

On 23 April 2026, the Council of the EU (the Council) adopted the 20th package of restrictive measures in response to Russia’s war of aggression against Ukraine. The package is implemented principally through Council Regulation (EU) 2026/506 amending Regulation (EU) No 833/014 on sectoral measures, and Council Regulation (EU) 2026/511 amending Regulation (EU) No 269/2014 on individual designations.

The package contains 120 additional individual and entity listings, the largest single round in two years, together with economic measures across energy, financial services (e.g. cryptocurrencies), trade and the Russian military-industrial complex. A strong anti-circumvention focus reaches financial and trade infrastructure in third countries supporting the Russian war effort, and for the first time the EU activates its anti-circumvention instrument. The package also introduces stronger legal safeguards for EU operators facing Russian retaliation, notably the protection of intellectual-property rights and remedies against abusive expropriations, as well as Russian-court proceedings.<sup>1</sup>

Four questions arise for operators with Russia exposure: what are the main new sectoral constraints; what new constraints reach third-country transactions; how does the package protect the EU operators facing Russian retaliation and, finally, which milestones warrant monitoring?

## Energy, Maritime Services and the Shadow Fleet

The cornerstone of the current package is a concentrated assault on the Russian hydrocarbon export apparatus, establishing the legal foundation for a future, comprehensive maritime services ban on the transit of Russian crude and refined petroleum. Crucially, the activation of this measure remains contingent upon a subsequent Council decision, synchronised with the G7 and the Price Cap Coalition and structured around a deliberate wind-down period; until such time, the mandate for EU operators is one of preparedness rather than immediate reconfiguration. Simultaneously, the EU has designated 36 entities across the energy value chain, spanning upstream exploration to downstream refining, with a specific focus on emerging actors who have sought to capture expanded market shares during the current volatility.

This regulatory expansion is most visible in the maritime sector, where the port-access and service ban has been extended to 46 additional vessels, bringing the cumulative total to 632. The parallel delisting of 11 vessels serves as a calculated signal that a return to compliance provides a viable “off-ramp” for operators. The framework now specifically targets the “shadow fleet” through the lens of IMO Resolution A.1192(33), addressing irregular and high-risk shipping practices. Furthermore, the transfer of tanker assets has been significantly constrained through mandatory due-diligence protocols, the inclusion of “no-Russia” clauses in successor contracts and a novel scrapping provision designed to facilitate the orderly decommissioning of vessels exiting the shadow fleet.

Finally, the regime addresses the specialised liquified natural gas (LNG) and ice-breaking sectors. Effective 25 April 2026, maintenance services are prohibited for all Russia-flagged or certified LNG tankers, a restriction that will extend to foreign-flagged vessels operating for Russian interests by January 2027. This temporal alignment culminates on 1 January 2027, with a categorical prohibition on the provision of LNG terminal services to Russian-controlled entities, necessitating the termination of all existing service contracts. These measures are bolstered by a targeted transaction ban on the strategic ports of Murmansk and Tuapse, as well as the Karimun terminal in Indonesia, effectively constricting the logistical nodes of Russia’s energy diplomacy.<sup>2</sup>

## Banking, Crypto and Third-country Financial Channels

The financial dimension of the current package represents an aggressive contraction of Russia’s remaining access to the EU’s internal market. By imposing transaction bans on an additional 20 Russian credit institutions, subject only to stringent humanitarian exceptions, the EU has now effectively isolated 70 such entities from its financial architecture. This containment strategy increasingly targets the “facilitation layer” in third countries. Conversely, the delisting of five third-country entities underscores a conditional enforcement model, wherein relief is predicated on formal commitments to cease sanctioned conduct.

<sup>1</sup> [Russia’s War of Aggression against Ukraine: 20th Round of Stern EU Sanctions Hits Energy Revenues, Military Industrial Complex, Trade and Financial Services Including Crypto](#), Council of the European Union (23 April 2026); [EU Adopts 20th Package of Sanctions against Russia](#), IP/26/869, European Commission (23 April 2026). The package is implemented by [Council Regulation \(EU\) 2026/506](#) amending [Council Regulation \(EU\) No 833/2014](#), and [Council Regulation \(EU\) 2026/511](#) amending [Council Regulation \(EU\) No 269/2014](#), both of 23 April 2026, OJ L (23 April 2026).

<sup>2</sup> Reg 2026/506 (n 1), new Arts. 3q, 3s(3a), 3sa, 3rb; Annexes XLII and XLVII.

The measures governing the digital asset space signal a qualitative transition from targeted listing to sectoral exclusion. Effective 24 May 2026, a total prohibition will apply to transactions with any crypto-asset service provider or exchange platform established within the Russian Federation. This specifically encompasses the rouble-backed stablecoin RUBx and any European assistance in the development of the digital rouble, Russia's central bank digital currency. Notably, the designation of a Kyrgyz exchange facilitating significant volumes of the A7A5 stablecoin directly addresses the "shadow" financial networks used to bypass traditional banking blocks. Finally, the regime now prohibits engagement with payment agents, whether in Russia or third countries, that offer netting or set-off services explicitly designed to obfuscate and circumvent the EU's restrictive measures.<sup>3</sup>

## Trade and the First Activation of the Anti-circumvention Instrument

In a milestone for European trade enforcement, the EU has for the first time made operational its anti-circumvention instrument, with the Kyrgyz Republic serving as the inaugural designated jurisdiction. This intervention specifically targets the export of metal-working machining centres and sophisticated telecommunications equipment, categories that have seen an anomalous 800% increase in volume since the conflict's inception, largely mirroring a 1,200% spike in Kyrgyz re-exports to the Russian Federation. Crucially, this instrument operates at a supra-national level, independent of the standard "no-Russia" contractual obligations imposed on individual exporters, thereby creating a dual-layered barrier against the diversion of sensitive goods.

Parallel to this jurisdictional shift, the existing export ban has been broadened to encompass industrial-grade explosives, specialised laboratory glassware and high-performance lubricants. Simultaneously, the EU has introduced a rigorous import cap on Russian-origin ammonia, established at an annual quota of 688,000 metric tonnes, while further fortifying the prohibition on transit through Russian territory. These measures collectively reflect a strategy of high-precision economic attrition, designed to constrict Russia's industrial base, while imposing a high cost on those facilitating its endurance.<sup>4</sup>

## Military-industrial Complex and Individual Listings

The current package significantly expands the EU's punitive architecture, designating 58 entities and their associated principals directly embedded in the manufacturing of military materiel, with a particular emphasis on the burgeoning drone sector. Perhaps more consequential is the strategic targeting of the "extraterritorial supply chain": 16 entities across China, the United Arab Emirates, Uzbekistan, Kazakhstan and Belarus have been sanctioned for their role in funnelling dual-use components and weaponry into the Russian defence apparatus.

In a parallel move to stanch the flow of critical technology, export restrictions have been tightened on an additional 60 entities deemed vital to Russia's technological modernisation. This cohort reflects the globalised nature of the conflict's logistics, comprising 32 domestic Russian firms and 28 intermediaries operating out of third-country jurisdictions, notably the Hong Kong Special Administrative Region (SAR), Turkey, Thailand and the United Arab Emirates.

In total, the 120 new listings reflect a broader accounting. Beyond the immediate logistical suppliers of the war effort, the regime's asset freezes and travel bans have been extended to the oligarchic class, state propagandists, and, most notably, those implicated in the egregious abduction of Ukrainian children and the systematic despoliation of Ukrainian cultural heritage.<sup>5</sup>

## Legal Protection for EU Operators

The legislative architecture of the current package introduces a robust suite of safeguards designed to immunise EU operators against the predatory manoeuvres of the Russian judiciary. At the core of this defence are five distinct legal instruments intended to neutralise the impact of *de facto* expropriations and the erosion of intellectual property rights.

Among these is the empowerment of member state courts to issue anti-suit injunctions. By imposing significant financial penalties, the EU seeks to preemptively forestall Russian claimants from exploiting Articles 248.1 and 248.2 of the Russian Arbitration Procedure Code (*Арбитражный процессуальный кодекс Российской Федерации*). Furthermore, the framework establishes a right to damages for EU entities should Russian judgments be enforced within third-country jurisdictions. This is bolstered by targeted transaction bans: first, against third-country actors facilitating such enforcement; second, against Russian competitors who derive commercial advantage from assets seized under "temporary management"; specifically those cited under Decree No. 302 and Federal Law No. 470-FZ and third, against those exploiting EU intellectual property rights under the auspices of the 2024 presidential decrees.

Complementing these defensive measures, Regulation (EU) 2026/511 introduces a pragmatic derogation within the individual-sanctions regime. By permitting the release of frozen funds for the payment of arbitral costs to non-listed counterparties, the EU ensures that legal victories against sanctioned Russian entities are not merely symbolic but result in tangible financial recovery for European operators.<sup>6</sup>

<sup>3</sup> Reg 2026/506 (n 1), Arts. 5ad(1)(d), 5ba and new Art. 5bb; Part D of Annex XLV; Annex LIII.

<sup>4</sup> Reg 2026/506 (n 1), Arts. 3i, 3i(3h), 3k and 3k(1a); Annexes XXI, XXIII and XXXIII.

<sup>5</sup> Reg 2026/511 (n 1); Reg 2026/506 (n 1), Annex IV.

<sup>6</sup> Reg 2026/506 (n 1), new Arts. 5ai, 5aj, 5sa, 11a, 11b(1a), 11ca; Annexes LIV, LV and LVI. Reg 2026/511 (n 1), new Art. 5c and amended Art. 11a.

## Further Measures and Belarus

The regulatory landscape governing relations with the Russian Federation is set for a significant tightening, characterised by four primary pillars of escalation.

Effective 25 May 2026, a comprehensive prohibition will be enacted against the provision of managed security services to both the Russian state and private interests within its jurisdiction. This coincides with a more rigorous approach to the EU's broadcasting ban; by codifying five-point criteria, ranging from brand continuity to infrastructure overlap, authorities are now empowered to dismantle the "mirror" sites and proxy domains utilised by sanctioned entities like Russia Today and Sputnik.

Furthermore, the academic sphere faces a categorical shift: EU-based research institutes and institutions of higher learning are now precluded from accepting any financial or economic patronage from the Russian government within the research and innovation sector. This effort to insulate intellectual capital is mirrored in the luxury commodities market; as of 24 April 2026, the evidentiary burden for diamond importers has increased, requiring formal due diligence statements to verify that polished stones have no Russian provenance.

Finally, the Council has extended the Belarusian sanctions regime through February 2027, harmonising it with Russian measures, specifically regarding cybersecurity, tourism and crypto-assets. Notably, the inclusion of a Chinese state-owned entity involved in Belarusian military production marks a pivotal expansion of the regime's extraterritorial reach.<sup>7</sup>

## Outlook

Operators should keep in mind the following:

- The timing of the G7 and Price Cap Coalition coordination, and of any subsequent Council decision activating the full maritime services ban together with the wind-down period, remains uncertain
- Follow-on Council implementing regulations populating Annexes LIV, LV and LVI of Regulation 833/2014, listing Russian beneficiaries of "temporary management" measures, third-country enforcement cooperators and Russian intellectual property appropriators respectively, are expected
- Interpretative guidance from the European Commission on the new sectoral crypto regime, the managed-security-services prohibition and the first use of the anti-circumvention instrument is awaited, together with guidance from national competent authorities

## How We Can Help

Our International Trade & Foreign Investment Practice Group is actively assisting clients in navigating the complexities of the 20th sanctions package. We provide comprehensive support, from vetting counterparties and cargo to evaluating how these new measures impact your commercial contracts and intellectual property.

Our team also reviews financing, shipping and cybersecurity documentation to ensure every detail aligns with the latest requirements. Whether you need help drafting exemption applications or require representation in regulatory matters and court actions, we are prepared to protect your interests.

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<sup>7</sup> Reg 2026/506 (n 1), Arts. 2f(1a), 3p(10), 5n(1)(i), 5t(2)(e)-(f); Regulation (EU) 2019/881 (managed-security-service definition); Regulation (EU) 2021/695 (Horizon Europe research and innovation framework).