

New EU sanctions listings concerning Russia

Implication for existing transactions

13 October 2026

On 12 October 2026, the Council of the European Union (Council) adopted further restrictive measures against Russia, targeting a large number of companies and executives linked to its defence industries, alongside 77 political figures connected with the September 2026 elections in occupied Ukrainian territory.

The measures add 820 individuals and 826 entities to the existing framework under Council Regulation (EU) No 269/2014. Their reach depends on the identity of the counterparty, who owns or controls it, and who would benefit from the transaction. The consequences can extend to assets already held by a business as well as to contractual obligations that remain outstanding.¹

Background and agreement

The measures follow the European Council's call of 18 and 19 June 2026 to increase pressure on Russia in response to its escalating aggression against Ukraine. In adopting the defence-related listings, the Council points specifically to the campaign against civilian infrastructure and its consequences for Ukraine's population and resilience. The immediate purpose is to constrain the industrial capacity supporting that campaign by extending financial restrictions to businesses within Russia's weapons supply chains.

The Council's account of the new measures places particular emphasis on suppliers of components used in missiles, drones and aircraft. It states that more than half of the military and industrial listings concern the production chain for ballistic missiles. The targets include suppliers of electronics, communications equipment and navigation systems. This focus helps explain why companies trading in components and equipment may encounter restrictions through their counterparties even where their own products have civilian applications.

Council Decision (CFSP) 2026/2279 (Decision 2279) lists 743 individuals and 826 entities. The entities appear on a recently established Russian government list identifying them as part of the military-industrial complex and eligible for subsidies, while the individuals act as their executives. The Council relies on that connection in explaining their inclusion. Eligibility does not establish that every company has received a subsidy or identify the amount of any payment.

Council Decision (CFSP) 2026/2291 (Decision 2291) addresses the separate political purpose of resisting Russia's attempts to legitimise its occupation of Ukrainian territory. It adds the 77 political figures connected with the September elections, which the EU condemns as contrary to Ukrainian and international law. Both decisions amend the annex to Decision 2014/145/CFSP.²

Securing this agreement required both legal scrutiny of the proposed names and attention to European supply dependencies. The foreign policy decisions required unanimity among member states, following preparatory work within the Council. Ambassadors reached agreement on 7 October, ahead of formal adoption by ministers on 12 October. Contemporaneous reporting describes several weeks of deliberation and legal review, made particularly demanding by the number of proposed entries.

A specific compromise concerned Estonia's request to remove a Russian supplier and an associated individual from the proposed list. Estonia's representation in Brussels confirmed that the supplier provided strategically important materials to an Estonian rare-earth processor serving European industries, including vehicle, wind turbine, electronics and aviation manufacturers.

¹ Council decisions (CFSP) 2026/2279, Recital (4) and annex, and 2026/2291, Recital (5) and annex, both of 12 October 2026, amending Decision 2014/145/CFSP; Council implementing regulations (EU) 2026/2281 and 2026/2292, both of 12 October 2026, arts 1–2 and annexes, implementing Council Regulation (EU) No 269/2014, as amended, arts 2 and 17 and Annex I.

² Decision 2279, supra N 1, recitals (2)–(5) and annex; Decision 2291, supra N 1, recitals (3)–(5) and annex; Council of the European Union, "EU agrees largest-ever package of listings targeting almost 1600 individuals and entities in Russia's military-industrial complex" (12 October 2026).

The processor was seeking alternative sources, and Estonia said it would reconsider the two proposed listings in 2027. The disagreement therefore concerned the disruption that a particular listing could cause to European supplies. The reported outcome was the omission of those two proposed entries, rather than a general exemption for trade in rare earths.³

Financial restrictions and existing contracts

Council Implementing Regulation (EU) 2026/2281 (Regulation 2281) and Council Implementing Regulation (EU) 2026/2292 (Regulation 2292) give effect to those same listings through Annex I to Regulation 269/2014. Both entered into force on publication in the Official Journal on 12 October and are directly applicable in all member states. The two sets of instruments concern the same 1,646 additions.

Article 2 of Regulation 269/2014 requires funds and economic resources belonging to, owned, held or controlled by a listed person to be frozen. Economic resources include assets other than funds that can be used to obtain money, goods or services. Subject to the applicable exceptions, Article 2 also prohibits making funds or economic resources available, directly or indirectly, to a listed person or for that person's benefit. The first rule can prevent a business from dealing with assets it already holds, while the second can prevent a subsequent payment or transfer from being made to or for the benefit of a listed person.

The restrictions can also affect companies that do not themselves appear in Annex I. The European Commission explains that ownership or control by a listed person gives rise to a presumption that the person controls the company's assets and benefits from resources supplied to it, although evidence may rebut that presumption in an individual case. An unlisted company may consequently face restrictions because of the rights held by a listed owner or the influence exercised by a listed person who can direct its affairs.

A company mentioned in an executive's listing reasons is not, for that reason alone, separately listed. Its own status, any ownership or control by the listed person, and the benefit that person might receive from the transaction, remain separate questions. The executive's role may supply relevant evidence, but the job title alone does not resolve them.⁴

An earlier agreement provides no general exemption from the restrictions on later performance.



These restrictions operate alongside the separate controls on goods, services and financial transactions in Council Regulation (EU) No 833/2014. A transaction with an unlisted counterparty may still be prohibited under those rules, which cover goods with both civilian and military uses, and certain services supplied to Russian businesses. Equally, a supply permitted under Regulation 833/2014 may breach Regulation 269/2014 because of the person receiving or benefiting from it. Regulations 2281 and 2292 do not amend those sectoral controls or introduce a new vessel list. A transaction may consequently remain prohibited even where either the proposed activity or the counterparty, considered on its own, appears to fall outside the restrictions.

Consequences for commercial relationships

The effects of a listing may become apparent at different stages of an existing commercial relationship. A delivery may have been completed before the restrictions took effect, while the corresponding payment remains outstanding; in another case, a payment may already have been made for goods that have yet to be released. Those differences can affect the position of the parties and the availability of an authorisation. The resulting interruption may also have consequences for the timing of later deliveries, the cost of storage and the continued provision of services. The outcome of any related contractual claim will depend on the terms of the contract, the governing law and the applicable sanctions rules.

The commercial effects can also extend beyond a direct relationship with a listed counterparty. A transaction may involve an intermediary, a financing party or an intended recipient whose connection with a listed person affects whether the funds or goods can be transferred.

³ Council of the European Union, "How the EU adopts and reviews sanctions", section "Adoption of a Council decision"; Euronews, "EU agrees to sanction over 1,600 people and entities linked to Russia's war" (7 October 2026); ERR, "Russian supplier dropped from EU sanctions package at Estonia's request" (8 October 2026), including confirmation from Estonia's representation in Brussels.

⁴ Regulation 269/2014, *supra* N 1, arts 1(d)–(g) and 2; Regulations 2281 and 2292, *supra* N 1, arts 1–2; European Commission, "Asset freeze and prohibition to make funds and economic resources available" (Frequently Asked Questions, version 25 September 2026), questions 1–4.

The contracting company's own absence from the list may therefore leave an important part of the legal position unresolved. Where the relevant ownership or control is uncertain, the parties may face delays while the basis for continued performance remains in question. That uncertainty does not itself establish that assets must be frozen, although it does not suspend a freezing obligation where the legal conditions are already met.

The timing of the new entries adds a further consideration for relationships that were permissible when they began. A conclusion reached before 12 October may no longer reflect the parties' position after the listings took effect. Similarly, the consolidated text of Regulation 269/2014, dated 28 September 2026, does not contain these additions. A change in the recipient, the assets involved or the nature of a later service may produce a different result again, even where the underlying contract remains the same.⁵

How can we help?

Our International Trade & Foreign Investment Practice can help businesses identify their exposure to the new listings, examine ownership and control, and determine how the rules affect existing contracts. We advise on available exemptions, prepare applications for authorisations, and help establish procedures for handling frozen assets and reviewing counterparties.

Contacts



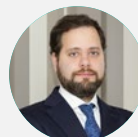
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⁵ Regulation 269/2014, supra N 1, Art 2; Council Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine [2014] OJ L229/1, as amended, arts 2 and 5n; Regulations 2281 and 2292, supra N 1, Art 1 and annexes. European Commission, Asset Freeze FAQs, supra n 4, questions 1–4. The consolidated text of Regulation 269/2014 dated 28 September 2026 predates the amendments of 12 October 2026.