

EU Sanctions against Russia after February 2022: Major Transformational Trends

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Abstract

European Union sanctions against Russia have transformed since February 2022. The dramatic increase of Russian persons and sectors of economy now under sanctions indicates serious quantitative changes taking place in the EU's approach to its sanctions policy. However, these shifts also hint at the changing qualitative nature of EU sanctions. Specifically, this includes the EU's revised position on the use of secondary sanctions, in addition to visible shifts taking place in EU sanction enforcement mechanisms. Unfortunately, these changes are poorly reflected in existing academic literature. The purpose of the following article is to fill in the missing gaps pertaining to these changes, as well as address the questions relating to the changes taking place in the EU's approach in implementing sanctions against Russia after February 2022, including its dynamics and features. Supplementing the arguments reached within the article are empirical observations noted in the Russian International Affairs Council's (RIAC) databases on sanctions, as well as an analysis of normative documents tied to the EU's sanctions policy.

Introduction

Over time, a substantial body of academic literature has emerged on EU sanctions. Much of it has examined the legal framework and institutional mechanisms of applying unilateral EU restrictive measures [e.g., de Vries and Hazelzet 2005; Portela 2010; Herlin-Karnell and Gazzini 2011; Giumelli et al. 2021; Arapova and Kudinov 2022]. Other research has focused on the decision-making process concerning the design, approval, and implementation of sanctions [Kranz 2016; Szép 2019; Helwig et al. 2020; Beaucillon 2021; Håkansson 2023; Meissner 2023], as well as on the effectiveness of EU sanctions regimes [Portela 2010; Giumelli 2013; Boogaerts 2020].

The European Union currently implements over fifty country-based or thematic sanction regimes.¹ At times, the specifics of implementing EU country-based sanctions are analyzed using specific databases. However, some of these databases are limited in scope, capturing only specific types of EU restrictive measures [e.g., SIPRI 2022]. Conversely, other databases consider the overall totality of sanction episodes and cases, rather than their specifics [Kreutz, 2015; Giumelli et al., 2021; Timofeev, 2021].

Since 2014, Russia has been the EU's primary focus in terms of implementing sanctions. Historically, the European Union's use of unilateral restrictive measures against Russia has been moderate, incorporating a strategy of "signaling" restrictions, such as individual blocking financial sanctions, limited sectoral restrictions, and selective export control bans. This approach stands in contrast to the US sanctions strategy, characterized by more stringent economic measures [e.g., Timofeev 2021]. The absence of substantial economic pressure from the EU, stemming from their trade and economic interdependence, previously rendered EU sanctions against Russia as politically ineffective [Connolly et al. 2015; Secrieru 2015; Romanova 2016; Fritsz et al. 2017; Doornich and Raspotnik 2020]. Concurrently, this approach led to financial repercussions for European businesses, despite the relatively limited scope of the sanctions [Giumelli 2017; Onderco and Van der Veer 2021].

Following the start of Russia's special military operation (SMO) in Ukraine, the EU's approach to implementing restrictive measures against Russia underwent a substantial transformation [Casier 2023; Meissner and Graziani 2023]. The most notable indicator of this transformation was the significant expansion of the array of restrictive measures employed against Russia. Since February 2022, the EU has utilized nearly the entirety of its accumulated sanctions toolkit, with restrictions being imposed on all economically significant sectors of the Russian Federation [e.g., Gerasimov et al. 2023]. Areas once notable for EU–Russia cooperation—in energy, industry, technology, and humanitarian cooperation—and that previously served as a means of mitigating contradictions, have become increasingly politicized and utilized to inflict substantial economic damage on the Russian Federation. A number of studies have provided preliminary assessments of the effectiveness of EU anti-Russian restrictions, in addition to the negative impacts of EU sanctions [Latipov et al. 2022; Costa and Barbe 2023; Bali 2024; Rosefelde and Bernstam 2024], including in foreign analytical reports [Akhvlediani and De Groen 2022; Kaca

¹ EU Sanctions Map. Last update 04 July 2024. Available at: <https://www.sanctionsmap.eu/#/main> (accessed 15 July 2024).

2024; Kluge and Portela 2022; Siddharth 2024; Taran 2024], as well as work carried out by Russian researchers [Timofeev 2022; Romanova 2022; Voynikov 2023; Likhacheva 2023; Chizhevskaya 2024].

However, in addition to the increasing volume of EU sanctions, notable qualitative changes in the EU's approach have also become more pronounced. A pivotal aspect of these shifts pertains to the EU's reevaluation of its stance on implementing secondary sanctions. Various research on the matter has noted the emergence of potential mechanisms for the use of extraterritorial sanctions in EU legislation [Kiku and Timofeev 2022; Silingardi 2024]. However, the extent to which these sanctions are applied in the Russian context remains underrepresented both in academic literature and analytical materials.

Recent shifts in the EU's approach to sanctions have emphasized a strategic focus on developing practices and passing legislation aimed at ensuring the efficacy of anti-Russian restrictions. Significant in ensuring sanction compliance is the implementation of coercive measures—whether of an administrative, legal, and criminal nature—against citizens and businesses on the grounds of circumventing sanctions. However, questions remain over the changes in the administrative and criminal prosecution of sanction violations after the start of the special military operation, as well as the peculiarities of implementing such policies domestically in EU member states.

Recognizing these research gaps, the following questions arise: what are the key changes in the EU's approach to implementing sanctions against Russia after 2022? What are the dynamics and peculiarities of these changes? What is the conceptual justification for these changes? With this in mind, the following three hypotheses are suggested: firstly, after the start of the SMO, EU sanctions toward Russia underwent not only quantitative changes, as evidenced by an increase in the volume of restrictions imposed, but also qualitative changes, as demonstrated by the introduction and development of fundamentally new coercive instruments for the EU. While the quantitative use of these instruments remains lower than that of the US, it has surpassed the number of measures employed by other initiators. Secondly, EU sanctions significantly place emphasis on ensuring their efficacy by using legislation to establish mechanisms to monitor sanction compliance. The implementation of these measures by the EU is heterogeneous, yet the dynamics of coercive measures is increasing. Thirdly, the shifts taking place in the EU's approach to its Russia-related sanctions are attributed to a greater transformation occurring in the EU's relationship with Russia.

These hypotheses are tested by analyzing both empirical data—using RIAC's databases on sanctions—as well as EU regulatory documents. The theoretical framework employed in the study conceptualizes sanctions as a means of leveraging economic interdependence as a political instrument [Farrell and Newman 2019]. Since the early 2000s, Russia–EU relations have been characterized as being economic interdependent in various sectors, including in finance, energy, industry, and more. Intensified political contradictions between the two have led to the politicization of this interdependence and its utilization as a means of coercion to attain predetermined political objectives. The fundamental objective of this policy may be to inflict maximum economic harm on Russia, constraining its economic potential and compelling it to alter its political course on the Ukrainian issue. The EU's decision to impose restrictions on energy, diplomatic, finance,

and other sectors—measures it had previously refrained from until 2022—signifies an unconventional approach to its relations with the Russian Federation and a strategic change in its method to achieve political objectives. The extent to which interdependence is utilized as a tool is illuminated through empirical evidence concerning the dynamics of implementing such restrictions. For instance, in addition to the entities targeted, the frequency with which secondary sanctions have been applied offer insight into which domains of mutual cooperation are being used to inflict economic harm. Conversely, the dynamics of implementing coercive measures against violators of the sanctions regime offers insights into the growing role of ensuring anti-Russian restrictive measure effectiveness, as well as the actions being taken by individual EU member states.

The methodological approach of this study consists of several elements. First, a comparative analysis of the EU's restrictive measures against Russia before and after February 2022 is conducted. Then, the key elements of the EU's new approach to its interdependence with Russia and to the implementation of its sanctions policy against Russia are considered. The EU's use of secondary sanctions—before and after 2022—and the frequency of their implementation are also reflected. The development of compliance mechanisms to the sanctions regime against Russia is determined using the examples of administrative and criminal cases tied to sanction violations.

Quantitative changes in EU sanctions: Before and after February 2022

The launch of Russia's special military operation represented a pivotal political development, prompting the European Union to adopt a sanctions policy that places significant emphasis on targeting Russia. This shift is evidenced by a substantial increase in the number of restrictions imposed on Russia, with the EU adopting 14 sanctions packages over the span of two and a half years. These sanctions packages encompassed a wide range of sectors within the Russian economy, including the financial, energy, technological, and military-industrial sectors. The increase in the number of sanctions imposed on Russia is notable; the expansion in restrictive measures, which have been in place since 2014, is evidenced by the emergence of a various shifting trends.

Firstly, from February 2022 to July 2024, approximately 1,500 Russian individuals and around 350 legal entities were subjected to financial blocking sanctions. For example, in the preceding period (2014–2021), financial blocking sanctions were imposed on 203 Russian citizens and 51 companies on similar grounds. New characteristics of such restrictions can also be noted as the EU previously refrained from imposing blocking sanctions on systemically important Russian enterprises. However, in the current context, prominent Russian financial institutions (Sberbank, VTB, Alfa-Bank), military-industrial enterprises (Almaz-Antey, Irkut), technology companies (Rostec, TI), and major metallurgical and mining enterprises (Severstal, Alrosa) are subject to such restrictions.²

² Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0269-20240527> (accessed 24 July 2024).

Secondly, prior to the SMO, financial sectoral sanctions were limited to restrictions related to debt obligations with maturities of longer than 30 days for several major Russian banks,³ as well as a ban on certain loans for a list of companies in the oil and defense sectors.⁴ Since 2022, financial restrictions have significantly expanded, encompassing a prohibition on investing in and purchasing bonds issued by the Russian Government and the Central Bank of the Russian Federation, restrictions on dealing with the assets of the Central Bank of the Russian Federation and its structures, a ban on deposits from Russian persons of more than EUR 100,000, and a restriction on rating Russian companies. The EU's decision to restrict Russian company ratings by EU agencies was driven by the objective of suspending their access to the European financial market, as well as the provision of accounting services and e-wallets to persons from Russia.⁵

Thirdly, the structure of export and import controls against Russia has undergone a fundamental change. From 2014 to 2021, these controls were primarily aimed at creating economic obstacles to the integration of Crimea into Russia, entailing moderate restrictions on dual-use goods and equipment for energy projects.⁶ Subsequently from 2022 to 2024, the scope of goods and technologies prohibited to the Russian Federation expanded, encompassing a comprehensive array of dual-use, military, industrial and "luxury" products. This was accompanied by a comprehensive ban on a wide range of financial, technical, legal, consulting, transportation and other services to Russian persons. Furthermore, import controls were extended to ferrous metallurgy products, oil and oil products of Russian origin, Russian gold, and goods "bringing Russia significant income," etc.⁷

The EU's policy on secondary sanctions: Before and after 2022

The utilization of extraterritorial (secondary) sanctions has historically been a distinctive feature within US sanctions. However, these restrictions are not formally defined within the regulatory legal documents of the United States or other initiating countries. However, these restrictions have been extensively mentioned by specialized US agencies and have also been the subject of numerous academic studies [e.g., Meyer 2014; Blockmans 2021; Terry 2022]. Secondary sanctions are currently understood to be targeted financial and trade sanctions against foreign persons for transactions with blocked persons, the circumvention of export controls, etc., that initiating countries consider a threat to

³ Council Decision 2014/512/CFSP of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1531218093731&uri=CELEX:02014D0512-20171223> (accessed 25 July 2024).

⁴ Council Decision 2014/659/CFSP of 8 September 2014 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014D0659> (accessed 25 July 2024).

⁵ Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0833-20240224> (accessed 24 July 2024).

⁶ Council Decision 2014/512/CFSP of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1531218093731&uri=CELEX:02014D0512-20171223> (accessed 25 July 2024).

⁷ Ibid.

national security [e.g., Ruys and Ryngaert 2020]. Until 2022, the United States was the sole initiator of secondary sanctions against third-country nationals and companies. US laws provide a number of mechanisms for their application. One of these is Art. 1 of US Executive Order 14024, which grants relevant agencies the authority to apply blocking sanctions on persons working with several sectors of the Russian economy. Such sectors include technology, energy, mining, the defense industry, and others.⁸ Between February 2022 and June 2024, over 500 third-country companies were blocked on these grounds.⁹

In contrast to the United States, the European Union has historically maintained a policy of refraining from the use of secondary sanctions. This approach is partly rooted in the EU's stance that the use of coercive measures outside its own legal jurisdiction is unlawful. However, even prior to the beginning of the SMO, EU companies were periodically subject to secondary US sanctions for engaging with individuals from Iran and other jurisdictions subject to US restrictions. Moreover, the US Department of Treasury actively pursued EU companies under its authority to conduct administrative investigations against foreign companies, even for indirect ties to US jurisdictions. EU companies in the financial sector paid over 90% of the fines for intentional or accidental US sanction circumvention cases [Timofeev 2020].

This US policy contributed to the EU developing measures to reduce the risk of secondary sanctions for their businesses. One such measure was the Blocking Statute, adopted in 1996, which was designed to protect EU companies engaging in international trade in accordance with EU law, but in contravention of third-country sanctions.¹⁰ In 2018, the Statute was renewed following the US withdrawal from the Joint Comprehensive Plan of Action (JCPOA) and the full implementation of previously adopted restrictions on Iran. The renewed Regulation prohibited EU entities from implementing third-country sanctions except as authorized by the European Commission. Some mechanisms were developed to compensate European companies affected by US extraterritorial restrictions.¹¹

However, the adoption of the Blocking Statute was a political move rather than a condition for changing the behavior of EU businesses. Having interests in the US market, EU companies chose not to operate in Iran's jurisdiction [Timofeev 2019]. The endorsement of this document at the supranational level signaled the formation of a unified EU stance, characterized by a disapproval of extraterritorial sanctions. In alignment with this stance, the EU refrained from imposing secondary restrictions on

⁸ Federal Register, 2021. Executive Order 14024. Blocking Property with Respect to Specified Harmful Foreign Activities of the Government of the Russian Federation. 19 April 2021. Available at: <https://www.federalregister.gov/documents/2021/04/19/2021-08098/blocking-property-with-respect-to-specified-harmful-foreign-activities-of-the-government-of-the> (accessed 26 July 2024).

⁹ Source: RIAC Secondary Sanctions Database.

¹⁰ Council Regulation (EC) No 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A01996R2271-20180807> (accessed 26 July 2024).

¹¹ Commission Delegated Regulation (EU) 2018/1100 of 6 June 2018 amending the Annex to Council Regulation (EC) No 2271/96 protecting against the effects of extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32018R1100> (accessed 26 July 2024).

third-country companies for noncompliance with its own sanctions legislation, including on the grounds of violating sanctions against Russia.

However, a notable shift in the EU's stance regarding the implementation of secondary sanctions became evident following the beginning of the SMO. During the brief period spanning from October 2022 to February 2024, the European Union unveiled a series of legal and regulatory frameworks that endowed the EU Council with the authority to impose sanctions on individuals and entities for infringing on its own sanctions regime. One such mechanism is the expansion of criteria for imposing blocking sanctions, now grounds including "violations of Ukraine's sovereignty and territorial integrity" (Art. 3 of Regulation 269/2014). Notably, a new criterion, "facilitating the circumvention of previously imposed sanctions," has been added to this article. A distinctive aspect of this mechanism is its continued and ongoing application to Russian individuals. As of July 2024, five companies engaged in the production and supply of high-tech goods, along with three of their managers, have been subject to this sanction.¹²

An alternative mechanism for the implementation of EU secondary restrictions is provided by Art. 5a of EU Council Decision 2014/512. This mechanism pertains to secondary trade sanctions, which entail a prohibition on the exportation of specific military and dual-use goods and industrial products to entities involved in the supply of such goods to Russia. The objective of this prohibition is to impede the flow of goods that are deemed to "contribute to the strengthening of the military and industrial capabilities of the Russian Federation."¹³ However, there have been no documented instances of the implementation of this mechanism to date.

An additional expansion of secondary trade sanctions has been documented, involving the inclusion of several companies from third countries in Annex IV of Regulation 833/2014. These companies are subject to heightened restrictions on dual-use goods. By July 2024, these restrictions will encompass companies from Iran (8), the People's Republic of China (7), Uzbekistan (3), the United Arab Emirates (2), Turkey (1), Thailand (1), Kazakhstan (1), Serbia (1), Sri Lanka (1), India (1), Singapore (1), and Syria (1).¹⁴ Notably, all designated enterprises are engaged in the high-tech and military-industrial complex sectors.

Previously developed mechanisms have also been used to impose secondary restrictions on third country businesses. Regulation 269/2014 provides the possibility of using blocking sanctions on the grounds of Art. 1: "Engaging in activities that undermine or threaten the territorial integrity and sovereignty of Ukraine." Since 2014, this provision has been used to exclusively block Russian persons. Also following the start of the special

¹² Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0269-20221006> (accessed 26 July 2024).

¹³ Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0833-20231001> (accessed 29 July 2024).

¹⁴ Council Regulation (EU) 2024/745 of 23 February 2024 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine // <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0833-20240625> (accessed 27 July 2024).

military operation, the sanctions list was augmented with several organizations operating extraterritorially. Consequently, in February and June 2023, several Iranian companies fell subject to restrictions for supplying Russia with drones and equipment for their development. Concurrently, the International Settlement Bank (ISB), registered in South Ossetia, faced sanctions for establishing branches in the Kherson and Zaporizhzhya regions, subsequently offering financial services in these areas.¹⁵

The ambiguity surrounding the definition of secondary sanctions is evident in both EU legal documents and within research. Notably, the European Union does not categorize the sanctions imposed under these mechanisms as secondary sanctions, despite their de facto status. The absence of a clear definition of secondary sanctions and their application parameters hinders the assessment of the number of cases in which these restrictions are applied. Formal criteria indicate that the number of affected companies is in the dozens. The majority of these sanctions target enterprises in the defense and high-tech industries. In contrast, the US imposes secondary restrictions on companies across a broader spectrum. These include suppliers of microelectronics, military and dual-use goods, industrial products, exporters of various types of services, and persons carrying out financial transactions for blocked citizens and companies.¹⁶

Overall, while the European Union's practice with secondary sanctions is currently limited, it is gradually expanding. The frequency of their application, in addition to their sectoral coverage, currently seem to be lower than the US but higher than other state-initiators. The EU's relatively limited use of secondary sanctions, as evidenced by the small number of cases in which restrictions have been applied, suggests a "deterrent" rather than a coercive nature of these measures. The EU's use of such restrictions can be interpreted as a political signal to third-country companies regarding the potential risks associated with engaging in business activities with EU entities. Conversely, the application of these restrictions indicates a shift in the EU's stance regarding the use of extraterritorial restrictive measures.

Changing the EU approach in ensuring sanction effectiveness

In contrast to the application of secondary sanctions, administrative and criminal prosecution against violations has been implemented since 2014 in the European Union. Art. 8 of EU Council Regulation 833/2014 establishes the general provisions of such a policy, stipulating that Member States must develop liability measures for sanctions violations and the rules concerning the confiscation of assets are rooted in these violations.¹⁷ Given that the content of these measures fall within the jurisdiction

¹⁵ Council Implementing Regulation (EU) 2023/429 of 25 February 2023 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.LI.2023.059.01.0278.01.ENG&toc=OJ%3AL%3A2023%3AO59I%3ATOC> (accessed 29 July 2024).

¹⁶ RIAC Secondary Sanctions Database.

¹⁷ Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine // <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0833-20230427> (accessed 30 July 2024).

of the member states, EU legislation envisaged the possibility that their implementation might differ from country to country. Data on EU sanctions violations through 2022 and related investigations in this area reflect these patterns.

From 2014 through 2021, RIAC's Sanctions Database records three cases of investigations concerning EU export control violations against Russia. Each of these investigations involved the shipment of manufactured goods and construction materials to Russia, which were prohibited under EU Council Decision 2014/512¹⁸ and Regulation 692/2014¹⁹. Two of these investigations were initiated in Germany and concerned supplies of metalworking machine tools and equipment for the construction of the Crimean Bridge.²⁰ The most recent investigation took place in the Netherlands and was for similar offenses.²¹ The penalties for the violations differed: in Germany, in addition to fines, individuals were imprisoned, while Dutch citizens were punished with community service and penalties were imposed only on legal entities. Investigations by relevant authorities in other EU member states are not listed in the RIAC's Sanctions Database, although some liability measures for violations of EU sanctions had been developed in Belgium, Italy, Lithuania, and a number of other member states by this time.

This indicates that the measures of responsibility for sanction violations, as well as the activity of law enforcement agencies, exhibit significant heterogeneity. Approaches in Russian-related sanction enforcement measures have undergone substantial changes since the start of the SMO. A notable indicator of this shift is the substantial increase in the number of administrative and criminal prosecutions relating to sanction violations. RIAC's Sanctions Database documents over fifty criminal cases initiated after February 2022. However, the RIAC's Sanctions Database exclusively contains official information on said investigations, suggesting that the actual figure is likely to be considerably higher.

Secondly, there has been a substantial geographical expansion in the scope of such investigations, with German and Dutch authorities leading the way in initiating criminal cases. Concurrently, analogous investigations are underway in other jurisdictions as well. Bulgaria (concerning the provision of dual-use and military goods to the Russian Federation²²), Denmark (e.g., 12 cases initiated against domestic companies for violating

¹⁸ Council Decision 2014/512/CFSP of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine // <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014D0512> (accessed 30 July 2024).

¹⁹ Council Regulation (EU) No 692/2014 of 23 June 2014 concerning restrictions on the import into the Union of goods originating in Crimea or Sevastopol, in response to the illegal annexation of Crimea and Sevastopol // <https://eur-lex.europa.eu/eli/reg/2014/692/oj> (accessed 30 July 2024).

²⁰ Strafbefehl gegen Unternehmen. *Tagesschau*, 2023, March 15. Available at: <https://www.tagesschau.de/investigativ/swr/eu-sanktionen-krim-unternehmen-kiel-strafgeld-101.html> (accessed 30 July 2024).

²¹ Straffen voor Nederlandse bedrijven en personen vanwege betrokkenheid bij bouw Krimbrug. *Openbaar Ministerie*, 2023, Oct. 13. Available at: <https://www.om.nl/actueel/nieuws/2023/10/13/straffen-voor-nederlandse-bedrijven-en-personen-vanwege-betrokkenheid-bij-bouw-krimbrug> (accessed 30 July 2024).

²² Bulgaria arrests 12 people for violating EU sanctions on exports to Russia. *AP News*, 2023, Oct. 3. Available at: <https://apnews.com/article/bulgaria-russia-ukraine-sanctions-illegal-export-c22833aa43a8c44326864541a1d407c5> (accessed 31 July 2024).

sanctions against Russia and Belarus²³), Estonia (e.g., cases of illegal shipments of drones at the Estonian-Russian border²⁴), Finland (e.g., charges of supplying electronics to Russia to circumvent sanctions²⁵), Sweden (charges of illegal export of equipment through a Finnish electrical firm²⁶), Luxembourg (e.g., a case of supplying satellite photos to Russia²⁷), France (e.g., case of supplying dual-use technologies to Russia and China²⁸), Poland (e.g., allegations of illegal supply of UAV parts to Iran for their subsequent re-export to the Russian Federation²⁹), Switzerland (e.g., allegations of exporting raw materials to the Russian Federation through the UAE and other states³⁰), and the Czech Republic (case of supplying “luxury” cars to Russia³¹).

Thirdly, the activity of national EU law enforcement agencies is supported by increased cooperation with US specialized agencies. In several cases, the detention of suspected sanctions violators occurs at the request of US authorities. Thus, between October 2022 and July 2024, there have been at least five arrests in Latvia, Estonia, and Greece. In one of these cases, an accused individual was extradited to the United States for further judicial proceedings.³² The US approach to administrative and criminal prosecutions significantly exceed the European Union’s, both in terms of quantitative metrics and the availability of relevant institutional and legal mechanisms. Consequently, cooperation with the United States may contribute to the development of the European

²³ In Denmark, 12 cases of violation of anti-Russian sanctions have been initiated. *RBC*, 2022, Oct. 26. Available at: <https://www.rbc.ru/politics/26/10/2022/63595c989a7947493b92da97> (accessed 31 July 2024) (in Russian).

²⁴ Estonia detains entrepreneurs suspected of violating sanctions on Russia. *TVP World*, 2023, Sept. 14. Available at: <https://tvpworld.com/72711094/estonia-detains-entrepreneurs-suspected-of-violating-sanctions-on-russia> (accessed 31 July 2024).

²⁵ Helsinki company suspected of violating anti-Russian sanctions. *YLE*, 2023, Sept. 1. Available at: <https://yle.fi/a/74-20048113> (accessed 31 July 2024) (in Russian).

²⁶ A man accused of espionage in Sweden organized the supply of sub-sanctioned goods to Russia through Finnish firms. *YLE*, 2023, Aug. 31. Access mode: <https://yle.fi/a/74-20048009> (accessed 30 July 2024) (in Russian).

²⁷ Space company investigated over alleged Russian ties. *Euractiv*, 2023, March 15. Available at: https://www.euractiv.com/section/politics/short_news/space-company-investigated-over-alleged-russian-ties/ (accessed 30 July 2024).

²⁸ France is investigating suspected smuggling to China and Russia of advanced chip technology. *AP News*, 2023, July 27. Available at: <https://apnews.com/article/france-china-russia-chip-technology-smuggling-66a8a4edcaf7137e109a16d6d300cd94> (accessed 30 July 2024).

²⁹ Polish state firm investigated over parts used in Iranian drones. *Reuters*, 2024, July 18. Available at: <https://www.reuters.com/world/europe/polish-state-firm-investigated-over-parts-used-iranian-drones-radio-zet-reports-2024-07-18/> (accessed 30 July 2024).

³⁰ Swiss prosecutors reportedly probing Russia sanctions breaches. *SWI swissinfo*, 2024, Feb. 13. Available at: <https://www.swissinfo.ch/eng/multinational-companies/swiss-prosecutors-reportedly-probing-russia-sanctions-breaches/72527163> (accessed 30 July 2024).

³¹ The Czech Republic for the first time convicted a local resident for violating anti-Russian sanctions. *Radio Prague International*, 2024, July 13. Available at: <https://ruski.radio.cz/v-chehii-vpervye-osudili-mestnogo-zhitelya-za-narushenie-antirossijskih-sankciy-8822704> (accessed 30 July 2024) (in Russian).

³² US Department of Justice. Suspected Russian Intelligence Operative Extradited from Estonia to Face Charges Related to Providing American-Made Electronics and Ammunition to Russian Military. 2023. July 14. Available at: <https://www.justice.gov/usao-edny/pr/suspected-russian-intelligence-operative-extradited-estonia-face-charges-related> (accessed 31 July 2024).

Union's enforcement measure practices. Furthermore, sanction initiators are actively cooperating to tighten and harmonize export controls. For instance, in September 2023, the EU, in collaboration with US and UK regulatory bodies, developed the Common High Priority List (CHPL) in their sanctions against Russia. These items include electronic integrated circuits, processors, radio navigation equipment, semiconductors, and equipment for their development. It is highly probable that enforcement measures will be initiated based on the exports of these products.

Fourthly, following start of the special military operation, the European Parliament and the Council of the EU initiated efforts to align legislation across the EU, with the objective to ensure the consistent and coordinated enforcement of sanction violations. Since February 2022, numerous draft directives have been developed to establish uniform criteria for EU sanction breaches and the associated liability measures. One of them was approved in April 2024. This directive delineates the parameters for establishing administrative and criminal liability for offenses, defines uniform penalties for individuals and legal entities—including fixed fines and prison terms—and establishes common aggravating and mitigating circumstances in determining liability.³³ Given that the provisions enshrined in the Directive must be transposed into national law within a year, the results of this work can only be assessed further. So far, there is an ongoing imbalance in EU member state approaches to the enforcement implementation process. This imbalance has led to the effective control of transactions and operations prohibited under EU law in some member states, while these same transactions appear to persist in other EU countries. Concurrently, the EU's strategic shift in sanction enforcement coordination—involving also US cooperation and the systematic enhancement and expansion of enforcement practices—signifies a notable evolution in the EU's approach to ensuring the efficacy of its sanctions regime against the Russian Federation.

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Since February 2022, the European Union's approach to implementing sanctions against Russia has undergone a substantial transformation. These fundamental shifts in the EU's approach to its sanctions policy have reflected broader changes in the EU's economic interdependence with Russia. The economic interdependence that has evolved since the early 2000s once ensured that political contradictions between the parties, including on the Ukrainian issue, would not fundamentally affect the scope of their economic cooperation. Consequently, from 2014 to 2021, sanctions imposed by the European Union primarily served as political signals, rather than a means to inflict substantial harm on pivotal sectors of the Russian economy.

However, the further aggravation of political contradictions between Russia and the EU contributed to interdependence between the two to become politicized. The start of Russia's special military operation in Ukraine signified the culmination of these contradictions, leading to a transition away from a cooperative and collaborative

³³ Directive (EU) 2024/1226 of the European Parliament and of the Council of 24 April 2024 on the definition of criminal offences and penalties for the violation of Union restrictive measures and amending Directive (EU) 2018/1673. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401226 (accessed 29 July 2024).

interdependence to a weaponized state of rivalry and competition. Sanctions have emerged as a pivotal instrument of such a policy.

Quantitatively, this became evident in the substantial surge in the imposition of financial blocking restrictions, and a discernible tightening of export and import controls. Qualitatively, evidence is found in the broadening of the sanctions instruments employed. Notable shifts have occurred on the issue of ensuring sanction effectiveness, particularly on the sanctions regime against Russia. Initially, the European Union rejected the use of secondary sanctions and criticized their application by the United States. However, it subsequently developed its own legal mechanisms for imposing such restrictions and began to actively implement them against Russian and foreign persons. Secondly, there has been a notable escalation in the frequency, geography, and scale of administrative and criminal prosecutions of Russia-related sanction violations. Prior to the beginning of the special military operation, these cases were characterized by their extreme moderation and rather uncoordinated actions of EU member states.

International relations theories may offer a framework for interpreting these shifts: a preliminary interpretation could involve a transition from the neoliberal interpretation of interdependence, which characterized EU-Russia relations in the 2000s, to a more neorealist approach. In the eyes of neorealism, interdependence is analyzed in terms of rivalry and competition, rather than cooperation and mutual benefit. The shift from the neoliberal paradigm to this neorealist interpretation is predicated on the inapplicability of the neoliberal model to adequately describe the post-2022 relationship between Russia and the EU, a relationship that is now largely determined by one factor: confrontation.

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