

The EU Adopts Broad New Sanctions Against Russia, Including 17th and 18th Packages, and Belarus Sanctions Alignment Package

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Aug. 7, 2025 — The European Council ended a highly active semester on the economic sanctions front with the adoption of its [17th](#) and [18th](#) economic sanctions packages (Russia Sanctions Packages or Sanctions Packages) against Russia for its continued war of aggression against Ukraine, adopted on May 20 and July 18, respectively (I). On July 18, the council also agreed on an additional alignment sanctions package against Belarus for its involvement in Russia's war (Belarus Sanctions Alignment Package) (II). Amendments to the Russian hybrid threats sanctions program (Hybrid Threats Program) were also introduced on May 20 (III). Additional designations targeting Russian parties were also made pursuant to other EU sanctions programs (IV), and the European Commission (EC) also updated its FAQ to the Ukraine-related sanctions programs (V).

Executive Summary

Key takeaways from the 17th and 18th Russia Sanctions Packages

- **Extensive new measures targeting the energy sector:** The 17th and 18th Sanctions Packages significantly broaden the EU's restrictive measures focused on the energy sector, targeting refined products, pipeline infrastructure and price mechanisms to close key existing circumvention channels.
 - **Lowering of the oil price cap.** The 18th Sanctions Package reduces the price cap on Russian crude oil from \$60 to \$47.60 per barrel, with a dynamic mechanism to keep it 15% below market price.
 - **Ban on refined oil products from Russian crude.** Purchases, imports and transfers of refined products derived from Russian crude are now prohibited, even if processed in third countries (there are exceptions for five "partner countries").
 - **Full transaction ban on Nord Stream 1 and 2.** For the first time, all transactions involving the Nord Stream pipelines are explicitly banned.
- **Focus on combating Russia's shadow fleet:** While the 15th Sanctions Package contained initial measures targeting Russia's shadow fleet, the 17th and 18th Sanctions Packages represent a significant

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step up to fight the transportation of Russian crude through a network of vessels to circumvent the price cap on such products by extending sanctions across the full supply chain of these opaque and high-risk oil transport operations.

- **Expansion of the vessel blacklist.** The 17th and 18th Sanctions Packages add 294 ships to the EU sanctions list, bringing the total number to 444 vessels linked to Russian oil transport and sanctions evasion.
- **First sanctions of an individual and an entity in connection with shadow fleet activities.** For the first time, the EU listed an individual directly linked to Russia's shadow fleet, namely a ship captain and an Indian national, as well as the United Arab Emirates-based flag registry company Intershipping Services LLC, which operates the Gabon international flag registry.
- **Inclusion of refined product transshipment.** Vessels involved in transporting refined oil products derived from Russian crude — even if processed in third countries — now fall within the scope of the restrictions.
- **New financial sector restrictions:** Building on earlier restrictions, the latest packages move toward full financial isolation of Russian financial institutions and strengthen measures to prevent circumvention of relevant sectoral restrictions.
 - **Comprehensive transaction bans on Russian banks.** The EU now prohibits **all** transactions with 22 Russian financial institutions, including the Russian Direct Investment Fund (RDIF).
 - **Sanctions of non-Russian financial actors.** Two Chinese institutions were added to the sanctions list for facilitating Russian transactions through crypto assets.
 - **Extension of software bans in the financial sector.** The EU has expanded the prohibition applicable to software to include newly listed items used in banking and financial operations.
 - **Expanded transaction ban criteria.** Entities outside Russia that use the Central Bank of Russia's System for Transfer of Financial Messages (SPFS) or similar financial messaging systems are now subject to restrictions, even without additional conditions.
- **Extended export controls:** The 17th and 18th Sanctions Packages extend export controls to a broader range of industrial and civilian goods with potential military applications.
 - **Extension of export bans to industrial and lab equipment.** The scope of restricted goods has been extended to include industrial machinery and laboratory equipment with potential dual-use applications.
 - **Transit ban via Russia for strategic goods.** The list of goods prohibited from transiting Russian territory is extended to include iron and steel structures, processing machinery, diesel tractors, and nonmotorized vehicles.
 - **Catch-all clause for export authorization.** Exporters must now seek authorization if there is reason to believe that goods may be intended for use in Russia, even indirectly.
- **Application of nonpreferential rules of origin:** To determine whether goods originate from Russia, companies must now apply EU nonpreferential rules of origin.
- **Investor-state dispute settlement (ISDS):** The 18th Sanctions Package introduces a new legal safeguard allowing the EU and its member states to refuse recognition and enforcement of ISDS-related awards issued outside the EU in favor of Russian- or Belarusian-designated entities and may seek damages from claimants.

Key takeaways from the Belarus Sanctions Alignment Package: While the initial EU sanctions against Belarus focused primarily on human rights violations and internal repression, as in the 16th sanctions package, the 18th package represents a strategic shift, largely mirroring several key trade, financial and sectoral restrictions applied to Russia:

- **Financial restrictions aligned with Russian measures:** The Belarus Sanctions Alignment Package introduces full transaction bans on a broader set of financial institutions.
- **Extension of export controls to military-relevant goods:** The EU mirrored restrictions applied to Russia, including bans on military goods and industrial equipment.
- **ISDS:** The package includes the same ISDS-related protections as those offered as part of the Russia packages.

Key takeaways from the Hybrid Threats Program update: The updated EU hybrid threats framework (Hybrid Threats Program) builds on the October 2024 sanctions program targeting destabilizing activities by Russia. It reflects a shift toward a more assertive and structured response to foreign interference, disinformation and activities that undermine or threaten democracy. It further complements the ProtectEU initiative launched in April, which adopts a broader internal security strategy aimed at supporting member states and enhancing the EU's capacity to anticipate, prevent and respond to a wide range of threats — from terrorism and organized crime to cyberattacks and hybrid attacks.

- **New designations targeting hybrid actors:** Twenty-one individuals and six entities have been listed for activities undermining or threatening democracy or public safety or promoting disinformation within the EU member states.
- **Expanded transaction bans on hybrid enablers:** The EU targets any **tangible asset** (e.g., vessels, aircraft, real estate, ports, airports, physical elements of digital and communication networks) and certain credit or financial institutions or crypto asset service providers.
- **Broadcasting ban:** The EU may prohibit content from designated operators spreading disinformation (even though no entities have yet been listed).

Other general updates

- As a result of the latest Russian sanctions programs, including the Hybrid Threats Program and Belarus sanctions program, there are over **200 new designations** of individuals and entities across various sanctions regimes, including those involved in human rights violations, chemical weapons use and supporting the Russian military.
- The EC has updated its sanctions FAQ, clarifying rules around import bans, port access for sanctioned vessels and due diligence obligations for high-priority items.

Detailed Overview

I. Adoption of the 17th and 18th Sanctions Packages Against Russia Under the Ukraine-Related Sanctions Programs

On May 20, the EU adopted its 17th Sanctions Package against Russia targeting Russia's shadow fleet through [Regulation 2025/933](#) (individual sanctions) and [Regulation 2025/932](#) (sectoral sanctions). Two months later, on July 18, the EU agreed on the 18th Sanctions Package implemented through [Regulation 2025/1476](#) and [Regulation 2025/1469](#) (individual sanctions) and [Regulation 2025/1494](#) (sectoral sanctions).

1. Individual sanctions

- **New designations of 76 (17th package) and 55 (18th package) additional individuals and entities to the list of restricted parties subject to an asset freeze and a travel ban for individuals**, bringing the total number of sanctioned parties under this program to more than 2,500
 - The latest designations notably target shipping companies transporting Russian oil by sea — particularly those engaging in dangerous practices from the United Arab Emirates, Turkey and Hong Kong. They also include Nayara Energy Ltd. for operating a refinery in Vadinar (India), owned at 49% by Rosneft, as well as Chinese entities supplying goods used on the battlefield.

2. Sectoral sanctions

a. Measures targeting Russia's shadow fleet and energy sector

- **Extension of the list of vessels listed in Annex XLII of Regulation 833/2014 subject to a port access ban and a prohibition to provide a broad array of services** to cover 189 (17th Sanctions Package) and 105 (18th Sanctions Package) additional vessels and the delisting of three vessels (18th Sanctions Package)
- **New prohibition to purchase, import or transfer into the EU** (and provide related technical assistance, brokering services, financing, financial assistance, insurance and reinsurance) **of petroleum products falling under Combined Nomenclature (CN) code 2710 obtained in a third country from crude oil falling under CN code 2709 00 originating in Russia** (18th Sanctions Package)
 - Importers must provide evidence of the country of origin of the crude oil used for the refining of petroleum products in the third country at the time of the importation, unless the latter are imported from a partner country listed in new Annex LI of Regulation 833/2014 (including, as of the date of this alert, Canada, Norway, the United Kingdom, the United States and Switzerland).
 - Petroleum products imported from net exporters of crude oil (i.e., countries exporting more crude oil than they import) in the previous calendar year must be considered to have been obtained from domestic crude oil and not from crude oil originating in Russia, unless national competent authorities (NCAs) have reasonable grounds to believe otherwise.
- **Termination of the exemption allowing Czechia to purchase, import or transfer crude oil falling under CN code 2709 00 delivered by pipeline from Russia into Czechia as of July 1** (18th Sanctions Package)
- **Amendment of the price cap mechanism** (18th Sanctions Package):
 - **Lowering of the price cap from \$60 to \$47.60** (Annex XXVIII of Regulation 833/2014) as of Sept. 3
 - **Introduction of a new procedure to modify the price cap for Russian crude oil:**
 - **Monitoring by the commission** (instead of the council) of Russian crude oil prices on the basis of price assessments provided by authorized reporting agencies and calculation of the average market price of Russian crude oil every six months to ensure the cap remains consistently 15% below the average market price for Russian crude in the previous reference period

- **Extraordinary assessments** by the commission, where justified by developments in the oil market, geopolitical circumstances or other relevant considerations
- **Reporting of findings by the commission to the council** and proposing amendments to the cap on that basis
- **Entry into force** of the amended price cap as of the first day of the month following the month of entry into force of the Commission Implementing Regulation amending Annex XXVIII of Regulation 833/2014
- **Exemption** for the performance of contracts concluded before the date of entry into force of the Commission Implementing Regulation in compliance with the cap applicable at their date of conclusion for a period of 90 days
- **New transaction ban prohibits any engagement in activities related to Nord Stream 1 and Nord Stream 2 natural gas pipelines; this includes transactions connected to** their completion, operation, maintenance or use, as well as any financing arrangement linked to these aspects (18th Sanctions Package)
 - **Exemption** applies to the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety, maritime shipping or the environment, or as a response to natural disasters
 - **Obligation** for operators to inform their NCA of any transaction entered into pursuant to this exemption within two weeks of its conclusion
 - **Derogations** allowing NCAs to authorize transactions:
 - For the winding down or restructuring of an entity in connection with the natural gas pipelines Nord Stream 1 and Nord Stream 2 necessary to ensure that the pipelines will not be used
 - To claim compensation, recoveries or any other means from any individual or entity in connection with the natural gas pipelines Nord Stream 1 and Nord Stream 2
 - To effect and receive payments or recoveries that are due or become due under, or in connection with, court orders, financings, insurance, warrants or any other contracts or agreements in connection with the natural gas pipelines Nord Stream 1 and Nord Stream 2 that were entered into before July 20
 - For a settlement or judicial or arbitration proceeding in connection with the natural gas pipelines Nord Stream 1 and Nord Stream 2
 - For regular maintenance services that are strictly necessary to prevent environmental and safety risks or a negative impact on the fisheries sector
- **New derogation allowing certain NCAs to authorize the purchase, import or transfer of liquefied natural gas (LNG), falling under CN code 2711 11 00, originating in Russia or exported from Russia**, which only applies to member states that are not directly connected to the interconnected natural gas system of any other member state and that received the first commercial supply under their first long-term natural gas supply contracts after July 20 (18th Sanctions Package)

- **Extension of the exemption allowing the transport by vessel to Japan of crude oil originating in the Sakhalin-2 Project** and the provision of related technical or financial assistance to June 28, 2026 (previously June 28, 2025) (17th Sanctions Package)
- b. **Measures targeting Russia's military and industrial sectors**
 - **Dual-use (Annex I of Regulation 2021/821) and advanced technology (Annex VII of Regulation 833/2014) items:**
 - **New designations of 31 (17th Sanctions Package) and 26 (18th Sanctions Package) additional entities** to the list of individuals and entities that are subject to enhanced export restrictions (Annex IV of Regulation 833/2014); the latest designations include five entities established in Russia, four in Türkiye and seven in China/Hong Kong
 - **Extension of the list of advanced technology items** (Annex VII of Regulation 833/2014) to cover:
 - 17th Sanctions Package: (i) energetic materials and precursors,¹ and (ii) machinery parts, assemblies and components²
 - 18th Sanctions Package: (i) constituent chemicals for propellants (X.C.VIII.005); (ii) machine tools for working any material by removal of material, operated by electro-discharge processes (HS 84563 0); and (iii) water-jet cutting machines (HS 8456 50)
 - **New catch-all obligation to obtain a prior authorization from NCAs for the export of advanced technology items** (Annex VII of Regulation 833/2014) **to any third country** other than Russia if the exporter has been informed by the NCA that the items are or may be intended for individuals or entities in Russia or for use in Russia (18th Sanctions Package)
 - **Goods that could contribute to the enhancement of Russian industrial capacities (Annex XXIII of Regulation 833/2014)** (18th Sanctions Package):
 - **Extension of the list of goods that could contribute to the enhancement of Russian industrial capacities** (Annex XXIII of Regulation 833/2014) to include additional machinery, chemicals, plastics and metals
 - **Additional export-related restrictions on new industrial goods** listed in new Annexes XXIIIE and XXIIIF of Regulation 833/2014:
 - Annex XXIIIE includes (i) mineral products, (ii) products of the chemical or allied industries, (iii) plastics and rubber, (iv) base metals and articles made from base metals, (v) machinery and mechanical appliances, and (vi) medical or surgical instruments
 - **New exemptions** apply for the sale, supply, transfer or export to Russia and transit via Russia of:
 - Goods listed in Annex XXIIIE for the performance until Oct. 21 of contracts concluded before July 20 or of ancillary contracts

¹ CN codes 2804 50 10, 2829 11 00, 2829 19 00, 7603 10 00, 7603 20 00 and 8104 30 00.

² CN codes 8482 40 00, 8482 91, 8483 40 30, 8484 90 00, and 9031 80 20.

- Annex XXIIIF includes (i) products of the chemical or allied industries,³ (ii) plastics,⁴ (iii) articles of iron or steel,⁵ (iv) aluminum and articles thereof,⁶ (v) miscellaneous articles of base metal,⁷ (vi) machinery,⁸ and (vii) medical or surgical instruments⁹
 - **New exemptions** apply for the sale, supply, transfer or export to Russia and transit via Russia of:
 - Goods listed in new Annex XXIIIF for the performance until Jan. 21, 2026, of contracts concluded before July 20 or of ancillary contracts
- **New derogations** allowing NCAs to authorize the sale, supply, transfer or export, or the provision of related technical or financial assistance, for:
 - Goods necessary for personal household use of individuals in Russia¹⁰ and if strictly necessary for the sale of PVC flooring¹¹
 - Goods necessary for the packaging of food, beverages and pharmaceuticals¹²
 - Goods necessary for the execution of contracts concluded before Jan. 1, 2028, or until their expiry date (whichever is earlier)¹³
- **Extension of the list of goods prohibited from transiting through Russian territory** (Annex XXXVII of Regulation 833/2014) to include certain structures of iron or steel,¹⁴ certain heated machinery or equipment,¹⁵ processing machines (for mixing, kneading, crushing, grinding, screening, sifting, homogenizing, emulsifying or stirring),¹⁶ tractors with only compression-ignition internal combustion piston engines,¹⁷ and certain types of trailers and semi-trailers
- **Replication of the full Common Military List export ban contained in Council Decision 2014/512/CFSP in Regulation 833/2014** (18th Sanctions Package)
- c. **Measures targeting Russia's state-owned entities (18th Sanctions Package)**
 - **New exemption to the transaction ban with Annex XIX-related entities available for non-EU entities acting on behalf of or at the direction of entities listed in Annex XIX or entities owned for more than 50% by entities listed in Annex XIX**, which is permitted where NCAs have (i) imposed a public trusteeship or similar public firewall measure on such an entity, or (ii) authorized such a similar measure to ensure the entity's continued functioning and compliance with sanctions

³ CN Code 3302 90.

⁴ CN Code 3926 90.

⁵ CN Code 7326 90.

⁶ CN Code 7615 10.

⁷ CN Codes 8302 10 and 8302 42.

⁸ CN Code 8422 30.

⁹ CN Code 9032 89.

¹⁰ Goods falling under CN codes 7615 10, 8414 60 and 8422 30.

¹¹ Goods falling under CN code 3916 20.

¹² Goods falling under CN code 8422 30.

¹³ Goods falling under CN code 3402 90.

¹⁴ CN code 7308 90.

¹⁵ CN Codes 8419 50, 8419 89, 8419 90.

¹⁶ CN Code 8479 82.

¹⁷ CN Code 8701 21.

- Recitals specify that with regard to the relationship between an EU subsidiary and a Russian parent company listed in Annex XIX, the transaction ban should to a large extent result, in practice, in the decoupling of the subsidiary from its Russian parent company.
- Recitals identify red flags that may give rise to a suspicion of action on behalf of, or at the direction of, an Annex XIX-listed entity. This includes, in particular, the appointment or dismissal of any authorized representatives of the EU subsidiary or the receipt of instructions from, or approvals by, an intermediary entity not engaged in operational business activities.

d. Measures targeting Russia's financial sector (18th Sanctions Package)

- **New transaction ban prohibiting engagement in any transaction with (i) entities listed in Annex XIV of Regulation 833/2014, or (ii) any entity in Russia directly or indirectly owned for more than 50% by one of those listed entities.** This replaces the former prohibition to provide specialized financial messaging services used to exchange financial data to the same.
 - **New designations of 22 additional credit or financial institutions** in Annex XIV of Regulation 833/2014 covered by the transaction ban as of Aug. 9, bringing the total number to 45
 - **Exemptions** apply to:
 - The functioning of diplomatic and consular representations of the EU, the member states or partner countries in Russia
 - Nationals of member states who are residents of Russia and were so before Feb. 24, 2022
 - **Derogations** can be granted by NCAs to authorize:
 - Divestments from Russia or the winding down of business activities in Russia
 - Transactions with Bank Zenit necessary either (i) to pay for goods under CN code 3402 90, or (ii) to fulfill contracts signed before Jan. 1 until either Jan. 1, 2028, or their expiry date (whichever comes first)
- **New transaction ban prohibiting engagement in any transaction with (i) the RDIF, (ii) any entity owned or controlled by the RDIF, and (iii) any entity established outside the EU benefiting from a "significant investment" from the previous entities (listed in Annex XLIX of Regulation 833/2014) or providing investment services or other financial services to those entities (listed in Annex L of Regulation 833/2014)**
 - **Definition of "significant investment"** (as set out in the recitals): investments appearing to support a governmental economic policy or strategy or relating to sectors relevant for Russia's long-term geopolitical influence, in particular, finance and banking, transport, telecommunications, defense, industrial manufacturing, advanced technology, energy, or the prospecting, exploration and production of oil, gas and mineral resources, including related intellectual property or research and development
 - **First designations** of four Russian entities benefiting from a "significant investment" from RDIF-related entities (VizorLabs LLC, Kama (Atom) JSC, BitRiver LLC and LABADVANCE LLC) in Annex XLIX of Regulation 833/2014
 - **Derogations** allowing NCAs to authorize:

- Transactions necessary for the purchase, import or transport of pharmaceutical and medical products, as permitted under Regulation 833/2014
- Until Dec. 31, 2026, transactions necessary for divesting from Russia and winding down business operations there
- **Extension of transaction ban on non-EU credit and/or financial institutions and crypto asset service providers**
 - **First designations of two Chinese financial institutions** (Heihe Rural Commercial Bank Co. Ltd. and Heilongjiang Suifenhe Rural Commercial Bank Co. Ltd.) in Annex XLV of Regulation 833/2014
 - **Extension of the designation criteria to cover:**
 - Entities that are significantly frustrating the purpose of the prohibitions of Regulations 833/2014 and 269/2014 (Part A of Annex XLV to Regulation 833/2014)
 - Entities that support Russia's war of aggression against Ukraine, including by processing transactions or providing export financing for trade operations that frustrate the purpose of Regulation 833/2014 (Part B of Annex XLV to Regulation 833/2014)
 - Entities that are not credit or financial institutions or crypto asset service providers but that are significantly frustrating the purpose of the prohibitions set out in Articles 3m, 3n and 3s of Regulation 833/2014
- **Broadening of the conditions for imposing a transaction ban on entities established outside Russia that use the SPFS of the Central Bank of Russia or equivalent specialized financial messaging services** set up by the Russian central bank or a state (without further conditions)
- e. **Measures targeting Russia's transport sector (18th Sanctions Package)**
 - **New exemption to the ports and locks transaction ban** (Part A of Annex XLVII of Regulation 833/2014) applies to **the purchase, import or transfer of coal under CN code 2701**, provided that (i) the coal originates in a third country and is only loaded in, departs from or transits through Russia, and (ii) both the origin and the owner of coal goods are non-Russian.
 - **New exemption to the airports transaction ban** (Part B of Annex XLVII of Regulation 833/2014) is applicable to the listed operations required for the completion of civil nuclear facilities.
- f. **Measures targeting Russia's services sector (18th Sanctions Package)**
 - **Extension of the services ban on the sale, supply, transfer or export of software to new listed software with use in the banking and financial sector** (Annex XXXIX of Regulation 833/2014) to the government of Russia or any entity in Russia
 - **New listed software** includes (i) online and mobile banking, (ii) loan management, (iii) ATM and point-of-sale integration, (iv) regulatory reporting, and (v) investment banking.
 - **The exemption** is applicable to the performance of contracts signed before July 20, or related ancillary contracts, until Sept. 30.
- g. **Measures targeting ISDS proceedings (18th Sanctions Package)**

- **New right for member states to not recognize, enforce or give effect to decisions or requests of non-EU courts or tribunals pursuant to or derived from ISDS proceedings** if these could result in the satisfaction of any claims in connection with Regulation 833/2014 and/or 269/2014 and are brought by (i) individuals or entities listed in annexes to Regulation 833/2014 or non-EU entities owned for more than 50% by them; (ii) any other Russian individual or entity; or (iii) anyone acting through or on their behalf
- **New right for the EU and member states to seek recovery — through judicial proceedings before competent member state courts — of any direct or indirect damages incurred as a consequence of ISDS proceedings** brought against them in connection with Regulations 833/2014 and/or 269/2014 from the parties mentioned above
- **Extension of the jurisdiction of EU member state courts to hear certain damage claims — now also covering those brought under ISDS proceedings, provided that the case has a sufficient connection with the member state of the court seized**

II. Adoption of Belarus Alignment Sanctions Package

On July 18, the EU [adopted](#) additional sanctions against Belarus further mirroring the measures imposed on Belarus' trade with those imposed on Russia through [Regulation 2025/1469](#) (individual sanctions) and [Regulation 2025/1472](#) (sectoral sanctions).

1. Individual sanctions

- **New designation of eight additional entities linked 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. Measures targeting Belarus' military and industrial sectors

- **Military items (EU Common Military List):**
 - Replication of the full Common Military List export ban contained in Council Decision 2012/642/CFSP in Regulation 765/2006
 - **New prohibition to purchase, import or transfer goods and technology listed in the EU Common Military List into the EU if originated in or exported from Belarus. Exemptions apply to:**
 - The provision of spare parts and services necessary for the maintenance and safety of existing capabilities within the EU
 - The execution of contracts concluded before July 20 and ancillary contracts
- **New catch-all obligation to obtain prior authorization from NCAs for exporting goods and technology listed in Annex Va of Regulation 765/2006 to any third country other than Belarus** if the exporter has been informed by the NCA¹⁸ that the items are or may be intended for individuals or entities in Belarus or for use in Belarus — particularly because such items could contribute to Belarus' military and technological enhancement

¹⁸ At this time, no details have been given regarding the process by which the competent authorities will inform exporters that there is sufficient reason to suspect that the end destination of the items may be in Russia or that the end-use of the items may be for Russian entities.

- **Goods and technology that might contribute to the enhancement of Belarusian industrial capacities (Annexes XVIII and XIX of Regulation 765/2006):**
 - **Extension of the list of Annex XVIII of Regulation 765/2006** to cover additional items, including certain machinery, chemicals, metals and plastic goods
 - **Extension of the list of Annex XIX of Regulation 765/2006 to cover additional items:** certain structures of iron or steel,¹⁹ certain heated machinery or equipment,²⁰ tractors with only compression-ignition internal combustion piston engines,²¹ and certain types of trailers and semi-trailers²²
 - **New exemptions** to the export-related prohibitions related to the goods listed in Annex XVIII of Regulation 765/2006 for:
 - The sale, supply, transfer or export of the following goods: (i) certain types of synthetic organic coloring matter,²³ (ii) certain types of glues and other prepared adhesives,²⁴ and (iii) certain types of polyacetals, polyethers and resins, in primary forms,²⁵ necessary for the performance until Oct. 21 of contracts concluded before July 20 or of ancillary contracts
 - The sale, supply, transfer or export of certain automatic regulating or controlling instruments and apparatus²⁶ necessary for the performance until Jan. 21, 2026, of contracts concluded before July 20 or of ancillary contracts
 - **Extension of the scope of the derogation allowing NCAs to authorize the sale, supply, transfer or export of goods listed in Annex XVIII of Regulation 765/2006** (including related technical or financial assistance) when intended for the personal household use of individuals in Belarus; the relevant derogation now also applies to:
 - Goods falling under CN code 8414 60
 - Goods falling under CN code 3916 20 when strictly necessary for the sale of PVC flooring
- **Extension of the list of machinery subject to a transit prohibition in Belarus (Annex XIVa of Regulation 765/2006) to also cover items falling under CN code 8479 82** (mixing, kneading, crushing, grinding, screening, sifting, homogenizing, emulsifying or stirring machines)
- **Addition of one entity (Legmash Plant OJSC) to the list of individuals and entities subject to enhanced export-related prohibitions** related to dual-use items (Annex I of Regulation 2021/821), goods and technology that could contribute to the enhancement of Belarusian industrial capacities (Annex XVIII of Regulation 765/2006), military and technological enhancement and goods (Annex Va of Regulation 765/2006), and advanced technology items (Annex Va of Regulation 765/2006)

¹⁹ CN code 7308 90.

²⁰ CN Codes 8419 50, 8419 89, 8419 90.

²¹ CN Code 8701 21.

²² CN Codes 8716 39 and 8716 90.

²³ CN codes 3204 11, 3204 12, 3204 13, 3204 14, 3204 15, 3204 16, 3204 17, 3204 18, 3204 19, 3204 20

²⁴ CN Codes 3506 10, 3506 91.

²⁵ CN Codes 3907 10, 3907 21, 3907 30, 3907 50, 3907 61, 3907 69 and 3907 99

²⁶ CN code 9032 89.

- **Extension of the list of advanced technology items (Annex Va of Regulation 765/2006) to cover additional items²⁷**
- b. Measures targeting Belarus' financial sector**
 - **New transaction ban prohibiting engagement in any transaction with** (i) any entity listed in Annex XV of Regulation 765/2006, or (ii) any entity in Belarus directly or indirectly owned for more than 50% by such listed entity, which replaces the former prohibition to provide specialized financial messaging services used to exchange financial data to the same
 - **Exemptions apply to:**
 - The necessary functioning of diplomatic and consular representations of the EU, its member states or partner countries in Belarus
 - Transactions made by nationals of member states who are residents of Belarus and were so before Feb. 24, 2022
 - **Derogation** can be granted by NCAs to authorize divestments from Belarus or the winding down of business activities there
- c. Measures targeting ISDS proceedings**
 - **New prohibition to recognize, enforce or give effect to decisions or requests of a non-EU court, arbitral or administrative decision issued in non-EU proceedings pursuant to or derived from ISDS proceedings against a member state** if these could result in the satisfaction of any claims in connection with Regulation 765/2006 and are brought by (i) individuals and entities listed in Annex I, Annex V, Annex IX or Annex XV; (ii) any other Belarusian individual or entity; or (iii) any individual or entity owned or controlled by the aforementioned entities or acting through or on their behalf
 - **New authorization for the EU and member states to seek recovery through judicial proceedings before competent member state courts of any direct or indirect damages incurred as a consequence of ISDS proceedings** brought against them in connection with Regulation 765/2006 from the above-mentioned parties
 - **Extension of the jurisdiction of EU member state courts to hear certain damage claims — now also covering those brought under ISDS proceedings, provided that** the case has a sufficient connection with the member state of the court seized

III. Adoption of New Sanctions Under the Hybrid Threats Program

On May 20, the EU adopted new sanctions under its Hybrid Threats Program through [Regulation 2025/965](#) (individual sanctions) and [Regulation 2025/964](#) (sectoral sanctions).

1. Individual sanctions

- **New designations of 21 additional individuals** (including German, Estonian, French, Togolese, Ukrainian, Turkish, Israeli, Belarussian, Uzbek and Moldovan nationals) **and six additional entities**

²⁷ Toluene Diisocyanate, in any isomeric form (CAS 584-84-9, 91-08-7, 26471-62-5, 9002-68-2, 26628-22-8); Methyl Diphenyl Diisocyanate (CAS 101-68-8); Isophorone Diisocyanate (CAS 4098-71-9); Xylidine in any isomeric form (CAS 87-59-2, 95-68-1, 95-78-3, 87-62-7, 95-63-6 or 108-69-0); Hydroxy Terminated Polyether (HTPE); Hydroxy Terminated Caprolactone Ether (HTCE); Machine tools products (CN Codes 8456 30 and 8456 50); Energetic materials and precursors (CN Codes 2804 50 10, 2829 11 00, 2829 19 00, 7603 10 00, 7603 20 00 and 8104 30 00); Machinery parts (CN Codes 8482 40 00, 8482 91, 8483 40 30, 8484 90 00 and 9031 80 20).

(including certain ones based in Turkey, the Czech Republic and the United Kingdom) to the list of restricted parties subject to an asset freeze and a travel ban for individuals

- **Extension of designation criteria** allowing the council to designate individuals and entities involved in or facilitating certain destabilizing activities attributable to the Russian government through actions listed in Article 2(3) of 2024/2642, which now also include those:
 - Facilitating the obstruction or undermining of public order or safety
 - Facilitating the use of any information manipulation and interference (instead of previously those limited to coordinated manipulation and interference)
 - Instigating, supporting or facilitating a violent conflict in a third country (instead of previously armed conflict)

2. Sectoral sanctions

a. Transaction bans

- **New transaction ban prohibiting engagement in any transaction in relation to or involving any tangible asset** (e.g., vessels, aircraft, real estate, ports, airports, physical elements of digital and communication networks) listed in Annex III of Regulation 2024/2642
 - This annex (currently empty) should include tangible assets that are:
 - Used in activities of a destabilizing character that are attributable to or benefiting the Russian government and that (i) endanger or damage critical infrastructure; (ii) violate national, EU or international traffic regulations; or (iii) involve espionage, surveillance, transport of weapons or military equipment and personnel, and information manipulation and interference
 - Owned, chartered or operated by persons listed in Annex I of Regulation 2024/2642 or used in the name of, on behalf of, in relation with or for the benefit of such persons
 - **Exemptions** apply to:
 - Reasons of maritime or aviation safety
 - Humanitarian purposes, or the urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or on the environment or as a response to a natural disaster
 - The recognition or enforcement of a judgment or an arbitration award rendered in a member state or for the purposes of an investigation into infringements of the provisions of Regulation 2024/2642 or into other illicit activity
 - **Derogation** allowing NCAs to authorize, on a case-by-case basis, transactions strictly necessary for any purpose consistent with the objectives of Regulation 2024/2642
- **New prohibition on engaging in any transaction with entities listed in Annex IV of Regulation 2024/2642**
 - This annex (which is currently empty) shall include:
 - Credit or financial institutions or crypto asset service providers established outside the EU and involved in transactions facilitating or consisting of destabilizing activities referred to in Article 2(3) of Regulation 2024/2642 (i.e., actions or policies threatening

democracy, the rule of law, stability, or security, sovereignty or independence in the EU or its member states, an international organization or a third country)

- Entities providing technical or operational assistance to persons engaged in these destabilizing activities
- **Exemptions** apply to:
 - The export, sale, supply, transfer or transport of pharmaceutical, medical, or agricultural and food products
 - Access to judicial, administrative or arbitral proceedings in a member state, as well as for the recognition or enforcement of a judgment or an arbitration award rendered in a member state, provided that such transactions are consistent with the objectives of Regulation 2024/2642
 - Humanitarian purposes

b. Broadcasting ban

• **New broadcasting ban prohibiting:**

- Broadcasting or that which enables, facilitates or contributes to broadcasting any content by the entities listed in Annex V (currently empty)
- Advertising products or services in any content produced or broadcast by these entities

• **New suspension of any broadcasting license or authorization, transmission or distribution of entities listed in Annex V**

c. No-claims clause

- **Expansion of the no-claims clause** to prohibit the satisfaction of claims arising from any contract or transaction affected by Regulation 2024/2642 if such claims are made by:
 - Entities subject to the transaction ban (Annex IV of Regulation 2024/2642) or broadcasting ban (Annex V of Regulation 2024/2642) or non-EU entities owned for more than 50% by them
 - Any person acting through or on behalf of these persons

IV. Additional Russia-Related Sanctions Under Other Sanctions Programs

- **New designations of additional individuals and entities on the list of restricted parties subject to an asset freeze, and a travel ban for individuals under various sanctions programs, including:**
 - On July 15, nine individuals and six entities under the Hybrid Threats Program (see [Regulation 2025/1444](#))
 - On July 15, five individuals responsible for serious violations or abuses of human rights and for the repression of civil society and democratic opposition in Russia under its Russian human rights sanctions program (see [Regulation 2025/1438](#))
 - On May 20, three Russian entities associated with the development and use of chemical agents as a method of warfare on the front lines in Ukraine under the chemical weapons-related sanctions program (see [Regulation 2025/959](#))

- On May 20, 28 individuals under its Russian human rights sanctions program (see [Regulation 2025/958](#))

V. Updates to the Commission's FAQ on Ukraine-Related Sanctions

The commission has recently made several updates to its FAQ on the implementation of Regulation 269/2014 (Russia individual sanctions), Regulation 833/2014 (Russia sectoral sanctions) and Regulation 765/2006 (Belarus sanctions) on its dedicated [webpage](#), in particular:

- On July 23, the commission added specifications in its FAQ on the import, purchase and transfer of listed goods, in particular with regard to the application of the import ban on primary aluminum (CN code 7601, unwrought aluminum):
 - If the goods were already released for free circulation within the EU at the time the restriction entered into force, the import ban does not apply.
 - If the goods were already present in the EU but had not yet been released for free circulation at the time of the entry into force of the restriction, they may still undergo the usual customs procedure. However, customs authorities may block the release if they have reasonable grounds to suspect sanctions circumvention.
 - The EU's nonpreferential rules of origin must be applied to determine whether goods, including primary aluminum, originate from Russia in order to be allowed for import into the EU.
- On the same date, the commission also updated its FAQ regarding enhanced due diligence for operators manufacturing and/or trading with common high-priority items under Article 12g(b) of Regulation 833/2014 to include items listed in Annex XLVIII since Feb. 24.
- On June 30, the commission modified its FAQ on targeted vessels, clarifying the conditions under which port access and services may be granted to a vessel targeted in Annex XLII of Regulation 833/2014 that is carrying dangerous or polluting goods, such as oil or LNG. The commission indicated that:
 - Such vessels may exceptionally benefit from the exemption of Article 3s(3) of Regulation 833/2014, allowing a one-time emergency port call for the offloading of the dangerous or polluting goods.
 - This exemption should be available for a reasonable time and no longer than 30 days, which can be extended to 60 days if necessary to ensure a safe and orderly transition, based on objective criteria.
 - This exemption applies across the EU to any member state vessel and EU entity.

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 of the prior topics of our client alerts.

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