



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 developments from the European Union and its member states. We hope you find it helpful in assessing EU economic sanctions and export controls risks against the current EU regulatory framework and enforcement priorities.

Highlights from October 2025 include the EU's adoption of its 19th sanctions package against Russia, updated guidance on (i) dual-use and advanced technology export controls, (ii) an import ban on refined oil originating from Russian crude, and select case law and enforcement actions, including the European Court of Justice's (ECJ) confirmation of reporting obligations for individuals subject to asset-freezing measures, France's detention of crew members aboard a Russian-linked oil tanker suspected of sanctions evasion, and Denmark's issuance of its first fine under the Russia sanctions regime for an attempted export of dual-use goods.

EU Regulatory Developments

Adoption of 19th Russia Sanctions Package and Additional Belarus Sanctions Package

Following extensive discussions among EU member states and international partners, on 23 October 2025, the Council of the EU (Council) **adopted** its much-anticipated 19th sanctions package against Russia for its continued war of aggression against Ukraine. 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. For a comprehensive summary of new restrictions, please read our **alert**.

New Swedish Dual-Use Controls

On 25 October 2025, Sweden **introduced** national dual-use controls (i.e., license requirement) with the issuance of a National Control List for items not covered by Annex I of Regulation 2021/821, effective 1 November 2025. Covered items include, inter alia, quantum computing components, AI-related semiconductors, 3D printing technologies, advanced electronics and materials.

EU Guidance Updates

New FAQs on Import Ban Targeting Refined Petroleum Products from Russian Crude Oil

As part of its 18th package of sanctions against Russia (18 July 2025), the Council had introduced a new prohibition — effective 21 January 2026 — to purchase, import or transfer into the EU (and provide related technical assistance, brokering services, financing, financial assistance, insurance and reinsurance) 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 (Article 3ma of Regulation 833/2014).

On 16 and 29 October 2025, the European Commission (Commission) released much-anticipated new FAQs clarifying key requirements:

- **Scope of the prohibition.** The Commission clarified that:
 - The prohibition applies only to products coming into the EU and should not affect purchases, imports into third countries or transfers by EU operators of petroleum products to third countries, including transit through EU waters.
 - The prohibition does not apply to the bunkering of vessels or refueling of aircraft sailing or flying from third countries into the EU as long as the fuel is required for the operation of the vessel or aircraft pursuing the voyage.
- **Evidence requirements.** Article 3ma requires importers, at the moment of importation, to provide evidence of the country of origin of the crude oil used for the refining of the product in a third country unless the product is imported from a partner country listed in Annex LI.
 - The Commission clarified that operators should have in place “adequate due diligence procedures” to ensure that no Russian crude was used in the production of petroleum products imported into the EU, including through the collection and review of documentation providing evidence of the origin of the crude oil.
 - The Commission advised operators to (i) insert contractual clauses in relevant purchase agreements guaranteeing the non-Russian crude oil origin and exposing the supplier to contractual liability if the statement proves to be erroneous or false, and (ii) exercise enhanced due diligence in certain cases, including shipments from Turkey, India or China and from countries known for mixing crudes of varied origin, as well as refineries processing any quantity of Russian crude oil, segregated or blended with other crudes.
- **Presumption for net exporters.** Under Article 3ma, petroleum products imported from net exporters of crude oil (i.e., countries exporting more crude oil than they import) in the previous calendar year should be presumed 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.
 - The Commission issued a list of net exporters of crude oil for 2024. This will be updated annually based on data available for the previous calendar year.
 - The Commission clarified that the presumption can be rebutted if NCAs, through the review of trade flows or vessel movement or otherwise, become aware that (i) the country or a specific refinery in a third country began or continued receiving Russian crude oil for refining in a significant or disproportionate manner or (ii) Russia or other third countries refining Russian oil are using net exporter countries as export hubs and fraudulently labeling the petroleum product as originating in the net exporter country.

Enforcement Highlights

On 16 October 2025, the ECJ **confirmed** the validity of EU reporting obligations imposed on individuals subject to asset-freezing sanctions in a case against Elena and Gennady Timchenko, ruling that these obligations are essential to ensuring the effectiveness of sanctions and preventing circumvention. The ECJ clarified that the reporting requirement is not a new restrictive measure, but rather a procedural mechanism designed to support and implement existing sanctions uniformly across member states. It rejected the appellants’ claim that the Council had overstepped its powers or violated EU treaties by introducing the obligation and stated that the Council acted within its legal authority.

On 22 October 2025, the EU General Court **annulled** the Council’s decision to maintain individual sanctions against Mikail Gutseriev, finding it had made an “error of assessment” because it failed to conduct an updated review before renewing measures in February 2024 and instead relied on evidence from 2020. The ruling emphasizes that EU sanctions must be grounded in current, verifiable facts and applied with procedural precision. It clarifies that past associations alone are insufficient to justify ongoing designation, thereby setting a precedent for stricter evidentiary standards within the EU’s restrictive measures regime.

The following member states reportedly initiated additional enforcement actions over alleged breaches of EU sanctions:

- **France, 2 October:** The French army **detained** the captain and the first mate of a Russia-linked oil tanker suspected of evading sanctions for refusing to follow naval orders and failing to demonstrate the ship's nationality. The vessel was part of Russia's shadow fleet and was intercepted while carrying sanctioned crude oil.
- **Germany, 20 October:** Germany is seeking to **confiscate** over €700 million from a sanctioned Russian bank whose funds were frozen, arguing that the funds are proceeds of crime after certain managers attempted to transfer the funds from the bank in violation of EU sanctions.
- **Denmark, 27 October:** Danish company Alfa Laval was **fined** €13,300 for breaching EU sanctions by exporting dual-use centrifuge parts worth over DKK 500,000 to a sister company in Russia. This is Denmark's first prosecution under the Russia sanctions regime since 2022. Although the goods were neither delivered nor paid for, the transaction still was found to constitute a breach as EU sanctions prohibit the sale, supply, transfer or export of certain goods to Russia, even if the deal is not completed.



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