been blocked”. An 8 April [statement](#) by the Commission President mentions that “Member States have already frozen **EUR 225 billion** of private Russian assets in the EU since the beginning of the war”. Media reports misgivings about the effectiveness of freeze and seize measures so far (see above box 1).

At national level, there are a multitude of entities or bodies responsible for implementation and enforcement of sanctions. Their nature is also different, which reflects the differing scope of sanctions. The [list of competent authorities](#) the Commission made available on 7 April shows that all Member States have more than one authority in charge, sometimes with a central coordinating body but, for most, without (apparently) such a centralised coordinating structure. In the US, the enforcement structure is also complex, with a number of federal agencies, with different mandates, involved (see [here](#) for an overview).

Member States are also competent to set and apply penalties in case sanctions are not complied with or circumvented¹¹. There is limited information available on whether penalties were already imposed.

In the context of the implementation of sanctions, the Commission's attention was also once again drawn to an issue that is not a sanction but a very controversial practice that can undermine the effectiveness of some sanctions, namely 'golden passports' and 'golden residence permits' schemes. Under those schemes, some Russian or Belarusian nationals who are subject to sanctions or are significantly supporting the war in Ukraine might have acquired EU citizenship or privileged access to the EU, including to travel freely in the Schengen area. Following up on calls for increased control (or banning) of 'golden passports' and 'golden residence permits' schemes, the Commission issued a recommendation to Member States on [28 March](#). The [recommendation](#) asks Member State still operating investor citizenship schemes to terminate such scheme immediately and to carry out assessments to determine whether citizenship previously granted to Russian or Belarusian nationals subject to sanctions should be withdrawn. As regards Investor Residence Schemes, the Commission is asking Member States to (a) establish and conduct strict checks before issuing any residence permit by investment; (b) immediately withdraw or refuse the renewal of the residence permits granted under an investor residence scheme to Russian or Belarusian nationals who are subject to EU sanctions and (c) suspend the issuance of residence permits under investor residence schemes to all Russian and Belarusian nationals. The recommendation asks Member States holding such regimes to report back to the Commission by end of May; the Commission will keep the Parliament and the Council informed of developments^{12 13}.

¹¹ [Council Regulation 833/2014](#) (which is being amended as part of the sanctions' packages to cater for the current situation in Ukraine) establishes a basis for sharing information between EU Member States and for Member States to introduce rules on penalties for infringing the bans and restrictions.

¹² On a [resolution](#) adopted [9 March](#), the European Parliament requested the Commission to put forward a legislative proposal to “comprehensively regulate various aspects of RBI [Residency by Investments] schemes with the aim of harmonising standards and procedures and strengthening the fight against organised crime, money laundering, corruption and tax evasion” and called on Member States to “stop operating their CBI [Citizenship by Investment] and RBI schemes for all Russian applicants with immediate effect; urges Member States to reassess all approved applications from Russian nationals over the past few years, exploiting all possibilities under national and Union law to ensure that no Russian individual with financial, business or other links to the Putin regime retains his or her citizenship and residency rights or that such individuals are temporarily blocked from exercising those rights”. Parliament further called on the Commission “to verify such reassessments carried out by Member States and to urgently present a legislative proposal to completely ban CBI schemes and to ban RBI schemes for Russian nationals subject to targeted measures”. An earlier resolution, adopted on [1 March](#), expressed similar concerns.

¹³ On [6 April](#) the Commission stepped up its ongoing procedure against the Maltese investor citizenship scheme by sending a “reasoned opinion” to the Maltese authorities. The Commission press release further notes “In [October 2020](#), the Commission had also started an infringement procedure against **Cyprus** for its investor citizenship scheme. Cyprus repealed its scheme and stopped receiving new applications on 1 November 2020. However, it continued to process pending applications. As a result, the Commission decided to send a reasoned opinion to Cyprus on [9 June 2021](#). Since then, Cyprus stopped processing applications and, as of 15 October 2021, revoked the citizenship of 39 investors. (...) The Commission was also in contact with **Bulgaria**, highlighting its concerns regarding an investor citizenship scheme operated by that Member State. On 24 March 2022, the Bulgarian Parliament approved an amendment to the Bulgarian Citizenship Act, which aims to end the investor citizenship scheme”.

5. How to make EU sanctions more effective

Looking at past experiences, a number of authors and institutions are reflecting on ways to further reinforce EU sanctions against Russia. Some of these recommendations are listed below.

A [CEPS paper](#) dated March 2022 (and covering EU sanctions up to the 4th package) suggests (a) excluding more banks from the SWIFT system (some more banks were added on the EU 5th package of sanctions; see above); (b) adding more Russian-held banks to the list of sanctioned entities (though the authors recognise the limited impact that may still have; further banks were covered by the EU 5th sanctions' package); (c) coordinate internationally to exert pressure on China to limit Russia's ability to use its international currency reserves; (d) cooperate with international partners (notably the UK) to ensure effective detection of Russian-related wealth and freeze and seize of such wealth; (e) imposing further sanctions on energy sources.

A paper dated [9 March](#) by the [Atlantic Council](#) looks at options (at the time) available from the US side. The authors recommend further extending the scope of sanctions (companies, persons not yet sanctioned), further restrictions on foreign investment in Russia, further limitations to stock market trading and closing loopholes on sanctions already enacted.

The World Economic Forum recently published an [interview](#) with Jonathan Hackenbroich. After discussing what the current sanctions to Russia imply and bring to the fore on international sanctions' framework and governance, he noted that the EU might be lacking a forum to discuss with companies the possible impacts of sanctions as a way to better target them whilst keeping the impacts on EU economy to the minimum.

Law outlets are also covering how clients' should best prepare for the sanctions, with particularly vehement reports being found on the US side (see [here](#), [here](#) and [here](#), as examples).

Adequate **coordination** at all relevant levels seem to be one of the most important avenues going forward. In fact, most countries are currently imposing sanctions on Russia. Ensuring a consistent scope of such sanctions, that these are applied across the borders and not circumvented, requires strong and effective coordination. On the other hand, the effectiveness of sanctions also rests on its implementation. Soft information available points to (legal and of different nature) difficulties in identifying, freezing and seizing assets belonging to sanctioned individuals. Investigative journalists, notably those linked to the [International Consortium of Investigative Journalists](#) working on the [Pandora Papers Russia](#), are playing a relevant role in bringing information to the fore.

Disclaimer and copyright. The opinions expressed in this document are the sole responsibility of the authors and do not necessarily represent the official position of the European Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2022.

Contact: egov@ep.europa.eu

This document is available on the internet at: www.europarl.europa.eu/supporting-analyses

Annex: Selected economic sanctions against Russia

Who is imposing sanctions		Source	Details
EU	Sanctions	Council	All EU restrictive measures in response to the crisis in Ukraine
EU	Sanctions	Commission	The consolidated list of persons, groups and entities subject to EU financial sanctions
Worldwide	Sanctions	PIIE	Information and timeline of sanctions imposed by the US, the UK, the EU, Japan, China, etc.
Worldwide	Sanctions	Forbes	Sanctions addressed to Russian billionaires
Worldwide	Sanctions	Nowhere to run	List of sanctioned individuals
EU, UK, Japan, Australia	Sanctions	Ashurst	Sanctions imposed by the EU, the UK, Japan and Australia
Worldwide	Sanctions	Clifford Chance	More information about sanctions imposed by the US, the UK, Japan, Singapore, Australia, etc.

Date	Country imposing sanctions	Target	Industry	Details
April 8	EU	Russian energy sector, banks, shipping and transportation	Economy Private wealth Finance Energy Shipping	<p>EU adopts further sanctions based on six pillars:</p> <ul style="list-style-type: none"> • Import ban on coal from Russia; • Full transaction ban on 4 key Russian banks; • Ban of Russian and Russian operated vessels from accessing EU ports; • Targeted export bans (e.g. quantum computers, advanced semiconductors, sensitive machinery and transportation equipment); • Import bans (e.g. various products ranging from wood to cement, as well as from seafood to liquor); <p>Targeted measures, such as ban on participation of Russian companies in public procurement in Member States, or an exclusion of all financial support to Russian public bodies.</p>
April 6	US	Russian banking sector,	Economy Private wealth Finance	US sanctions targeting Russian banking sector and private wealth of people closely linked to the Russian president and foreign minister. Also sanctions banning new investment in Russian Federation, as well as certain services.
March 30	UK	Russian airlines and ships	Shipping Airlines	Prohibition to provide technical assistance (repair, development, production, assembly, testing, use or maintenance of the goods or technology) to aircrafts and ships
March 29	Japan	Russian entities	Economy	Japan prohibits export of luxury goods from Japan to Russia
March 24	UK	Russian banks, strategic industries	Economy Finance Technology	Further sanction targeting Russian railways, defence companies and banks

March 18	Switzerland	Russian government entities, central bank	Economy Private wealth Finance Energy Technology	Switzerland adopts EU sanctions
March 15	EU	Russian entities and energy sector	Economy	EU prohibited all transactions with certain state-owned enterprises, investments in Russian energy sector, providing credit rating services to any Russian person or entity. Also introduced trade restrictions for iron, steel and luxury goods
March 15	UK	Russian entities	Economy	UK imposes new import from Russia tariffs and bans exports of high-end luxury goods
March 12	Bahamas	Russian entities	Economy Private wealth	The Bahamas has ordered its financial institutions to halt all transactions with Russian entities that have been put under sanction by Western nations
March 11	UK	Russian central bank, government	Economy Finance	UK sanctions Russian lawmakers who supported Ukraine breakaway regions
March 11	U.S. Japan UK Germany France Italy Canada	Russian companies, military complex	Economy Finance	U.S., European allies intensify economic pressure on Russia. Agreed measures opens the door to banning or imposing punitive tariffs on Russian goods and putting Russia on a par with North Korea or Iran
March 8	Japan	Russian oligarchs	Economy	Japan bans refinery equipment exports
March 8	UK	Russian oil imports	Energy	Britain will phase out imports of Russian oil and oil products by the end of 2022
March 8	U.S.	Russian oil imports	Energy	U.S. bans Russian oil and other energy imports
March 7	New Zealand	Russian ships	Shipping	New Zealand bans Russian ships from its ports
March 5	Singapore	Russian companies, military complex	Technology	Singapore bars four Russian banks, bans exports of electronics, computers and military items
March 4	Switzerland	Russian banks	Economy Finance	Switzerland adopts EU measures regarding Russian banks' access to SWIFT and assets of prominent Russian wealthy individuals
March 4	Switzerland	Russian companies, military complex	Technology	Switzerland bans exports that "could contribute to Russia's military and technological enhancement".
March 4	Switzerland	Russian central bank	Economy Finance	Switzerland bans transactions with Russian central bank, freezes its assets overseas
March 3	Japan	Russian banks	Economy Finance	Japan to freeze assets of four more Russian banks from April 2

March 2	EU	Russian banks	Finance	EU introduces a SWIFT ban for certain banks
March 2	U.S. EU	Russian ships	Shipping	U.S., EU say they are considering banning Russian ships from their ports
March 2	EU	Russian media	Media	EU suspends distribution of state-owned "disinformation outlets" Russia Today, Sputnik across EU
March 1	UK Canada	Russian ships	Shipping	Russian ships banned from British, Canadian ports
Feb. 28	UK	Russian sovereign wealth fund	Economy Finance	Britain freezes assets in UK of Russian national wealth fund
Feb. 28	U.S. EU UK Japan	Russian central bank	Economy Finance	U.S., EU, Britain, Japan ban transactions with Russian central bank, Ministry of Finance, national wealth fund
Feb. 28	Canada	Russian oil imports	Energy	Canada bans imports of Russian oil
Feb. 28	S. Korea	Russian companies, military complex	Technology	South Korea bans exports of strategic items to Russia, joins SWIFT sanctions
Feb. 27	EU Canada U.S.	Russian airlines	Airlines	Russian aircrafts banned from U.S., EU and Canadian airspace
Feb. 27	EU U.S. UK S. Korea Japan	Russian banks	Economy Finance	Russian banks' access to the SWIFT international payment system blocked
Feb. 25	Japan	Russian companies, military complex	Technology	Japan says energy supply secure as it promises more sanctions against Russia
Feb. 24	U.S. Japan	Russian companies, military complex	Technology	U.S. firms must get license to sell computers, sensors, lasers, navigation tools, and telecommunications, aerospace and marine equipment to Russia. U.S. will deny almost all requests
Feb. 23	Japan	Russian central bank	Economy Finance	Japan imposes sanctions on Russia over actions in Ukraine
Feb. 23	EU	Russian banks, companies	Economy Finance	EU restricted Russia's access to the EU's capital and financial markets

Countries taking sanctions targeted at private wealth (non-exhaustive list):

UK ([04.08](#) - Asset freezes targeted at daughters of Vladimir Putin and Sergey Lavrov);

Australia ([04.07](#) - Asset freeze and travel ban imposed on 67 individuals);

UK ([04.06](#) - Asset freezes imposed on 8 individuals)

EU ([04.05](#) - Further expanded list on sanctioned individuals);

UK (03.31 - Asset freezes imposed on 12 individuals and 6 entities - [here](#) and [here](#));

Australia (03.24 - Asset freeze and travel ban imposed on 45 individuals - [here](#) and [here](#));

UK ([03.24](#) - Further sanctions targeting business elite);

UK ([03.15](#) - UK freezes funds and economic resources of certain persons, entities and bodies);

EU ([03.14](#) - EU agrees to freeze Roman Abramovich's assets);

U.S. ([03.11](#) - U.S. imposes new sanctions on Vekselberg, Putin spokesman's family);

Canada ([03.11](#) - Canada sanctions Russian billionaire Abramovich and others);

UK ([03.10](#) - UK imposes asset freezes on Chelsea owner Abramovich, Rosneft boss Sechin);

EU ([03.09](#) - EU hits Russia, Belarus with more sanctions, set to snub Ukraine on swift membership);

UK ([03.09](#) - Russian-linked private jet impounded as UK deepens aviation sanctions);

Japan ([03.08](#) - Japan unveils new sanctions on Russians);

Canada ([03.07](#) - Canada sanctions 10 individuals close to Putin);

New Zealand ([03.07](#) - New Zealand expands sanctions on Russia over Ukraine invasion);

Italy ([03.05](#) - Italy seizes property, yachts of wealthy Russian individuals);

EU, US, Canada, Japan ([02.28](#) - EU, U.S., Canada, Japan and others announce travel bans, asset freezes on wealthy Russian individuals);

EU ([02.25](#) - EU freezes the assets of Putin and Lavrov);

Australia ([02.25](#) - Australia announces sanctions on wealthy Russian individuals);

Companies withdrawing their activities and cutting other types of economic ties with Russia (and in some instances with Belarus, non-exhaustive list):

Automakers and other manufacturers - [Renault](#), [Volvo Cars](#) (also [here](#)), [AB Volvo](#), [Ferrari](#), [Boeing](#) (also [here](#)), [Volkswagen](#), [Mercedes Benz](#), [Toyota](#), [Airbus](#), [Jaguar Land Rover](#), [Harley-Davidson](#), [Ford](#), [BMW](#), [Daimler Truck](#), [General Motors](#), [AerCap Holdings](#);

Energy - [Equinor](#) (also [here](#)), [BP](#), [RWE](#), [Rio Tinto](#), [Shell](#), [Exxon Mobil](#), [Siemens Energy AG](#), [TotalEnergies](#);

Finance - [UniCredit](#), [Allianz](#), [Swiss Re](#), [Citigroup](#), [MoneyGram](#), [KPMG](#), [American Express](#), [Mashreqbank](#), [ING Groep NV](#), [Visa and MasterCard](#), [Nordea Asset Management](#), [HSBC](#);

Retail - [Nestle](#), [Heineken](#), [Starbucks](#), [Yum Brands](#), [McDonald's](#), [Procter & Gamble](#), [Danone](#), [Inditex](#), [Nike](#), [Ikea](#), [Canada Goose](#);

Technology - [TikTok](#), [Netflix](#), [Microsoft](#), [Alphabet](#), [Spotify](#), [Apple](#);

Logistics - [United Parcel Service](#).

A list of companies that have not yet withdrawn from Russia could be found [here](#).