

# European Union Adopts 19th Sanctions Package Against Russia and Additional Belarus Sanctions Package

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**29 October 2025** — Following extensive discussions among EU member states and international partners, and as announced earlier this fall by both Kaja Kallas and Ursula von der Leyen, on 23 October the European Council adopted the much awaited 19th economic sanctions package against Russia for its continued war of aggression against Ukraine (**19th Russia Sanctions Package**). On the same day, the council also agreed on an additional sanctions package against Belarus for its involvement in and support of Russia's war (**Belarus Sanctions Package**).

## Executive Summary

### Key Takeaways from the 19th Russia Sanctions Package

- **Energy Sector Restrictions**
  - **Adoption of Import Ban on Russian LNG:** After significant debates, the EU adopted a new import ban on Russian liquefied natural gas (LNG) into the EU. The ban becomes effective from **25 April 2026**, for **short-term contracts** and **will apply to long-term contracts beginning in January 2027**.
  - **Extension of List of Partner Countries for Importation of Petroleum Products:** As part of the ongoing efforts to reduce the EU's dependency on Russian petroleum products, the 19th Russia Sanctions Package **extends the list of partner countries** for importation of **petroleum products** to include Australia, Japan and New Zealand (current top partners include the United Kingdom, Norway and the United States).
- **Financial Sector Restrictions**
  - **Adoption of Measures Targeting Russian Crypto Assets and Currency:** targeting Russian **crypto assets** and a cryptocurrency called A7A5. The cryptocurrency is viewed as a prominent tool for financing activities supporting the war of aggression against Ukraine.
  - **Extension of Transaction Ban:**
    - The EU prohibited EU operators from engaging with two main Russian payment systems providers, the National Payment Card System (Mir) and the Fast Payments System (SBP).

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- **Five Russian banks** have been subject to the transaction ban starting from 12 November. Additionally, **nine financial entities from third countries** — including Kazakhstan, Tajikistan and Kyrgyzstan — are also now subject to restrictions.
- **Restrictions on Dealings With Russia's Special Economic Zones (SEZs):** The SEZs located in the Far Eastern and Arctic areas are viewed as central to Russia's industrial and technological capacity, and as contributing both to the Russian war effort and to the circumvention of sanctions. The new measures include a prohibition on **acquiring interests in or creating new joint ventures (JVs) with** entities registered or established in the SEZs, as well as a prohibition to **grant any loan or credit** to entities in the SEZs.
- **Services Restrictions**
  - **Restrictions Relating to the Provision of Services:** New restrictions targeting the provision of **AI services, high-performance computing services** and **commercial space-based services** to Russian entities.
  - **Prior Mandatory Authorization for All Services Provided to the Russian Government:** To grant an authorization, national competent authorities (NCAs) should ensure that the authorizations are consistent with the objectives of the EU's Russia sanctions.
- **Diplomatic Measures**
  - **Adoption of Reporting Obligations for Russian Diplomats Traveling in the Schengen Area:** Russian diplomats are now required to inform the relevant EU member state(s) in advance of their travels.
- **New Designation Criteria**
  - **Protection of Ukrainian Minors Through Adoption of New Designation Criterion:** Persons responsible for the abduction, forced assimilation and militarized education of **Ukrainian minors** will now be sanctionable under Regulation 269/2014.

## Key Takeaways from the Belarus Sanctions Package

- **Financial Sector Restrictions**
  - **Adoption of Measures Targeting Belarus Crypto-Related Payment Services:** Issuing payment services and electronic money to Belarusian nationals. **Payment service providers** and **crypto-assets service providers** are **responsible** for ensuring **compliance** with the new EU restrictions.
- **Services Restrictions**
  - **Restrictions Relating to the Provision of Certain Services:** New restrictions **target** the provision of **AI services, high-performance computing services** and **commercial space-based services** to Belarusian entities.
  - **Adoption of Prior Mandatory Authorization:** Such authorization is required for all services provided to the Belarusian government or its public entities.

## Detailed Overview

### I. Adoption of 19<sup>th</sup> Russia Sanctions Package

On 23 October, the EU **adopted** its 19th Russia Sanctions Package, targeting the Russian energy sector, third-country banks and crypto providers, and Russia's SEZs (through **Regulation 2025/2037** and **Implementing Regulation 2025/2035** for individual sanctions and **Regulation 2025/2033** for sectoral sanctions).

#### 1. Individual Sanctions

- **New designations of 64 additional individuals and entities on the list of restricted parties subject to an asset freeze, and a travel ban for individuals**, bringing the total number of sanctioned parties to more than 2,600.
- **Clarification of concept of "ownership and control,"** to align with EU guidance. Consistent with the **EU Best Practices** for the implementation of restrictive measures, Article 1 formally defines ownership either as an ownership share of "50% or more of the proprietary rights of an entity" or as having a "majority interest" in the entity. Similarly, control is determined by a broad assessment of the totality of the circumstances, including the following criteria:
  - Having the right or exercising the power to appoint or remove a majority of the members of the administrative or management body;
  - Having appointed a majority of the members of the administrative, management or supervisory bodies;
  - Controlling a majority of shareholders' or members' voting rights;
  - Having the right to exercise or de facto exercising a dominant influence;
  - Having the right to use all or part of the assets of the entity;
  - Managing the entity's business on a unified basis; and
  - Sharing jointly and severally the financial liabilities of the entity.
- **New designation criterion for the protection of Ukrainian minors:** Persons or entities **contributing to the deportation**, forced transfer, forced assimilation (including indoctrination) or militarized education of **Ukrainian minors** will now be subject to an asset freeze and/or a travel ban measure under Regulation 269/2014.
- **Extension of the derogation related to certain benefits or indemnity payments to two insurance companies**, insurance joint stock company VSK and gas industry insurance company SOGAZ.

#### 2. Sectoral Sanctions

##### A. Energy Industry Restrictions

- **New prohibition on the purchase, import or transfer of Russian LNG (CN code 2711 11 00)**, as of **Jan. 1, 2027**, for contracts concluded before 17 June, with a duration of more than one year (**long-term contracts**), and as of **25 April 2026**, for all other contracts (**short-term contracts**)
  - The package clarifies that the prohibition on Russian LNG should prevail over any other conflicting EU legislation.

- **Adoption of a related prohibition to provide technical assistance, brokering services or financial assistance** linked to the **import ban on Russian LNG**
- **Adoption of a transaction ban** on Blackford Corporation Limited and Fuel and Oil Dynamics FZE, **two oil traders** from Hong Kong and the UAE, respectively, for their circumvention of EU sanctions

## B. Financial Sector Restrictions

### i. Restrictions Targeting Crypto Assets and Other Nontraditional Financial Instruments

- **Inclusion of the definitions of “crypto assets” and “payment services,”** aligned with their definitions in other EU legislation (Regulation 2023/1114 and Directive 2015/2366, respectively)
- New **prohibition on providing crypto-asset services**, issuing **payment instruments**, and issuing **electronic money** to Russian nationals or persons residing or established in Russia
- Extension of the prohibition on Russian nationals to **own or control**, or **hold any posts** in EU entities to cover the provision of, **crypto-asset wallet, account or custody services**
  - **New exemption** for the provision of personalized security credentials necessary to access an account with a credit institution established in a member state or a partner country
  - **New derogation** for the provision of services for the exclusive use of Russian entities owned or controlled by entities incorporated in the EU or in a partner country
- **New prohibition on any transaction** involving the **stablecoin A7A5**, a cryptocurrency created with Russian state support
- **Extension of the transaction ban** on third-country credit and financial institutions and crypto-asset service providers to **include entities that provide payment services**, and in particular entities that provide crypto-asset and payment services to listed entities
  - Extension of the application of the prohibition to include entities providing crypto-asset services or payment services that operates as a **mirror or successor entity**. The regulation **clarifies** that to qualify as a “mirror or successor entity,” an entity should meet at least two of the following criteria: having substantially identical content compared with; having overlapping ownership, control or management of; redirecting users to; or using similar branding or the same domains as the mirrored entity. Two **exemptions** apply, for transactions that are necessary
    - to the execution of contracts concluded before 24 October, with the certain entities, until 25 April 2026; and
      - for the reception of payments due by certain entities and pursuant to contracts performed before 24 October.

## C. Restrictions Targeting Russian Banking Sector

- **Extension of transaction ban** to two additional key Russian payment services providers, the **National Payment Card System** and the **Fast Payments System**, as of **25 January 2026**
  - **Exemption until 25 April 25, 2026**, for certain entities in connection with the execution of contracts concluded before 24 October 2025

- **Exemption** for the reception of payments due from certain entities by 24 October, pursuant to contracts performed before 25 April 2026.
- **Broadening of the prohibition for EU entities operating outside of Russia to connect to Russian payment systems**, to include also the **National Payment Card System (Mir)** and the **Fast Payments System**.
  - Certain **exemptions** are available for (a) diplomatic and consular representations of the EU and of the member states in third countries; (b) transactions made by member state nationals who are residents of third countries; and (c) transactions necessary for member states' historical responsibility programs or for the support of ethnic minorities in Russia.
- **Transaction ban on Russian financial entities**
  - **Five new Russian banks** have been **added** to Annex XIV of Regulation 833/2014, and are **subject to the transaction ban** starting **from 12 November**,: Istina, Zemsky Bank, Commercial Bank Absolut Bank, MTS Bank and Alfa-Bank.
- **Transaction ban on Belarus and third-country entities**
  - **Three banks** from **Belarus** and **one bank** from **Kazakhstan** have been **added** to Annex XLIV of Regulation 833/2014 and are now **subject to the transaction ban**, due to their connections to Russian financial messaging and payment systems.
  - In addition, **six new financial entities from third countries** including **Tajikistan** and **Kyrgyzstan** are now covered by the **transaction ban** under Annex XLV, **starting from 12 or 25 November**.

#### D. Export-Related Restrictions

- **Forty-five new entities have been** added to the list of persons and entities **supporting Russia's military and industrial complex** in its **war of aggression** against **Ukraine** by enabling the circumvention of export restrictions on computer numerical control machine tools, microelectronics, unmanned aerial vehicles and other advanced technology items.
  - These entities are subject to tighter export restrictions with regard to dual-use goods, as well as items that might generally contribute to the technological enhancement of Russia's defense sector.
  - Seventeen of these entities are located in countries other than Russia (12 in China, including Hong Kong; three in India; and two in Thailand).
- **Annex VII of Regulation 833/2014** has been amended to include electronic components; rangefinders; additional chemicals used in the preparation of propellants; and additional metals, oxides and alloys used in the manufacturing of military systems.

#### E. Restrictions Targeting Russia's Shadow Fleet

- **117 new vessels** have been **added to Annex XLII** of Regulation 833/2014 and are now subject to port access bans and restrictions on the provision of a broad range of services
- **New prohibition on providing reinsurance** in relation to **vessels** belonging to the Russian shadow fleet

- Mineral products have been added to the list of prohibited goods transported by vessels listed in Annex XLII
  - **New prohibition** to enter into any contract that results in the transfer of risks from, or insurance coverage for, vessels or aircraft that were operated by the government of Russia or by entities established in Russia **during the five years following their sale or lease**
  - **Broadened prohibition** to engage in any transaction with ports and locks, to include the ones located in **third countries other than Russia** (Part C of Annex XLVII)
- F. Restrictions on Goods That Generate Significant Revenues for Russia and Enhance Its Industrial Capacities
- **Import ban on goods that generate significant revenue for Russia**
    - **Amendment of the derogation** when the purchase, import or transfer is necessary for the operation or maintenance of Budapest metro line 3, to include four new items (8424 10 00, 8483, 8487, 8516 29 50)
    - **New targeted derogation** from the prohibition on purchasing, importing or transferring certain items that are necessary for the operation or maintenance of **ultraviolet lamps** used for the **disinfection of drinking water**
    - New temporary **exemptions have been adopted for the performance of certain contracts** for the purchase or import to Hungary of certain Russian goods (CN code 2901 10 00) intended for exclusive use in Hungary (These goods shall not be sold on to buyers located in another member state or in a third country), and with respect to the prohibition related to goods that could enhance Russian industrial capacities
  - New **derogation** for goods under CN code 8423 10, when the goods are necessary for household use of persons in Russia
- G. Transaction Bans
- **New exemptions from the prohibition to engage in any transaction with certain Russian entities:**
    - For the supply of pharmaceutical, medical, or agricultural and food products (including wheat and fertilizers)
    - To ensure access to judicial, administrative or arbitral proceedings
    - For humanitarian purposes
    - For the reception of payments due from certain entities pursuant to contracts performed before 15 May 2022
    - For the implementation of authorizations granted by NCAs
    - For transactions necessary for member states' historical responsibility programs or for the support of member states' ethnic minorities in Russia
  - **Extension on the exemption** for transactions that are strictly necessary for the wind-down, **by 31 December 2026**, of a JV concluded before 16 March 2022
  - **Additional exemption** for certain entities:

- Necessary for the trading, brokering or transport, and related technical assistance, of Russian certain crude oil and petroleum products (CN codes 2709 00 and 2710), provided that the purchase price per barrel of such products does not exceed the price cap
- **Extended derogation** for transactions that are strictly necessary for divestment and withdrawal from Russia until **31 December 2026**

#### H. Restrictions on Dealings with Russia's Special Economic Zones

- **New prohibitions targeting Russia's SEZs** located in the Far Eastern and Arctic areas, as listed in Annex LII of Regulation 833/2014:
  - **Prohibition to acquire interests in, create new JVs for, or entering into agreements for the supply of goods or services or intellectual property (IP) rights with entities registered or established in the SEZ areas, or for use in SEZ areas, or with entities owned or controlled by entities in the SEZ areas.** In addition, EU operators should be sure to **divest from any existing** participation or JV, and to terminate any existing contract for the supply of goods or services or IP rights, **by 25 January 2026**.
  - **Prohibition on granting any loan or credit** or providing financing or investment services to entities in the SEZ areas, including:
    - **Exemptions** for (a) activities necessary for public health emergencies; and (b) activities strictly necessary for the purchase or import of natural gas, oil and refined petroleum products, or seaborne crude oil in certain cases.
    - Until 25 January 2026, **exemption** for contracts concluded before 24 October.
    - **Exemptions** for (a) humanitarian operations; (b) the research of pharmaceutical, medical, agricultural or food products; (c) ensuring access to judicial, administrative or arbitral proceedings; (d) the divestment and the wind-down of business activities in Russia; and (e) the provision of electronic communication services by Union telecommunication operators.

#### I. Restrictions Relating to the Provision of Services

- **Amendment to the ban on provision of certain business-relevant services**
  - Article 5n of Regulation 833/2014 has been amended and broadened to add a prohibition of additional services:
    - **Commercial space-based services** consisting of Earth observation or satellite navigation;
    - **AI services** consisting of access to models or to platforms for their training, fine-tuning and inference;
    - **High-performance computing services**, including access to graphic processing unit accelerated computing, or quantum computing services, all applying **as of 25 November**; and
    - Services directly related to **tourism** activities in Russia.

- **Catch-all prohibition:** The amended Article 5n requires EU operators to ask for a prior authorization to their NCA **for any service not explicitly covered by the prohibition above**. NCAs must ensure that any authorization is consistent with the objectives of Regulation 269/2014.
  - **Exemption: Until 1 January 2026**, the prohibition on tourism activities and the catch-all prohibition do not apply to the execution of contracts concluded prior to 24 October 2025.
  - **Derogations:**
    - AI services and high-performance computing services, when necessary for the contribution of Russian nationals to international open-source projects
    - Legal advisory services, construction and architectural services, and AI services, when necessary for the functioning of a consular or diplomatic representation
    - Commercial space-based services, when necessary for intergovernmental cooperation in space programs
- **Extension of the derogation** to provide certain services until 31 December 2026, when necessary for **divestment from Russia or the wind-down of business activities in Russia**

#### J. Reporting Obligations for Russian Diplomats

- **Strengthened controls over the movement of Russian diplomats**, who must notify the relevant member state(s) at least 24 hours before the intended date of entry into their territory, **beginning 25 January 2026**. Russian diplomats are required to provide detailed information about their travels. Member states must inform the council of any cases of breach of this obligation.
  - **Exemptions apply** in the case of minors or family members, or when the travel is through the territory of a member state that issued the diplomat's visa.
- Member states can impose **additional national measures** on Russian diplomats, which must comply with international law, must not apply to minors or family members, and must not apply to travel for the purposes of participation in EU or United Nations international conferences. Member states adopting national measures must inform the council at least five days before such measures come into force.

#### K. Extensions of Derogations Relating to Divestments from Russia

- **Extension until Dec. 31, 2026, of the derogation for the no satisfaction of claims clause** when the satisfaction of the claim is strictly necessary for **divestment from Russia or the wind-down of business activities in Russia**.
- **Extension until Dec. 31, 2026, of the derogation for the sale, supply, or transfer of certain listed goods and technologies** necessary for **divestment from Russia or the wind-down of business activities in Russia**.
- **Extension until 31 December 2026, of the derogation for the sale, supply or transfer of certain goods and technologies** when necessary for **divestment from a JV** incorporated under the law of a member state before 24 February 2022, involving a Russian entity, and operating a gas pipeline infrastructure between Russia and third countries. In addition, the derogation has also been **widened** to cover the provision of technical or financial assistance related to goods and technologies necessary for the operation and maintenance of the pipeline.



- **Extension until 31 December 2026, of the derogation** for the import or transfer of certain listed goods when necessary for the divestment from Russia or the wind-down of business activities in Russia.

#### L. International Cooperation

- To ensure the fight against Russia sanctions circumvention is carried out effectively, **Australia, Japan and New Zealand** have been added to the list of partner countries for the importation of petroleum products, joining the existing top partners including the United Kingdom, Norway and the United States.

## II. Adoption of Sanctions Package Against Belarus (23 October 2025)

On 23 October 2025, the EU **adopted** additional sanctions against Belarus to restrict that country's support for the Russian war effort, through **Regulation 2025/2041** and **Implementing Regulation 2025/2039**, mirroring some of the measures imposed on Russia.

### 1. Individual Sanctions

- New designation of **five additional entities** related to the Belarusian military complex to the list of parties subject to an asset freeze, bringing the total number of targeted entities to 55

### 2. Sectoral Sanctions

#### A. Financial Sector Restrictions Relating to Crypto Assets and Nontraditional Financial Instruments

- As with the 19th Russia Sanctions Package, the new Belarus Sanctions Package includes the **definitions** of **"crypto assets"** and **"payment services,"** aligned with the definitions adopted in broader EU legislation.
- **Extension of the prohibition** to provide crypto-asset wallets to Belarusian nationals to include also the **issuing of payment instruments** and the **issuing of electronic money**.
  - **Exemption** when necessary to access an account with a credit institution established in a member state or in a partner country.
  - **Derogation** when necessary for the exclusive use of Belarusian entities owned or controlled by an EU or partner country entity.
  - Member states must inform other member state(s) and the Commission of any authorization granted within two weeks.
- As provided by the 19th Russia Sanctions Package, the Belarus Sanctions Package introduces a **prohibition** to allow Belarusian nationals to hold any posts in the governing bodies of EU entities providing **crypto-asset wallet, account or custody services**.
- The Regulation **clarifies** that:
  - **Primary responsibility for sanctions compliance** in relation to the **execution of payment transactions** remains with the **payment service provider**.
  - The restrictions on the provision of **crypto-asset** services are also binding on **crypto-asset service providers**.

## B. Restrictions Relating to the Provision of Certain Services

- **Amendment to the ban on provision of certain business-relevant services**

- Mirroring the 19th Russia Sanctions Package, the regulation extended the **scope of certain business-relevant services** to be included in the ban on Belarus or its entities for the provision of:
  - (a) **commercial space-based services** consisting of Earth observation or satellite navigation; (b) **AI services**; and (c) high-performance computing services, all applying as of 25 November 2025.
    - **Exemption** to the prohibition to provide **commercial space-based services** when the software or services are necessary for public health emergencies, for the urgent prevention of an event likely to have a serious impact on human health, or as a response to natural disasters
    - Until 25 January 2026, **exemption** for the provision of software in the financial sector when is necessary for the performance of contracts concluded before 24 October.
    - **Derogation** for the prohibitions related to software to the provision of AI services and high-performance computing, when the software or services are necessary for the contribution of Belarusian nationals to international open-source projects
- **Catch-all prohibition:** New requirement for prior authorization by the NCA for **any services provided to Belarus or its public entities**, mirroring the provision in the 19th Russia Sanctions Package.
  - Until 1 January 2026, **exemption** for the performance of contracts concluded before 24 October.
  - NCAs must inform the other member state(s) and the Commission of any authorization granted within two weeks.

## C. Export-Related Restrictions

- Two new **exemptions** to the prohibition on **exporting goods that could contribute to the enhancement of Belarusian industrial capacities** and on **providing technical assistance, providing financing or transferring IP rights**:
  - Goods under CN codes 2501, 2505, 2507, 2513, 2516, 2517, 2528, 2606, 6804, 6815 and 6903:
    - Until 25 January 2026, when the export is necessary for the performance of contracts concluded before 24 October.
  - Goods under CN codes 6902 and 6909:
    - Until 25 April 2026, when the export is necessary for the performance of contracts concluded before 24 October 2025
- New **derogations** to the prohibition on the transit via the territory of Belarus of certain machinery, when the goods are necessary for (a) medical or pharmaceutical purposes, or for humanitarian

purposes; (b) the exclusive use of the authorizing member state, in order to fulfill its maintenance obligations; or (c) the operation and maintenance of fuel supply and the retreatment and safety of civil nuclear capabilities

#### D. Import-Related Restrictions

- New exemptions to the prohibition on importing **goods that allow Belarus to diversify its sources of revenue** and on providing related **technical assistance** or financing
  - Until 25 January 2025, and for goods falling under the CN code 2901 10 00, to the execution of contracts concluded before 24 October;
  - As of 26 January 2026, and until 25 July 2026, to the purchase or import to Hungary of Belarusian goods falling under CN code 2901 10 00, provided that the goods are intended for exclusive use in Hungary.
  - These goods must not be sold on to buyers located in another member state or in a third country.

#### E. Transaction Ban Exemptions

- New **exemptions to the prohibition on engaging in any transaction with certain Belarusian entities**, when the transaction is (a) necessary for the supply of pharmaceutical, medical, or agricultural and food products; (b) necessary to ensure access to judicial, administrative or arbitral proceedings; or (c) necessary for humanitarian purposes

Hughes Hubbard's Paris-based EU Economic Sanctions and Export Controls team, part of the firm's Sanctions, Export Controls & Anti-Money Laundering practice, is well positioned to assist EU operators in navigating, in a practical and pragmatic way, EU sanctions against Russia and other EU thematic or country-based sanctions programs. Please contact us if you have any questions about the above or any prior topics of our client alerts.

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