



# Sanctions in a Snap: Developments in Sanctions

EU Edition

## Sanctions and Export Controls Update

Hughes Hubbard's Sanctions in a Snap is intended to provide a clear and concise summary of recent and important economic sanctions and export controls developments from the European Union (EU) and its Member States. We hope you find it helpful in assessing EU economic sanctions and export control risks and related compliance requirements against the dynamic EU regulatory framework and enforcement priorities.

## Key January 2026 Sanctions, Export Controls and Enforcement Highlights

- **Continued Focus on Russia-Related Sanctions:** January saw a range of new designations targeting actors involved in violations of human rights, hybrid threats, the implementation of adjustments to the price cap mechanism for Russian seaborne crude oil and the publication of FAQs on various aspects of the EU's sanctions against Russia.
- **Adoption of Broad Sanctions Against Iran:** The EU adopted unprecedented sanctions targeting Iran, including designations based on both its violent crackdown on peaceful protesters and its support for Russia's war of aggression against Ukraine. Of particular note is the Council's long-awaited final agreement on the future inclusion of the Islamic Revolutionary Guard Corps on the EU's terrorist list.
- **Updates to Sudan, Guatemala, Hamas and Palestinian Islamic Jihad Sanctions Programs:** Amid escalating violence between the Rapid Support Forces and the Sudanese Armed Forces, the EU designated seven individuals affiliated with these groups and their supporters responsible for serious human rights violations and threatening the peace, stability and security of Sudan. The EU also extended its autonomous sanctions programs on Guatemala, Hamas and the Palestinian Islamic Jihad for another year to maintain pressure on actors undermining democratic institutions or supporting violent activities.
- **Confirmation by EU Courts of EU Sanctions Listing Evidentiary Standards:** The EU Court of Justice and the EU General Court reconfirmed the council's broad discretion in assessing the factual basis for sanctions designations, and observed that there is no requirement to meet a criminal standard of proof as long as the evidence is coherent and credible. Indeed, by upholding the designations of Euro Asia Cargo, a Sri Lankan logistics and transportation company, as well as two Syrian individuals (Issan Anbouba and Feras Al Akhras), the General Court and the Court of Justice reaffirmed that the applicable test is whether a "sufficiently solid factual basis" exists. A listing may therefore be maintained as long as factual basis persists, without requiring a criminal standard of proof, provided that the evidence remains coherent and credible. These decisions underscore the centrality of the "sufficiently solid factual basis" test and confirm that maintaining a listing is lawful for as long as this factual basis endures.
- **Member State Enforcement Focus on Maritime Controls and Fighting Circumvention:** The enforcement authorities of several EU Member States are seeking to take a tougher stand on enforcement of Russia sanctions. In the past month, Finnish, Italian, French, Portuguese and German authorities have been actively involved in seeking to counter violations and circumvention of Russia sanctions through seizures of ships, arrests and identifying shell companies used for circumvention purposes.

Hughes Hubbard & Reed LLP • A New York Limited Liability Partnership  
One Battery Park Plaza • New York, New York 10004-1482 • +1 (212) 837-6000

Attorney advertising. This advisory is for informational purposes only and is not intended as legal advice. Prior results do not guarantee a similar outcome. For more information: <https://www.hugheshubbard.com/legal-notices>. If you wish to discontinue receiving announcements, please send an e-mail to [opt-out@hugheshubbard.com](mailto:opt-out@hugheshubbard.com).

## Sanctions and Export Controls Update

### Continued Focus on Russia-Related Sanctions

#### Additional Designations Based on Human Rights Violations and Russian Hybrid Threats Programs

In early January, the EU designated Dmitry Sergeyevich Gordeev, judge of the Moscow City Court, and Lyudmila Balandina, prosecutor, based on the **sanctions program regarding the human rights situation in Russia**, bringing the number of designations under this program to 64 individuals and one entity. The basis for the listings was their **responsibility in committing serious human rights violations against opposition figures, individuals expressing criticism of the Russian authorities and human rights defenders in the conduct of their respective functions, thereby actively undermining democracy and the rule of law in Russia.**

Another six individuals, and in particular prominent media and culture figures, were designated based on the **Russian hybrid threats sanctions program** for their **involvement in foreign information manipulation and interference targeting the EU, its Member States and its allies.** This brings the number of designations under the hybrid threats program to 65 individuals and 17 entities. All newly designated persons are subject to asset freezes, travel bans and prohibitions on making funds/economic resources available.

#### Implementation of New Dynamic Mechanism for Price Cap on Russian Crude Oil

For the first time, the EU implemented a **new, automatic and dynamic mechanism for price adaptation of the oil price cap**. The objective of this new mechanism is to ensure that the cap consistently remains 15% lower than the average market price for Urals crude through review of the cap every six months. Its **immediate effect is to lower the price cap for seaborne Russian crude oil and petroleum products from \$47.60 to \$44.10 per barrel, effective as of 1 February 2026.** From 16 January, existing contracts will benefit from a transition period of 90 days (i.e., until 16 April 2026). More broadly, the new mechanism reflects the EU's intention to maintain economic pressure on Russia, while aligning the cap with prevailing energy market conditions in order to guarantee continued supply. EU operators are only allowed to provide maritime transport and related services for these products if sold at or below the applicable price cap.

#### Publication of New Russia-Related FAQs

While not binding, the consolidated FAQs on sanctions against Russia and Belarus provide key interpretative guidance for EU operators and serve a unique role in promoting uniform application of EU sanctions. Guidance released in January includes:

- Revised FAQ on the Oil Price Cap: Provides guidance on the functioning of the new mechanism for price adaptation and the application of the latest price cap.
- New FAQs on the Nord Stream Restrictions: Provides guidance on the prohibitions on engaging directly or indirectly in any transaction with, or financing of, the natural gas pipelines Nord Stream and Nord Stream 2 with regard to the completion, operation, maintenance or use of these pipelines (see Article 5af of Regulation 833/2014).
- Updates to the FAQs on the Provision of Services: Inter alia, clarifies the scope of the service ban established by Article 5n of Regulation 833/2014 following the entry into force of the 19th sanctions package.

### Adoption of Broad Sanctions Against Iran

#### Adoption of New Designations Addressing the Situation in Iran

As discussed in our latest client advisory, on 29 January, the EU adopted new designations addressing the ongoing violent repression of civil protestors by Iranian authorities. The EU designated 15 individuals and six entities under its human rights sanctions program for Iran, bringing the total number of designations under this program to 247 individuals and 50 entities. Of particular note is the council's **unanimous decision to add the Islamic Revolutionary Guard Corps to the**

EU Terrorist List, and the EU High Representative's [statement](#) indicating the EU's readiness to continue increasing pressure on Iranian authorities and supporting Iran's civil society to adopt further restrictive measures against Iran.

### New Designations Based on Iran's Support of Russia's War Against Ukraine

Additionally, the EU continued its efforts to contain Iran's support for Russia's war of aggression against Ukraine and [designated](#) four individuals and six entities under its sanctions program addressing Iran's military support to Russia, bringing the number of designations under this program to 24 individuals and 26 entities. In this framework, the EU also expanded its export prohibition on goods and technologies necessary for the development of Iran's unmanned aerial vehicle program.

### Updates to Sudan, Guatemala, Hamas and Palestinian Islamic Jihad Sanctions Programs

#### Addition of Seven Individuals to Sudan Sanctions Program

On 29 January, amid escalating violence between the Rapid Support Forces and the Sudanese Armed Forces, the EU [added seven individuals](#) to its Sudan sanctions program, targeting generals, commanders and other members affiliated with these armed groups, as well as their supporters, that are responsible for serious human rights violations and threatening the peace, stability and security of Sudan. These additions bring the total number of designations under the Sudan sanctions program to 18 individuals and eight entities. All newly listed persons are subject to asset freezes, travel bans and prohibitions on making funds/economic resources available.

#### Renewal of EU Restrictive Measures Programs for Guatemala, and Hamas and the Palestinian Islamic Jihad

- **One-Year Extension of Guatemala Sanctions Program:** On 9 January, the EU [announced](#) that its autonomous sanctions program targeting those responsible for, or benefiting from, actions undermining democracy, the rule of law and the peaceful transition of power in Guatemala was renewed until 13 January 2027. These restrictive measures specifically apply to eight individuals and one entity, subjecting them to asset freezes, travel bans and prohibitions on making funds/economic resources available.
- **One-Year Extension of Sanctions Targeting Hamas and the Palestinian Islamic Jihad:** On 16 January, the EU [renewed its autonomous sanctions regime](#) targeting Hamas and the Palestinian Islamic Jihad until 20 January 2027. These restrictive measures specifically apply to 11 individuals and three entities supporting, facilitating or enabling violent actions by these groups, subjecting them to asset freezes, travel bans and prohibitions on making funds/economic resources available.

## Regulatory Developments

### Italy Officially Implements the EU Sanction Criminalization Directive

As previewed in our [December 2025 EU Sanctions in a Snap](#), Italy [formally published](#) in its Official Journal Legislative Decree No. 211 implementing Directive 2024/1226, which introduced harmonized EU-wide criminal standards and penalties for sanctions violations. The publication marks a significant step up in strengthening the EU's enforcement architecture through binding national implementation, with other Member States expected to complete implementation of the directive in their national laws throughout 2026.

## Enforcement Highlights

### EU Courts Confirm Evidentiary Standard for Sanctions Designations

#### Challenges to Russia-Related Designations Under Regulation 833/2014 (Case T-232/24)

Euro Asia Cargo, a company established in Sri Lanka, brought an action before the General Court of the EU seeking the annulment of various EU restrictive measures that had resulted in its inclusion on the list of entities entertaining commercial or other links with Russia's military and industrial complex or otherwise supporting Russia's defense and security sector. As a result, Euro Asia Cargo was prohibited from receiving dual-use items or other items that could contribute to Russia's military and technological enhancement capacities. Euro Asia Cargo contended that the council had violated its right to be heard, had committed an error of assessment by incorrectly concluding that the company contributed to activities enabling Russia to obtain restricted goods, and had failed to state clear and specific reasons for its inclusion. The General Court rejected all arguments, finding in particular that **the council had provided adequate reasoning** (i.e., legal basis for the listing, restrictive measures applicable and assessment of Euro Asia Cargo's activities), **based on sufficiently reliable evidence** (i.e., according to settled case law: "sufficiently concrete, precise and consistent body of evidence to establish that there is a **sufficient link** between the entity subject to a restrictive measure and the regime or, in general, the situations, being combated"), which remains below criminal law evidentiary standards, and that the listing was justified and proportionate in light of the seriousness of Russia's actions and the necessity to **prevent circumvention of dual-use export bans**.

#### Challenges to Syria-Related Listing (Regulation 36/2012)

Both the Court of Justice and the General Court dismissed applications seeking annulment or delisting by individuals designated under the Syria sanctions program, including Issam Anboubas and Feras Al Akhras. The rulings reaffirmed the evidentiary and procedural standards applied by EU courts in reviewing Syria-related sanctions. In the Anboubas case (Case C-494/24 P), the Court of Justice confirmed that the council had sufficient, specific and consistent evidence supporting Anboubas's continued listing under the 2013 Syria sanctions program, and that alleged political developments were not enough to undermine the factual basis relied on for the initial listing. In the Al Akhras case (Case T-176/24), the General Court reiterated that the council enjoys broad discretion in its assessment of the evidence, and that it was **not required to meet a criminal standard of proof, as long as the evidence is coherent and credible**. Both decisions underscore the "sufficiently solid factual basis" test and that maintaining a listing is considered lawful as long as the factual basis persists.

### Member State Enforcement Focus on Maritime Controls, Circumvention and Financial Flows

#### Shift to Active Maritime Enforcement Against Russia's "Shadow Fleet"

- On 1 January, **Finnish** customs authorities seized a vessel, suspected of causing damage to underwater cables in the Baltic Sea, that was found to be carrying sanctioned Russian steel. An investigation is ongoing.
- On 17 January, **Italian** customs and financial authorities released a statement indicating they had urgently seized a cargo ship that had arrived in Brindisi after they discovered falsified documents and evidence showing it had secretly loaded 33,000 tons of ferrous material in the sanctioned Russian port of Novorossiysk. The captain, shipowner, importer and crew members are under investigation for allegedly evading EU sanctions by altering records and disabling the vessel's tracking systems.
- **French** authorities intercepted the tanker "The Grinch" in international waters, which was suspected of being part of the Russian shadow fleet transporting Russian-origin oil in breach of EU attestation and price cap requirements. The vessel is now anchored off Foss-sur-Mer and its captain is detained, pending further investigations.

- Together, these actions illustrate intensified scrutiny of maritime activity linked to Russia, including vessels associated with Russia's shadow fleet, and the growing focus on sanctions circumvention via shipping routes. In this regard, **Ukrainian** authorities reported that coordinated international pressure has stalled approximately 20% of Russia's shadow fleet, highlighting the cumulative impact of EU and allied enforcement actions on sanctions evasion networks.

### Financial and Nontraditional Enforcement of EU Sanctions

- **Portuguese** prosecution services initiated proceedings against a Lisbon-based first-division football club for intentionally circumventing EU sanctions against Russia for its war against Ukraine. According to the charges, the football club received €1.5 million from a Russian football club ultimately owned by Ramzan Kadyrov, the EU-sanctioned head of Chechnya, for the transfer of one of its players. Funds were deliberately routed through a marketing firm in the United Arab Emirates and supported by falsified documents to disguise their true source and nature in order to avoid a payment block from the banks involved.
- Meanwhile, **German** authorities arrested two members of a pro-Russian extremist group suspected of having organized the funding and transport of supplies, medical products and drones to Ukraine's eastern Donbas region, in violation of EU sanctions against Russia.



**Anne Hukkelaas Gaustad** | Partner  
**Hughes Hubbard & Reed LLP**  
 4 rue Cambacérès | 75008 Paris  
 Office +33 (0) 1 44 05 80 57 | Cell +1 (202) 304-0103  
 anne.gaustad@hugheshubbard.com | [bio](#)



**Marie-Agnès Nicolas** | Partner  
**Hughes Hubbard & Reed LLP**  
 4 rue Cambacérès | 75008 Paris  
 Office +33 (0) 1 44 05 80 23 | Cell +33 06 81 56 81 42  
 marieagnes.nicolas@hugheshubbard.com | [bio](#)



**Lorenza Nava** | Associate  
**Hughes Hubbard & Reed LLP**  
 4 rue Cambacérès | 75008 Paris  
 Office +33 (0) 1 44 05 80 34 | Cell +33 (0) 6 70 72 92 92  
 lorenza.nava@hugheshubbard.com | [bio](#)



**Timothe Radosavljevic** | Juriste International  
**Hughes Hubbard & Reed LLP**  
 4 rue Cambacérès | 75008 Paris  
 Office +33 1 44 05 79 50 | Cell +33 (06) 8605 4911  
 timothe.radosavljevic@hugheshubbard.com | [bio](#)