

On 16 December 2024, the European Union (EU) adopted its 15th package of sanctions against Russia in response to its ongoing aggression toward Ukraine. The new measures target key sectors of Russia's military-industrial complex, including the "shadow fleet" and companies that support this complex.

In a significant development, the EU has imposed fully-fledged sanctions – a travel ban, an asset freeze and prohibitions to making economic resources available – for the first time on third-country actors, including Chinese companies, that are implicated in the supply of electronic components and drones used in the conflict. These actions reflect the EU's determination to extend its pressure on those facilitating Russia's military activities.

Additionally, the package designates 54 individuals and 30 entities.

Among those designated are high-ranking executives in Russia's energy sector, and other political figures. The sanctions also target defence companies, shipping firms responsible for transporting Russian oil, and a civilian airline aiding Russian military logistics. This broadening of sanctions underscores the EU's strategy to disrupt the logistical and financial support structures enabling Russia's military operations.

In addition to targeting key individuals and entities, the EU has expanded trade restrictions to include 32 new entities involved in supplying dual-use goods and technologies to the Russian military. These entities, based in countries such as China, India, Iran, Serbia and the UAE, are reported to have participated in circumventing practices or to have provided critical materials used in Russian missile and drone production. The sanctions are designed to prevent a further reinforcement of Russia's military machinery by cutting off access to essential components and technologies.

Further, the EU Council is expanding the list of vessels subject to a port access ban and a prohibition on a wide range of maritime transport-related services. This action aims to address non-EU tankers associated with Putin's shadow fleet, which evade the oil price cap mechanism, support Russia's energy sector, transport military equipment for Russia, or facilitate the movement of stolen Ukrainian grain. Today, 52 vessels from third countries were added to the list, bringing the total number of designated vessels to 79.

To safeguard European businesses, the EU has also implemented protective measures, including the prohibition of recognising or enforcing rulings from Russian courts that seek to impose unjust economic sanctions on EU operators. Additionally, the EU has introduced mechanisms that facilitate the release of certain frozen assets held by EU central securities depositories, enabling them to meet their legal obligations to clients. These measures are aimed at ensuring that EU businesses can operate without fear of being unfairly targeted by Russian legal actions.

Recognising the challenges that businesses face in maintaining operations in Russia, the EU has extended the deadlines for European companies to exit the Russian market in an orderly manner. These exceptional derogations are granted on a case-by-case basis, mitigating the impact on business operations and facilitating a smoother exit from Russia's increasingly restrictive and uncertain environment.

In reaffirming its condemnation of the conflict, the council has emphasised that the EU is ready to adopt additional measures. This 15th package of sanctions underscores the EU's commitment to applying sustained economic and political pressure on Russia while intensifying its multifaceted support for Ukraine – support delivered on humanitarian grounds, as well as militarily, politically and economically..

These new sanctions are said to be just a preview of the broader restrictive measures to be taken next year.

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