

On 24 February 2025, the European Council published its 16th package of sanctions against the Russian Federation in response to the latter's full-scale invasion of Ukraine.

The latest package systematically targets important sectors of the Russian economy, such as energy, trade, transport, infrastructure and financial services. Furthermore, to ensure that these sanctions achieve their intended impact, additional measures tackling circumvention have been included and refined.

Anti-circumvention Measures

Growing evidence suggests that sanctioned entities are actively seeking out means to circumvent the restrictive measures, thereby underscoring the effectiveness of the sanctions in pressuring Russia and its affiliates.

This has led to the imposition of further restrictions to obstruct their attempts to maintain normal operations, such as:

- The addition of 74 ships to the "shadow fleet" list – vessels that covertly contribute to the aggressor's energy revenues.
- A new listing criterion, meant to target those entities that utilise unsafe oil tankers.
- Sanctions now extend to 53 more companies involved in Russia's military-industrial sector or deemed complicit in evading sanctions. Among these, 34 are based outside Russia.
- The package includes 83 new listings, comprising 48 individuals and 35 entities, linked to Russia's military industry, sanctions evasion, cryptocurrency exchanges and the maritime sector.
- The scope of sanctions now encompasses individuals and entities associated with Russia's military-industrial complex, those providing support, or those financially benefitting from it.

Trade Measures

In terms of trade, the EU has imposed a direct import ban on Russian primary aluminium, extending previous restrictions on processed aluminium goods. To facilitate a smooth transition for businesses, a temporary quota will be available over a 12-month period.

Additionally, dual-use export restrictions have been expanded to limit Russia's access to critical battlefield technologies; these include chemicals, chrome, precision machine tool components and certain consumer electronics – such as video game consoles, joysticks and flight simulators – that could be repurposed for military applications, including drone operations.

New export bans have also been introduced on industrial goods, targeting minerals, chemicals, steel, glass materials and fireworks, all of which have strategic and tactical significance.

Energy Measures

In the energy sector, the EU has completely prohibited the temporary storage or placement of Russian crude oil and petroleum products in the ports of its member states, closing a loophole that previously allowed such transactions if the oil complied with the price cap and was destined for third-party countries.

Additionally, the existing prohibition on providing goods, technology and services for Russian liquefied natural gas (LNG) projects has been extended to include crude oil projects, such as the Vostok oil project. The package also broadens the ban on software exports related to oil and gas exploration, further restricting Russia's access to critical technological resources.

Notably absent is a comprehensive ban on Russian LNG, despite pressure from several member states citing concerns over rising EU imports.

Transport Measures

Regarding transport, the EU has expanded its flight ban to allow for the listing of third-country airlines that conduct domestic flights within Russia or supply aviation goods to Russian carriers. Once listed, these airlines will be prohibited from operating flights to the EU. Additionally, Russian ownership in EU road transport companies is now capped from exceeding 25% to prevent sanctions circumvention.

Financial Measures

In the financial sector, the EU has strengthened its sanctions in response to Russia's increasing reliance on smaller financial institutions to evade restrictions. Thirteen additional financial institutions have been banned from accessing specialised financial messaging services. Furthermore, three banks have been added to the transaction ban due to their use of the Russian Central Bank's System for Transfer of Financial Messages (SPFS) – Moscow's alternative to the SWIFT payment system – to circumvent existing sanctions.

Moreover, for the first time, the EU has imposed a transaction ban on financial institutions outside Russia that use SPFS.

Infrastructure Measures

The EU has imposed a full transaction ban on major Russian transport hubs, including key airports and ports on the Caspian, Baltic and Black seas. Additionally, EU operators are now prohibited from providing construction services in Russia.

Russian Disinformation Countermeasures

Lastly, the EU has taken additional measures against Russian disinformation by suspending the broadcasting activities of eight more media outlets operating within the territory of its member states or targeting their audiences. These outlets have been identified as playing a role in supporting and justifying Russia's actions against Ukraine.

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