

Over the course of just the past week, both the UK and the US have each announced new restrictive measures aimed at curbing revenue streams, particularly from the energy sector, which the Russian Federation uses to finance its military operations in Ukraine.

Today, the EU has officially promulgated its 19th Russian Sanctions Package, and it is very much in the same line as that of its Western allies.¹ The Council of the European Union (Council) refined and expanded the EU's sanctions architecture; these sanctions can be generally categorised into the following: ownership, energy decoupling, and third-party financial matters, as well as trade and export-controls.

The European Commission (Commission) has announced that the EU will stop importing Russian LNG, starting in 2027. Furthermore, the regulations published today include full a transactions ban on Rosneft PJSC and Gazprom Neft PJSC, among many others, as well as designating an additional 117 new vessels as being part of Russia's "shadow fleet", but also include many apparently minor changes that in fact make the preexisting restrictive measures more precise and exacting.

(A) Ownership

For the first time, the core asset-freeze regulation now defines what is meant by "owning" and "controlling" rather than relying on subsequent Commission FAQs for guidance. In this case, Article 1 of Regulation (EU) 269/2014 (Regulation 269/2014) is amended to bring it into line with what had previously been the widely acknowledged and accepted guidance offered by the Commission (i.e. that "ownership" is established if one or more designated persons own, individually or collectively, more than 50% of a given entity); however, there is one important caveat – Article 1 now states that the threshold for establishing ownership is equal to or more than 50%, rather than being simply more than 50%.

Likewise, "controlling" has also been defined by bringing it into line with the exact guidance that up to now was being offered by the Commission's FAQs. Said guidance was always more open ended to reflect the multifaceted ways through which "control" might be exerted, among which are appointing/removing a majority of an entity's board members, appointing a board majority through voting rights, or control via certain instruments like a shareholder's agreements.

(B) Energy Decoupling – LNG

The 19th Russia Sanctions Package hard-codes the LNG turn in the EU rulebook and tightens several oil-chain pressure points. A new Article 3ra has been incorporated into Regulation (EU) No 833/2014 (Regulation 833/2014): EU operators are prohibited from purchasing, importing or transferring Russian-origin LNG (i.e. CN 2711 11 00). Legacy supply contracts now require a multistage application, and the provision of any services in the area of LNG is prohibited.

On crude and refined products, the Council has removed earlier energy carve-outs for Rosneft and Gazprom Neft by amending Article 5aa and its Annex XIX cross-references, thereby bringing the full force of the transaction ban onto these major state-run oil enterprises. Additions were also made to Annex I to Regulation 269/2014, which now features more non-Russian entities that cooperated in the Russian energy sector subject to its restrictive measures to Annex I for its role in extraction, processing and sale of oil, and designates certain Chinese companies as significant third-country buyers/processors of Russian crude that provide substantial revenue to the Russian state .

The maritime aspect of enforcement and circumvention is also strengthened on two distinct fronts. First, the Council broadens the shadow fleet regime in Regulation 833/2014's Article 3s: the grounds for designating vessels that are determined to be engaging in irregular/high-risk practices have been clarified – they now mirror those that were conceived of by the International Maritime Organization – and the ban on EU support is expanded to cover financing and financial assistance, including insurance, reinsurance and brokering, which closes a persistent gap used by the shadow fleet. New vessel names are then added across the annexes to Article 3s, taking in tankers that have moved Russian oil while operating with falsified automatic identification systems, risky ship-to-ship transfers, or other deceptive behaviours.

Second, the net is cast wide across the shadow fleet value chain. Litasco Middle East DMCC, a UAE arm linked to Lukoil's grey-tonnage logistics, has been included among the new additions to the annex. They had already been listed by other sanctions regimes for the enabling of vessels with a history of suspicious and risky practices. The Council also targeted core Russian maritime infrastructure by designating Far Eastern Shipping Company (FESCO), identified as the largest port container operator in the Russian Far East, and a leading shipbuilder to Sovcomflot, as well as the Zvezda Shipbuilding Complex.

¹ One can see all the legal instruments that make up the EU's 19th Russia Sanctions Package in this [Council press release](#).

(C) Third-country Financial Circumvention and Alternative Currencies

In the latest amendments to Regulation 833/2014, the Union has moved against the use of Russian-backed crypto by prohibiting any transaction involving listed crypto-assets (e.g. stablecoin A7A5), and Article 5ba renders dealings in these listed coins unlawful throughout the EU as of 25 November 2025.

To address intermediaries that enable sanction circumvention, Article 5ad now establishes a transaction ban on designated third-country credit or financial institutions and on entities providing crypto-asset or payment services that frustrate the sanctions regime. These coins are listed in the corresponding Annex XLV, which has been expanded accordingly to include, among other things, several Central Asian banks, as well as two oil-trading companies. The new measure is also meant to trace entities that attempt to evade the restrictive measures previously levied upon them by adopting minor cosmetic changes to their brands or other corporate materials.

In parallel, five additional Russian banks have been brought within the Union's transaction-ban architecture and related financial restrictions through the updates to the respective annexes that accompany these changes, reinforcing the pressure on the Russian banking system and its regional conduits. Following on from that, Article 5ac picks up where the article 5ad left off; it now forbids Union operators from connecting to the Russian state's financial messaging and payment systems, and, from 25 January 2026, to any central bank or Russian-provided systems with messaging functionality, expressly mentioning the National Payment Card System and the Fast Payments System in the recitals. There is also a transaction ban on entities outside Russia that use these systems, as listed in Annex XLIV, with narrowly framed wind-down allowances.

(D) Trade and Export Controls

The regulation amending Regulation 833/2014 states in its recitals that the Council has added 45 entities to the list of those "supporting Russia's military and industrial complex", noting that some are in third countries and that they enable circumvention involving CNC machine tools, microelectronics and UAVs. In response, the EU has expanded the list of items that "might contribute" to Russia's defence sector, explicitly naming electronic components, rangefinders, additional propellant chemicals and additional metals/oxides/alloys.

In parallel, the Union has expanded existing export bans to capture additional categories of sensitive inputs. The new measures extend to electronic components and rangefinders; to further chemicals used in the preparation of propellants; and to additional metals, oxides and alloys employed in the manufacture of military systems. A broader set of industrial-capacity goods are also brought within scope, including salts and ores, articles made of rubber, tubes, tires, millstones and a range of construction materials.

The EU's Russia sanctions regime now prohibits the purchase, import or transfer of all acyclic hydrocarbons, a measure that reflects the significance of these materials as a revenue source for the Russian economy; taken together with concurrent tightening in the other major Russia sanctions regimes, the Union's framework has become broader and more exacting, with sharper definitions, thinner exemptions and clearer timelines. Clients and operators should pause and review current and prospective supply chains against the amended annexes without delay, tighten screening for third-country intermediaries, and adjust contracting to account for wider product coverage and new listing exposure; they should also take full stock of their positions in energy, finance, maritime activity, special economic zones and other affected areas, and refresh screening and contractual terms against the new texts. This is the moment to engage specialist counsel who routinely handles sanctions and international trade matters, so that interests are safeguarded during the present period of transition.

Contacts



José María Viñals

Partner, Madrid/Brussels
T +34 91 426 4840
T +34 649 133 822
E josemaria.viñals@squirepb.com



Diego Sevilla Pascual

Senior Associate, Brussels
T +322 627 7612
E diego.sevillapascual@squirepb.com



Tigran Piruzyan

Senior Associate, Madrid
T +34 618 017 354
E tigran.piruzyan@squirepb.com



Guillermo Giralda

Associate, Brussels
T + 322 627 7621
E guillermo.giraldafustes@squirepb.com



Jimena Machado

Associate, Madrid, Spain
T +34 91 426 4850
E jimena.machado@squirepb.com



Ana Morales

Associate, Madrid, Spain
T +34 91 426 2682
E ana.morales@squirepb.com