

# EU sanctions against Russia

## Introduction

The international community has strongly condemned Russia's incursion into Ukraine, with statements and punitive sanctions from the USA, the EU, UK, Japan, and other partners targeting Russian elites as well as President Putin's inner circle and Russian financial institutions and companies.

On 25 February, EU Heads of State decided to impose sanctions covering the financial and banking sector, the energy and transport sectors, dual-use goods as well as export control and export financing, and visa policy. The Heads of State agreed to additional listings of Russian individuals and new listing criteria. On 26 February, the European Union, US, UK and allies have agreed to exclude a number of Russian banks from SWIFT, an international payment system used by thousands of financial institutions. The following day, the EU then agreed to provide 500€ million in funding for military equipment destined for the Ukrainian armed forces.

This document brings together reports and information gleaned primarily from official EU sources and government statements to paint a picture of the current – and rapidly developing – EU sanctions state-of-play.

## EU Sanctions

Since Russia commenced its initial invasion on Tuesday 22 February, the EU together with its partners have proposed three rounds of sanctions, the first being approved on Wednesday 23 February and the second and third sets being respectively approved on 25 February and 28 February.

### First round

On 23 February, the EU adopted a [first round of sanctions](#) in response to Russian recognition of the non-government-controlled areas of the Donetsk and Luhansk oblasts of Ukraine and sending of troops into the region. These sanctions could be described as moderately severe, yet quite comprehensive, targeting both high-ranking individuals, the secessionist-regions of Donetsk and Luhansk, and Russian military and government finances.

Sanction	Detail	Sources
Individual – Politicians	<p>351 members of the Russia State Duma who voted for the recognition of the separatist so-called people's republics will be sanctioned. Sanctions include:</p> <ul style="list-style-type: none"> <li>• an asset freeze;</li> <li>• a prohibition from making funds available to the listed individuals;</li> <li>• a travel ban preventing the listed persons from entering or transiting through EU territory.</li> </ul> <p><b>Goal</b> – to exert pressure on those politicians that support Putin's actions, impacting their EU investments and ability to travel</p>	<p><a href="#">Official Journal of the European Union</a> (23 Feb, 4:35pm CET)</p>
Individual – Oligarchs and other	<p>Sanctions imposed on 27 individuals, which includes Russian decision-makers, oligarchs, and military as well as entities, notably banks, which played a role in "undermining Ukrainian sovereignty" including:</p> <ul style="list-style-type: none"> <li>• an asset freeze;</li> <li>• a prohibition from making funds available to the listed individuals and entities;</li> <li>• a travel ban applicable to the aforementioned 27 <a href="#">persons</a> preventing them from entering or transiting through EU territory.</li> </ul> <p><b>Goal</b> – to exert pressure on leading oligarchs and Putin's inner circle, impacting their EU investments and ability to travel</p>	<p><a href="#">Official Journal of the European Union</a> (23 Feb, 4:35pm CET)</p>
Economic	<p>Restrictions on economic relations with the Ukrainian non-government-controlled areas of the Donetsk and Luhansk oblasts The measures:</p> <ul style="list-style-type: none"> <li>• target trade to and from the two non-government-controlled regions to the EU to increase economic pressure.</li> <li>• focus on trade and investments related to certain economic sectors <ul style="list-style-type: none"> <li>○ a prohibition to supply tourism services</li> <li>○ export ban for certain goods and technologies</li> </ul> </li> </ul> <p><b>Goal</b> – to restrict key industries and defense related activities in the breakaway regions, prohibiting services in the sectors of transport, telecommunications, energy or the prospecting, exploration and production of oil, gas and mineral resources.</p>	<p><a href="#">Official Journal of the European Union</a> (23 Feb, 4:35pm CET)</p>

Finance	<p><a href="#">Sectoral prohibition</a> on financing the Russian Federation, its government and Central Bank. The EU is restricting the Russian state and its government's ability to access the EU's capital and financial markets and services.</p> <p>Three banks have been targeted (Rossiya Bank, Promsvyazbank and VEB) because of their links with the so-called separatist regions and their role in funding the Russian invasion of Ukraine.</p> <p><b>Goal</b> – Preventing Russia from accessing financial markets and raising funds for its military action in Ukraine.</p>	<p><a href="#">Official Journal of the European Union</a> (23 Feb, 4:35pm CET)</p>
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## Second Round

On 25 February, EU leaders agreed to impose “massive” sanctions on Russia in order to “hold the Kremlin accountable” for its invasion of Ukraine, European Commission President Ursula von der Leyen said. The new sanctions include one very big energy-related measure: an export ban on machinery for the Russian oil sector, which von der Leyen said will make it “impossible for Russia to upgrade its oil refineries.” The EU's foreign affairs ministers met on Friday to give final approval to the package settled by leaders overnight and to complement it with other additional measures targeting Russian President Vladimir Putin and his Ministry of Foreign Affairs, Sergei Lavrov and the Russian Central Bank

Sanction	Detail	Sources
Financial	<p><a href="#">Financial sanctions</a>, targeting 70% of the Russian banking market and key state-owned companies, including in defense.</p> <p>The measures</p> <ul style="list-style-type: none"> <li>• Freeze some transactions with a wide range of Russian banks</li> <li>• Would extend the list of Russian banks blocked from EU financing to Alfa-Bank and Bank Otkritie, two private lenders, on top of five state-owned institutions.</li> <li>• Bar a number of state-owned companies from launching new listings on stock exchanges in the EU</li> <li>• Stop Russian nationals from making any new deposits of more than €100,000 in EU banks.</li> <li>• Lending and the purchase of securities would be prohibited in several state-owned Russian enterprises, including companies in the aerospace and defence sector, shipping and shipbuilding.</li> </ul> <p><b>Goal</b> – Will increase Russia's borrowing costs and gradually erode its industrial base, hitting Russian elites</p>	<p><a href="#">Special European Council</a> (25 Feb, 3am CET)</p>
Energy	<p>Targets the <a href="#">energy sector</a>, a key economic area which especially benefits the Russian state. It will hit the oil sector by making it impossible for Russia to upgrade its refineries.</p> <p><b>Goal</b> – long term impact on the Russian oil industry, by slowly preventing them from repairing and upgrading facilities with machinery from abroad</p>	<p><a href="#">Special European Council</a> (25 Feb, 2:30am CET)</p>
Aviation	<p><a href="#">Aviation</a> related bans on the sale of aircrafts, spare parts and equipment to Russian airlines. The sanctions also follow the same playbook used in sanctions against Belarus, covering aircraft leasing and similar services.</p> <p><b>Goal</b> - Russia's airlines will be starved over the medium term as their airplanes deteriorate. But that's a cost that will only accumulate gradually, likely after the war will be over.</p>	<p><a href="#">Special European Council</a> (25 Feb, 2:30am CET)</p>
Technology	<p>Limits Russia's access to crucial <a href="#">technology</a>, such as semiconductors or cutting-edge software</p> <p><b>Goal</b> – to impact key technologies with a short-medium term impact on defence capabilities and a long term impact on Russian industry</p>	<p><a href="#">Special European Council</a> (25 Feb, 2:30am CET)</p>
Visas	<p><a href="#">Visa access</a> for Russian diplomats and related groups and business-people who will no longer have privileged access to the EU</p> <p><b>Goal</b> – to target leading Russia oligarchs and the activities of Russian government officials.</p>	<p><a href="#">Special European Council</a> (25 Feb, 2:30am CET)</p>

### Third Round

As Russian forces previously amassed near Ukrainian borders continue to move into Ukraine – increasing Russia's active troop numbers in the country by 30% to 50% – and with Russian forces approximately 30 kilometres from Kyiv, the EU decided launch new more punitive measures, as well as to provide direct military equipment support to the Ukrainian armed forces.

Sanction	Detail	Sources
Individual	Freezing assets of Russian President, Vladimir Putin and Russian Minister of Foreign Affairs Sergey Lavrov.  <b>Goal</b> – increases pressure on key Russian decision-makers	<a href="#">Extraordinary Foreign Affairs Council</a> (25 Feb, 11:59pm CET)
Financial	The third round of sanctions expands existing financial restrictions, thereby cutting Russian access to the world's most important capital markets. It also prohibits the listing and provision of services in relation to shares of Russian state-owned entities on EU trading venues. In addition, it introduces new measures which significantly limit financial inflows from Russia to the EU, by prohibiting the acceptance of deposits exceeding certain values from Russian nationals or residents, the holding of accounts of Russian clients by the EU Central Securities Depositories, as well as the selling of euro-denominated securities to Russian clients.  The EU also targets the central bank of Russia - banning the transactions of Russia's central bank and freeze all its assets - which will severely limit the central bank's ability to access its reserves and thus destabilise the Russian ruble.  <b>Goal</b> – increases Russia's borrowing costs and reduce trade flows and gradually erode its industrial base, hitting both Russian elites and the Russian economy.	<a href="#">Extraordinary Foreign Affairs Council</a> (25 Feb, 11:59pm CET)
Visas	Broadens the list of diplomats, other Russian officials, and businesspeople that will no longer be able to benefit from privileged access to the EU. The list now includes members of the National Security Council of the Russian Federation who supported Russia's immediate recognition of the breakaway regions of Donetsk and Luhansk.  <b>Goal</b> – pressures leading Russian oligarchs and the activities of Russian government officials.	<a href="#">Extraordinary Foreign Affairs Council</a> (25 Feb, 11:59pm CET)
Air Space	The EU has imposed a bloc-wide ban on Russian aircraft entering EU airspace. Under the ban, Russian planes will not be able to land in, take off from, or overfly any EU member state.  <b>Goal</b> – will require Russian airlines to take indirect routes to reach destinations beyond Europe, pushing up fuel costs and journey times. The ban will also restrict the mobility of Russian oligarchs and decision-makers, making international travel difficult.	<a href="#">EU Commission President Statement</a> (27 Feb, 5:34am CET)
Media	Russian state-owned Russia Today and Sputnik, together with their subsidiaries, will no longer be able to operate within the EU.  <b>Goal</b> – Banning Russian disinformation and propaganda in Europe, thereby restricting the ability for Russia to wage an information war against European targets.	<a href="#">EU Commission President Statement</a> (27 Feb, 5:34am CET)

### Other initiatives

Finally, the below measures (ordered by date proposed) have also been suggested and in some cases already implemented. These measures, while supported by EU member states, are not technically EU sanctions, but will still have sweeping effects on a range of Russian and non-Russian entities in sectors ranging from energy to defense.

Energy	Germany suspended the certification of the Nord Stream 2 pipeline  In the longer term, this is likely to increase LNG imports to Europe from countries like the USA, Qatar and Japan to offset the loss of Russian energy sources.	<a href="#">Germany halts Nord Stream 2 approval</a> (22 Feb, 5pm CET)
Defense	Various EU Members States have committed on an individual basis to send defense equipment to Ukraine. Countries include Germany, the Netherlands, Poland, Belgium, Slovakia, Estonia, Latvia and Czech Republic.	<a href="#">Germany to send Ukraine weapons in historic shift on military aid</a> (26 Feb, 2.21 pm CET)
Financial	On 26 February, The European Commission president, Ursula von der Leyen announced that France, Germany, Italy, the United Kingdom and Canada and the US	<a href="#">Joint Statement on further restrictive</a>

	<p>has agreed to remove several Russian banks from the SWIFT international payments system.</p> <p>The statement still leaves the actual technical details - and the specific Russian lenders that will be cut off from SWIFT - unclear, with US and EU officials still in the midst of hammering out the final details of the action. More clarity is expected after a G7 meeting set for tomorrow, Tuesday 29 February.</p>	<a href="#">economic measures</a> (26 Feb, 2022)
Defense	<p>The European Union agreed on 27 February to provide some €500 million in arms and other aid to Ukraine to defend itself against Russia.</p> <p>The EU will provide €450 million worth in lethal arms and lethal assistance to the Ukrainian army, and a further €50 million for the non-lethal supplies, such as fuel and protective equipment.</p>	<a href="#">Statement by President von der Leyen on further measures to respond to the Russian invasion of Ukraine</a> (27 Feb)

It is likely too early to assess whether the sanctions will succeed in discouraging further Russian aggression, and it is also too early to determine what kind of blowback the EU could expect from the sanctions on its own economy – such as on the EU’s financial, energy and transport sectors. But one could safely assume that the impacts will be severe, and myriad. Nonetheless, EU leaders have indicated via these sweeping sanctions that they are willing to bear whatever cost necessary to prevent further escalation.

As of writing on 28 February, Ukrainian and Russian delegations were set to engage [peace talks](#) in Belarus, though President Volodymyr Zelensky has warned that he does not expect the discussions to yield results.