The EU adopts its 21st package of sanctions against Russia at the third attempt

24 July 2026

The 23 July 2026, the Council of the European Union (the Council) adopted the 21st package, six weeks after the European Commission (the Commission) announced it and after objections from several Member States, reported to number at least six, had twice pushed back its approval. The question for operators that trade with, finance, or carry goods for counterparties connected to Russia is what the adopted package contains and what the negotiation took out of it. The answer is that the financial core has survived, namely asset freezes on 94 banks, the first listings of crypto-asset platforms and of vessels that service the shadow fleet (the ageing tanker network that carries Russian crude outside the Western price cap), and export controls on 51 companies in six third countries, while the concessions that secured unanimity have removed the most contested names from the annexes, dropped the proposed ban on Russian fish imports, and revised the oil price cap mechanism.

Background

The EU's Russia sanctions rest on two instruments adopted in 2014 and amended continuously since. Council Regulation (EU) No 269/2014 (Regulation 269/2014) provides for asset freezes, namely the suspension of all dealings in the funds and economic resources of listed persons, together with a prohibition on handing funds over to them, directly or indirectly. Council Regulation (EU) No 833/2014 (Regulation 833/2014) carries the sectoral measures: the export and import bans, the financing and services prohibitions, and the oil price cap, a mechanism agreed with G7 partners under which Russian crude may be carried to third countries with Western shipping and insurance services only when sold below a fixed price. Each successive package amends one or both instruments and lengthens their annexes.[1]

The 21st package was announced on 9 June 2026, when the president of the Commission, Ursula von der Leyen, identified its targets as energy, financial services including crypto-assets, and trade. The High Representative for Foreign Affairs and Security Policy, Kaja Kallas, described the financial measures in blunter terms: "Brick by brick, we are collapsing the foundations of Russia's war economy."

On 15 June, the Council, without waiting for the package, listed a further 34 individuals and 47 entities, reaching drone manufacturers and their Chinese suppliers; shadow-fleet operators based in Russia, Liberia, Turkey, the United Arab Emirates (UAE), Azerbaijan and Hong Kong; and a group of propagandists and officials connected to the persecution of Alexei Navalny. From that point, the outline of the package was clear; the six weeks that followed were spent on the objections of individual Member States.[2]

Under the EU treaties, sanctions decisions require unanimity among the 27 Member States, and the negotiation tested that requirement more visibly than any earlier package. Bulgaria opposed the proposed listing of Patriarch Kirill, the head of the Russian Orthodox Church, and in early July asked for further names to come off the draft; on 13 July, its foreign minister, Velislava Petrova, confirmed that Patriarch Kirill, Vagit Alekperov – the founder of Lukoil – and the businessman Iskandar Makhmudov had been removed. The *Financial Times* reported that Greece was pressing for an exemption from the proposed ban, to take effect in January 2027, on carrying Russian liquefied natural gas (LNG) to third countries, a trade in which Greek shipowners are heavily engaged, and that Austria was withholding agreement over the treatment of Raiffeisen Bank International, whose Russian assets the bank values at €2.5 billion following their reported expropriation.

1 Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, art 2; Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.

2 European Commission, "Statement by President von der Leyen on the 21st sanctions package against Russia" (9 June 2026); Council of the European Union, "Russia's war of aggression against Ukraine: new EU sanctions target energy revenues, the military-industrial complex, propaganda and human rights violations" (press release, 15 June 2026); "European Commission presents 21st sanctions package against Russia" *EU Neighbours East* (10 June 2026).

The ambassadors of the Member States failed to reach agreement on 12 July and again on 15 July, holding the oil price cap, which press reports put at US$44.10 per barrel, in place for a further week while the talks continued.[3]

The agreement reached yesterday came at the third attempt, at the meeting to which the ambassadors had deferred the decision when talks failed on 15 July. The terms on which Greece and Austria lifted their objections have not been published, and reporting in the days before adoption pointed to further softening: the proposed ban on Russian fish imports was dropped after Germany, Poland and Portugal sought exemptions for their processing industries, and the proposed visa measures were ultimately adopted in a more limited form, establishing the legal basis for a comprehensive visa ban on Russian combatants and former combatants, with the Council to determine the date on which the ban will enter into force.[4]

Analysis

The package significantly expands the financial measures. It imposes asset freezes and a prohibition on making funds or economic resources available to 94 Russian banks and major financial institutions, as well as to a prominent figure in Russia's banking establishment. It also extends the existing transaction ban to 33 additional Russian credit and financial institutions and introduces the same prohibition in respect of a Kyrgyz bank connected with Russia's System for Transfer of Financial Messages (SPFS) and three other non-Russian banks found to have facilitated sanctions circumvention. The practical consequence for operators is that payment routes that survived the first 20 sanctions packages, often through smaller regional or third-country financial institutions, will need to be screened again, taking into account the newly designated financial institutions.

The package imposes transaction bans on 14 crypto-asset platforms accused of helping Russian counterparties move value around the existing prohibitions, and it contemplates a full ban on the provision of crypto-asset services from third countries whose platforms are used to evade EU sanctions. The change of method matters for compliance teams: the EU has begun to list the platforms themselves rather than only the people who use them.[5]

The package adds 41 vessels to the 632 already sanctioned and, for the first time, reaches vessels that support the shadow fleet, including by providing bunkering, namely ship-to-ship refuelling at sea. Transaction bans extend to two Russian ports and four airports; further measures are directed at refineries involved in handling Russian oil; and the sale of LNG tankers to Russia is prohibited. The oil price cap has proved the most contested element of the energy chapter: the package as ultimately adopted suspends the cap's automatic adjustment mechanism until 15 July 2027 and maintains the price cap at US$44.10 per barrel during that period, subject to an interim review to assess whether the suspension remains necessary and proportionate in light of market conditions.

Outwardly, the package adds export restrictions on metals, alloys and nickel powders used in aerospace and defence and on drone-related technologies, including ground support equipment, jamming systems and launch systems, and it places export controls on 51 companies in China, Turkey, Kyrgyzstan, Kazakhstan, the UAE and India said to have supplied Russia's military industry. Inward, it bans imports worth approximately €60 million, covering certain metals, metal ores, automotive parts, and chemicals; the proposed extension to fish products did not survive the negotiation. The restrictions applicable to Belarus are to be aligned more closely with those on Russia, closing a channel that has repeatedly served circumvention, and the individual listings, reported to number 218, of which 48 individuals and 170 entities, including one of the two oil refineries in Belarus – OJSC Mozyr Oil Refinery.

Cross-border implications

The package's most consequential feature for non-EU operators is its third-country reach. The EU does not assert jurisdiction over conduct with no EU connection; what it does instead is list third-country banks, platforms and suppliers, so that persons subject to EU jurisdiction must withdraw from dealings with them, and their access to EU markets, correspondent banks and insurers narrows accordingly. Operators in the six jurisdictions named in the export-control listings, and in the trading hubs that intermediate Russian oil, will want to establish whether any counterparty appears in the new annexes.[6]

The EU measures also sit alongside the parallel US and UK regimes, whose lists do not automatically mirror the EU's. An operator screening against one list alone can be compliant in one jurisdiction and exposed in another, because the three regimes converge in policy but not in detail. The freeze of the price cap sits within the G7 framework; the listing calendars of the three regimes remain independent, and screening programmes must treat them as such.

3 "Bulgaria demands removal of two names from EU sanctions list in exchange for backing 21st package" *Ukrainska Pravda* (3 July 2026); "Adoption of EU's 21st Russia sanctions package could be postponed until autumn – sources" *Ukrainska Pravda* (6 July 2026); "Patriarch Kirill and Lukoil founder excluded from draft 21st EU's Russia sanctions package – sources" *Ukrainska Pravda* (12 July 2026); "Bulgaria Gets Its Way as EU Drops Patriarch Kirill and Lukoil Boss From Russia Sanctions List" *Novinite* (13 July 2026); "EU fails again to sanction Patriarch Kirill as Bulgaria slaps veto" *Euronews* (13 July 2026); "Adoption of EU's 21st Russia sanctions package postponed for a week, sources say" *Ukrainska Pravda* (15 July 2026); "EU's "Swiss Cheese" Russian Sanctions Package Exposes Persistent Divisions" *RFE/RL* (18 July 2026).

4 *RFE/RL*, *supra* No. 3.

5 European Commission, *supra* No. 2.

6 Council of the European Union, 'EU sanctions against Russia explained'.

Outlook

The 21st package illustrates two parallel trends in the evolution of EU sanctions policy. On the one hand, the EU continues to expand the scope of its restrictive measures by targeting the financial, maritime and technological infrastructure that supports Russian trade, as well as facilitators operating in third countries. On the other hand, the negotiations preceding adoption show that successive sanctions packages are becoming more difficult to agree, with political compromises playing an increasingly important role in shaping the final text. As the sanctions framework becomes more comprehensive, future developments are therefore likely to focus less on introducing entirely new restrictions and more on refining existing measures, strengthening enforcement and addressing remaining avenues for circumvention.

How we can help

Our International Trade & Foreign Investment Practice advises operators, financial institutions and their boards on the EU, US and UK sanctions regimes. We provide sanctions screening and counterparty due diligence frameworks; ownership-and-control analyses; exemption applications and notifications to national regulators; asset-freeze handling procedures; sanctions-compliance training; and compliance memoranda and opinions tailored to your exposure. If you would like to discuss the implications of the 21st package for your business, please contact any member of the team listed below or your usual contact at the firm.

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