

# EU Adopts 20th Russia Sanctions Package

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If you have any questions regarding the matters discussed in this memorandum, please contact the attorneys listed on the last page or call your regular Skadden contact.

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## Executive Summary

- **What’s new:** The EU has adopted its 20th sanctions package against Russia and Belarus, targeting their energy, financial and tech sectors.
- **Why it matters:** The package introduces broad new restrictions, including on LNG terminal services, Russian cryptoasset service providers and nonfinancial entities facilitating sanctions circumvention through netting and set-off payment arrangements. The EU also has imposed anti-circumvention measures on Kyrgyzstan, marking the first time the EU has deployed this tool against a third country.
- **What to do next:** Companies should consider reviewing the new restrictions; assessing their exposure to sanctioned sectors, goods and entities; and ensuring compliance with the expanded prohibitions. Key phased deadlines run from April 2026 through January 2027.

On 23 April 2026, the European Union adopted its 20th package of sanctions against Russia and Belarus, further amending Council Regulation (EU) No 833/2014 (Regulation 833),<sup>1</sup> Council Regulation (EU) No 269/2014 (Regulation 269)<sup>2</sup> and corresponding amendments to the Belarusian sanctions framework.

The package introduces a sweeping range of new sectoral sanctions designed to increase pressure on Russia’s energy, financial, maritime and technological sectors, while also strengthening the EU’s anti-circumvention framework with new measures against third-country entities.<sup>3</sup> (See also our 5 May 2026 client alert “[UK Introduces Sanctions End-Use Controls.](#)”)

Notably, the 20th package:

- Introduces a prohibition on providing liquefied natural gas (LNG) terminal services to Russian entities and certain Russian-owned or -controlled EU entities.
- Amends the oil price cap mechanism.
- Prohibits transactions involving the digital ruble and Russian-based cryptoasset service providers.
- Significantly expands the scope of the transaction ban to cover nonfinancial entities facilitating international payments through netting and set-off arrangements.

<sup>1</sup> Council Regulation (EU) 2026/506 of 23 April 2026 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia’s actions destabilizing the situation in Ukraine.

<sup>2</sup> Council Regulation (EU) 2026/511 of 23 April 2026 amending Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine.

<sup>3</sup> This client alert is for informational purposes only and does not constitute legal advice. Complex assessments often have to be made regarding which sanctions regime applies in any given instance, given the multinational touchpoints of many entities and individuals. In that regard, given the complex and dynamic nature of these sanctions regimes, there may be developments not captured in this summary. Additionally, while the summary was accurate when written, it may become inaccurate over time given developments. For all of these reasons, you should consult with a qualified attorney before making any judgments relating to sanctions, as there are potentially severe consequences for failing to adhere fully to sanctions restrictions.

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The EU has also introduced new transaction bans:

- Targeting Russian companies that have benefited from the so-called “temporary management” (*i.e.*, expropriation) of EU-owned property in Russia.
- On Russian entities that use EU rights holders’ intellectual property without their consent.

The new sectoral sanctions amending Regulation 833 entered into force on 24 April 2026, the day following its publication in the Official Journal. Certain provisions are subject to delayed application dates, as discussed below. The amendments to Regulation 269 entered into force on 23 April 2026.

As part of the 20th package, the EU has also imposed additional restrictive measures against Belarus. These include measures intended to mirror those imposed on Russia, including:

- Bans on all Belarusian cryptoasset providers and the Belarusian digital ruble.
- Import bans.
- Restrictions on tourism and cybersecurity services.
- Protection against legal claims.

This alert explores the EU’s 20th package and its ramifications in further detail.

## Updates and Key Points

### Sanctions Targeting Russia’s Energy Sector — LNG Terminal Services, Oil Price Cap Amendments and Natural Gas Condensate

The 20th package introduces several significant energy sector restrictions that build upon the Russian LNG import ban adopted in the [19th sanctions package](#).

**Prohibition on LNG terminal services.** The 20th package introduces a new prohibition on providing LNG terminal services to Russian entities or to EU-established entities 50% or more owned, or controlled by, Russian nationals or a legal person, entity or body in Russia. From 1 January 2027, EU operators also are prohibited from maintaining contracts concerning such services.

The recitals state that the relevant contracts are to “terminate automatically” on that date. The operative text, however, is framed as a prohibition on maintaining contracts, not as a contractual termination rule. That distinction matters because the contractual consequences of the prohibition will be determined by the governing law of the relevant contract, which may be the law of an EU member state or of another jurisdiction.

EU parties to relevant contracts should therefore consider assessing the sanctions prohibition (including relevant criminal or administrative liability under applicable member state law) alongside the contract’s governing law, termination provisions and notice requirements.

This measure is intended to further curtail Russia’s access to EU LNG infrastructure and complements the broader LNG import ban, which, as introduced by the 19th package, takes effect on 25 April 2026 for most contracts and on 1 January 2027 for longer-term (lasting more than one year) contracts entered into before 17 June 2025. The measure excludes natural gas derivatives.

**Restrictions on LNG tankers and icebreakers.** A new Article 3sa of Regulation 833 prohibits the provision of technical assistance, brokering services, financing or financial assistance related to any icebreaker vessel<sup>4</sup> or LNG tanker vessel<sup>5</sup> that is registered under the flag of Russia, certified by the Russian Maritime Register of Shipping, or owned or managed by any Russian natural or legal person, entity or body. This prohibition applies from 25 April 2026 to Russian-flagged, -certified or -owned/managed LNG tankers, and from 1 January 2027 to other LNG tankers operating in Russia or for use in Russia.

**Amendments to the oil price cap.** The 20th package further amends the oil price cap mechanism for Russian crude oil and petroleum products. The European Council is now to be informed as soon as possible of any agreement of the Price Cap Coalition (the G7, EU and Australia) and of G7 discussions.

The Council is to decide — based on a joint proposal from the European Commission and the EU high representative for Foreign Affairs and Security Policy — on the application of the oil price cap, and Regulation 833 explicitly notes that a full ban on maritime services related to Russian crude oil and petroleum products could enter into force.

The regulation also introduces a new exception for crude oil or petroleum products listed in Annex XXV originating in a third country that are only being loaded in, departing from or transiting through Russia, provided that both the origin and the owner of those goods are non-Russian.

**Crude oil-related derogation to Regulation 269.** A new derogation inserted into Article 6b of Regulation 833 permits national competent authorities to authorize the release of frozen funds and economic resources of, or the making available of funds or economic resources to, the Indian energy and petroleum company Nayara Energy Limited (which was listed with

<sup>4</sup> Icebreaker vessel falling under CN code ex 8906 90.

<sup>5</sup> LNG tanker vessel falling under CN code ex 8901 20.

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the [18th sanctions package](#)), where the competent authority has determined that such funds or economic resources are strictly necessary to facilitate a significant reduction in the intake of, or reliance on, Russian crude oil imports.

The authorization is subject to such conditions as the competent authority deems appropriate, and relevant transactions must be completed before 24 October 2026.

**Natural gas condensate ban.** As of 1 January 2027, the import and maritime services prohibitions will extend to natural gas condensate (under CN code 2709 00 10) from LNG production plants, which was previously exempted from the crude oil ban.

## Expansion of Shadow Fleet Sanctions

The EU has continued its aggressive targeting of the so-called “shadow fleet.” These are vessels engaged in irregular and high-risk shipping practices in support of Russia’s war effort.

**Regulation 269 has been amended** to update the criteria for listing persons or entities involved in shipping Russian crude oil, petroleum products, or mineral products originating in Russia or exported from Russia. It now covers those who own, control, manage, or operate vessels engaged in irregular and high-risk shipping practices, or who provide material, technical or financial support to such vessels.

**Forty-six additional vessels have been added** to an EU port ban under Regulation 833 (effective 24 April 2026), bringing the total number of sanctioned vessels to 632. The EU has also delisted 11 previously listed vessels. As with prior designations, EU operators are prohibited from providing a wide range of maritime services to these vessels.

**Two Russian ports, Murmansk and Tuapse, have been added** to the list of sanctioned ports in Part A of Annex XLVII of Regulation 833, on the grounds that they are used for the circumvention of the oil price cap by vessels practicing irregular and high-risk shipping practices.

**In a notable development, the Karimun Oil Terminal in Indonesia has been listed** under Part C of Annex XLVII of Regulation 833 as the first third-country port sanctioned for facilitating circumvention of the oil price cap.

**A targeted derogation from the shadow fleet sanctions** for vessels destined for recycling has been introduced. Competent authorities may authorize otherwise prohibited activities where the vessel concerned is intended to be recycled, including operations necessary for the vessel to proceed to a recycling facility, activities carried out by the recycling facility in relation to the vessel and payments connected to the recycling process.

## Financial Sector Restrictions — Transaction Bans, Digital Ruble and Cryptoasset Prohibitions

**Additional banks subject to transaction ban.** The 20th package adds 20 Russian credit or financial institutions to Annex XIV of Regulation 833, subjecting them to a transaction ban effective 14 May 2026. These include banks that are important to the Russian financial and banking system, facilitate cross-border payments or operate in occupied Ukrainian territories.

Five entities have been delisted following measures taken by those entities to close loopholes and terminate illicit activities, including three banks in Tajikistan. At the same time, banks from Laos, Kyrgyzstan and Azerbaijan are now subject to transaction bans, effective 14 May 2026. New exemptions have been added for the payment of reasonable professional legal fees and for the needs of state-funded intermediate organizations for the foreign cultural policy of EU member states in Russia.

### Prohibition on the digital ruble and additional cryptoassets.

The new sanctions package prohibits engaging, directly or indirectly, in any transaction involving the digital ruble (Russia’s central bank digital currency) or the cryptoasset “RUBx,” both of which have been added to Annex LIII of Regulation 833. These prohibitions take effect on 24 May 2026.

The EU considers that the digital ruble project is intended to provide a payment system that shields Russian persons from the effect of EU restrictive measures. This expands upon the 19th package’s prohibition on the ruble-backed and Kyrgyzstan-based stablecoin A7A5. Additionally, the new restriction also prohibits any support to the development of listed cryptoassets and central bank digital currencies.

### Blanket prohibition on Russian cryptoasset service providers.

A new Article 5bb of Regulation 833 prohibits any transactions with cryptoasset service providers or platforms enabling the exchange or transfer of cryptoassets and that are established in Russia. This prohibition, which takes effect on 24 May 2026, represents a shift from the entity-by-entity listing approach to a blanket prohibition targeting all Russia-based cryptoasset service providers.

Limited exemptions apply for diplomatic representations and for nationals of an EU member state who were residents of Russia before 24 February 2022. The transaction ban also extends to entities providing cryptoasset services or payment services that operate as a mirror or successor entity of a previously listed entity, addressing the problem of sanctioned platforms reconstituting under new names.

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**Nonfinancial entities facilitating circumvention: netting and set-off.** In a significant new measure, the 20th package extends the transaction ban (Article 5ad) to cover nonfinancial entities that offer services enabling international transactions through payments from accounts in countries other than Russia, through netting, set-off, reconciliation or settlement, where those transactions frustrate the purpose of EU sanctions. These entities are listed in a new Part D of Annex XLV of Regulation 833.

Four entities have been listed under this new category, with an effective date of 14 May 2026. The prohibition also extends to entities offering equivalent enabling services that are addressed to Russian customers, intended to enable cross-border transactions and do not exclude sanctions-prohibited transactions.

## Transaction Ban on Beneficiaries of Russian ‘Temporary Management’

The 20th package introduces a new Article 5ai of Regulation 833, which imposes a transaction ban on companies that have benefited from the so-called “temporary management” imposed by the Russian government on the property of foreign persons associated with so-called “unfriendly foreign states.”

The EU considers this practice tantamount to expropriation, noting that it removes EU competitors from the Russian market and gives Russian companies a direct economic advantage over EU businesses. The entities subject to this ban are to be listed in a new Annex LIV of Regulation 833.

Limited exemptions apply for pharmaceutical, medical and food products, and for access to judicial proceedings.

## Transaction Ban on Entities Enforcing Russian Court Decisions

A new Article 5aj introduces a transaction ban on natural or legal persons who seek the enforcement, or cooperate in the enforcement, of Russian court and administrative decisions based on claims relating to contracts affected by EU restrictive measures or based on illegal expropriations, including in third countries other than Russia. The relevant entities are to be listed in a new Annex LV (Part A and Part B) of Regulation 833.

## Transaction Ban on Unauthorized Use of EU IP

A new Article 5sa of Regulation 833 imposes a transaction ban on Russian entities that have used, without the consent of the rights holder, intellectual property (IP) rights or trade secrets owned by or licensed to legal persons in Russia that are owned or controlled by EU nationals or entities.

This measure targets the Russian government’s use of legislation, including Presidential Decree No. 122 of 15 February 2024, that allows Russian entities to use inventions, utility models or industrial designs without the consent of the rights holder, for which only symbolic compensation is required. Affected entities will be listed in a new Annex LVI of Regulation 833.

To facilitate identification, affected EU rights holders are required to inform their respective EU member state of such unauthorized use, which should in turn inform the European Commission.

## Professional Services Restrictions — Managed Security Services

The 20th package extends the prohibition on providing professional services to the Russian government and entities established in Russia to cover cybersecurity services. This prohibition takes effect on 25 May 2026.

Additionally, a new exemption from the prior-authorization requirement for services to the Russian government has been introduced where those services are strictly necessary for the functioning of a consular or diplomatic representation of Russia located in an EU member state.

## Broadcasting Prohibition — Mirror Entities

The existing broadcasting prohibition is extended to also restrict broadcasting, and the facilitation of broadcasting, in the EU of content by entities that mirror the content of entities already subject to the broadcasting ban.

A mirror entity is defined by reference to criteria including:

- Substantially identical content or feeds.
- Continuity of branding or user interface.
- Overlapping ownership or management.
- Redirection of users.
- Continuity of technical infrastructure.

This measure is designed to prevent circumvention of the media restrictions through rebranding or the creation of successor outlets.

## Research Funding — Prohibition on Accepting Russian Funding

The prohibition on accepting financing, donations, or any other economic benefits or support from Russia has been broadened to cover:

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- Public and private research institutions.
- Universities.
- Higher education establishments.
- Research and technology organizations.
- Nongovernmental organizations.
- Public bodies and agencies.
- Undertakings and other entities carrying out research and innovation action, as well as natural persons associated with such entities.

This measure reflects the EU's concern that Russian funding can result in direct or indirect support to Russian persons through knowledge transfer, infrastructure access and training, and that such activities can be exploited for influence campaigns and disinformation.

## Diamond Traceability

The 20th package amends the diamond traceability requirements. As from 24 April 2026, importers of polished and worked diamonds falling under CN code 7102 39 00 are required to provide a due diligence statement confirming that the diamonds are not mined, processed or produced in Russia. This builds upon the traceability evidence requirements for rough diamonds that were already in place.

Existing requirements for rough diamonds have also been reinforced; they are required to be submitted for verification upon import, accompanied by a Kimberley Process certificate stating the country of mining origin.

## Tanker Vessel Sales — Enhanced Due Diligence

Article 3q of Regulation 833 has been replaced with enhanced requirements for the sale or transfer of tanker vessels for the transport of crude oil or petroleum products listed in Annex XXV. EU persons directly or indirectly selling (or otherwise transferring ownership of) tanker vessels to any third country are now required to take appropriate steps to:

- Identify and assess the risks of retransfer to Russia.
- Ensure those risk assessments are documented and kept up to date.
- Implement appropriate policies, controls and procedures to manage effectively the risks of retransfer.

All such transfers must contain a written contractual prohibition on further resale or transfer to Russia, including an obligation for the buyer to pass on this prohibition in any subsequent resale, and must be notified immediately to the competent authorities.

## Anti-Circumvention Measures

In June 2023, the [11th sanctions package](#) introduced a new legal framework under Article 12f of Regulation 833 that enables the EU to restrict the sale, supply, transfer or export of specified goods and technology — whether or not originating in the EU — to natural or legal persons, entities or bodies in designated third countries. The prohibition also extends to the provision of technical assistance, brokering services, financing or financial assistance, and the sale, licensing or transfer of IP rights and trade secrets related to the listed goods.

For a third country to be listed in Annex XXXIII of Regulation 833, the Council must have identified it as having systematically and persistently failed to prevent the onward transfer of the relevant goods to Russia, despite prior EU outreach and assistance.

The goods eligible for listing are limited to sensitive dual-use items or goods that might contribute to the enhancement of Russia's military, technological or industrial capacities, or to the development of Russia's defence and security sector in a way that strengthens its ability to wage war, and whose export to Russia is already prohibited under Regulation 833.

In the 20th package, the EU activated this framework for the first time by listing two specific CN codes in Annex XXXIII of Regulation 833 in connection with exports to Kyrgyzstan:

- Machining centres for working metal (CN code 8457 10).
- Apparatus for the reception, conversion, transmission or regeneration of voice, images or other data (CN code 8517 62).

Kyrgyzstan is the first third country to be implicated by the EU's anti-circumvention tool under Article 12f of Regulation 833. The listing is supported by trade data showing that imports of common high priority (CHP) items from the EU to Kyrgyzstan increased by approximately 800% compared to prewar levels, while exports of those same items from Kyrgyzstan to Russia rose by approximately 1,200% over the same period.

In addition, the recitals to the 20th package clarify that the reporting obligation under Article 6b of Regulation 833 concerning information which would facilitate the implementation of Regulation 833 should encompass the duty to report about persons that engage in attempts at circumvention schemes, or on transactions deemed suspicious.

## Trade Measures — Additional Export and Import Restrictions

**Dual-use goods.** The EU has added 60 entities to Annex IV of Regulation 833, subjecting those entities to stricter export restrictions on dual-use goods and technology and advanced

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technology items. Of the newly listed entities, a significant number are based in Russia, China (including Hong Kong), Thailand, Turkey and the United Arab Emirates, among other jurisdictions.

These entities were identified as indirectly contributing to Russia's military and technological enhancement, thereby enabling the circumvention of export restrictions on computer numerical-controlled machine tools, microelectronics, components for unmanned aerial vehicles, maritime equipment and other items.

**New export restrictions.** The EU has expanded the list of items that might contribute to Russia's military and technological enhancement (Annex VII), including:

- Laboratory glassware.
- Certain high-performance lubricants and their additives.
- Energetic materials.

It also extends the list of goods that could contribute to the enhancement of Russian industrial capacities (Annex XXIII), including:

- Additional chemicals.
- Rubber and articles of vulcanised rubber.
- Articles of steel.
- Tools for metal production.
- Industrial tractors.

For certain new goods covered under a new Annex XXIIII, a wind-down period applies until 25 July 2026 for contracts concluded before 24 April 2026.

**New import restrictions.** Amendments to Regulation 833 introduces further restrictions on imports of goods generating significant revenues for Russia (Annex XXI), including certain:

- Raw materials.
- Metals.
- Minerals.
- Scraps of steel and other metals.
- Chemicals.
- Articles of vulcanised rubber.
- Tanned furskins.

The list of items subject to the transit prohibition through Russia has also been further extended.

## Legal Proceedings and Forum *Necessitatis*

The 20th package introduces amendments to the legal proceedings framework under Articles 11 of both Regulation 833 and of Regulation 269. The EU has extended the ability of EU persons to recover damages from persons who seek, in third countries other than Russia, the enforcement of Russian court decisions based on claims relating to contracts affected by EU restrictive measures or based on illegal expropriations.

Damages may be recovered from the persons seeking or cooperating in such enforcement, or from persons who own or control those entities, with certain exceptions for lawyers and members of the judiciary.

The amendments also provide that Russia waives its sovereign immunity from jurisdiction and enforcement when it brings commercial claims in connection with contracts affected by EU sanctions.

The forum *necessitates* provisions of Regulation 833 have been amended to allow courts of an EU member state to hear claims for damages on an exceptional basis where no court of an EU member state has jurisdiction, where the case has a sufficient connection with the EU member state.

## Anti-Suit Injunctions Against Russian Court Proceedings

The 20th package introduces a new procedural tool addressing Russian legislation, particularly Articles 248.1 and 248.2 of the Russian Arbitration Procedure Code, that enables Russian courts to assert jurisdiction over disputes against EU companies concerning contracts affected by EU restrictive measures, and to impose significant fines on EU companies that do not accept their assertion of jurisdiction.

To counter this, new Article 11ca to Regulation 833 enables EU courts to issue orders not to initiate or to discontinue such legal proceedings. A failure to observe that order will lead to penalties proportionate to the potential loss.

This measure complements the damages recovery provisions and forum *necessitatis* amendments discussed above and provides EU businesses with a more direct mechanism to resist the extraterritorial assertion of Russian jurisdiction over sanctions-affected contracts.

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