

Beyond Borders: The Extraterritorial Reach and Legal Implications of the EU's 19th Russia Sanctions Package



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On 23rd of October 2025, the European Union adopted its 19th sanctions package against the Russian Federation and the Republic of Belarus, marking the most comprehensive escalation to date in the EU's economic countermeasures strategy. The package introduces unprecedented restrictions on Russian energy imports, expands controls on dual-use goods, and for the first time directly targets cryptocurrency networks utilized to evade sanctions obligations.

The legal framework comprises Regulation (EU) 2025/2033, Regulation (EU) 2025/2037, and Implementing Regulation 2025/2035, which amend Regulation (EU) No. 269/2014 and No. 833/2014, alongside Regulation (EU) 2025/2041 and Implementing Regulation (EU) 2025/2039 concerning Belarus. These instruments collectively form a comprehensive

architecture designed to exert maximum economic pressure while maintaining legal certainty across all member states.

The package's most significant feature is the complete prohibition on importing Russian Liquefied Natural Gas into the European Union, which EU officials characterize as the most severe sanction yet imposed on Russia's energy sector. The implementation follows a tiered approach: for long-term contracts, the prohibition becomes effective in January 2027, while for short-term contracts, the ban applies within six months from the regulation's entry into force. This phased implementation balances immediate pressure on Russian revenues with the practical necessity of allowing market participants to secure alternative supply arrangements.

Additionally, the package introduces a comprehensive prohibition on purchasing, importing, or transferring acyclic hydrocarbons originating from the Russian Federation, regardless of contractual arrangements or transportation routes employed. The exemption previously available for EU imports from Rosneft and Gazprom Neft has been eliminated entirely, ensuring consistency in transaction prohibitions across Russia's state-owned energy sector.

The catalogue of dual-use goods subject to export restrictions has been significantly expanded to encompass electronic components and rangefinders, chemicals utilized in fuel production, specialized metals, oxides, and alloys necessary for military systems, as well as industrial materials including salts, ores, rubber articles, tubes, tires, and construction

materials. These restrictions acknowledge the sophisticated procurement methods by which Russia sources critical components through indirect channels and third-party intermediaries.

The sanctions regime now encompasses an additional 117 vessels, bringing the total number of vessels subject to sanctions by name to 557. The measures deny these vessels port access throughout the European Union, prohibit the provision of services to such vessels, and cover the entire value chain including insurance, classification, certification, bunkering, and repair services. This comprehensive approach seeks to render shadow fleet operations economically unviable.

For the first time, the package directly addresses cryptocurrency mechanisms utilized to circumvent sanctions. The regulations prohibit the use of the stablecoin "A75A5," which is pegged to the Russian ruble, and extend sanctions to its developers, Kyrgyz issuers, and platform operators. This marks an important evolution in the EU's sanctions strategy, recognizing the necessity of addressing digital financial instruments operating outside traditional banking channels.

The transaction prohibition regime encompasses five additional Russian banks: Istina, Zensky Bank, Commercial Bank Absolut Bank, MTS Bank, and Alfa-Bank. Significantly, the prohibition extends to twelve banks and oil trading entities in Tajikistan, Kyrgyzstan, the United Arab Emirates, Hong Kong, Belarus, and Kazakhstan, reflecting recognition that sanctions circumvention increasingly operates through third-country financial channels.

The package identifies forty-five organizations supporting Russia's military-industrial complex, with seventeen located outside Russia: twelve in China including Hong Kong, three in India, and two in Thailand. This extraterritorial focus demonstrates commitment to preventing sanctions evasion through third-party intermediaries and acknowledges the transnational nature of modern supply chains.

Regulation (EU) No. 269/2014 has been amended to introduce legal definitions for "owning" and "controlling," reducing ambiguity in enforcement. The sanction criterion referencing "natural or legal persons, entities or bodies associated with them" has been deleted from Article 2. While these modifications may not fundamentally alter immediate enforcement practices, they represent an important step toward enhanced legal certainty, particularly welcomed by compliance practitioners.

The LNG prohibition imposes substantial restructuring requirements on energy companies. Businesses must identify alternative supply sources well in advance of implementation deadlines, review long-term contracts for termination clauses and force majeure provisions, and assess price implications of transitioning to alternative suppliers. This restructuring represents one of the most significant operational challenges arising from the package and requires careful legal and commercial planning to ensure compliance while maintaining energy security.

Economic operators must conduct enhanced due diligence on supply chains, particularly regarding dual-use goods. Companies must review and potentially terminate contractual relationships with newly sanctioned entities, raising complex questions regarding force majeure clauses and sanctions-based termination rights. Businesses engaged in trade with third countries must verify ultimate beneficial ownership of counterparties to ensure they are not owned or controlled by sanctioned persons, a task complicated by corporate structure opacity in certain jurisdictions.

Maritime service providers must maintain continuously updated screening databases incorporating all sanctioned vessels and implement robust port access controls. The prohibition extends across the entire service value chain, requiring sophisticated compliance systems. Financial institutions must implement enhanced screening procedures for Russian and third-country entities, develop monitoring systems for cryptocurrency-based evasion, and establish authorization procedures for services to the Russian government. These requirements necessitate significant investment in compliance infrastructure and personnel training.

Member states retain primary enforcement responsibility, though enhanced legal clarity should facilitate consistent approaches across the Union. Economic operators should anticipate more frequent compliance audits by national authorities. Violations carry substantial penalties under national implementing legislation, potentially including both administrative fines and criminal sanctions. Beyond formal penalties, companies face significant reputational risks that may exceed direct legal consequences.

The extraterritorial dimensions, particularly regarding entities in China, India, and Thailand, raise complex questions of international law and regulatory jurisdiction. European businesses must navigate potential conflicts between EU sanctions compliance and maintaining commercial relationships in markets where such sanctions are not recognized.

The 19th sanctions package represents the EU's most comprehensive effort to constrain Russia's economic capacity and address sophisticated evasion tactics. By targeting energy revenues, closing regulatory loopholes, addressing cryptocurrency circumvention, and extending reach to third-country facilitators, the EU has demonstrated both political resolve and regulatory adaptability.

For European businesses, the package necessitates fundamental reassessment of compliance infrastructure, enhanced supply chain transparency, and careful contractual review across multiple sectors. The expanded scope and increasing complexity ensure that compliance will remain resource-intensive, requiring sustained attention and expertise. As the sanctions architecture continues evolving, businesses must maintain robust compliance programs and seek expert legal guidance to navigate this landscape effectively while managing attendant legal, operational, and reputational risks.