Sanctions: two-week review

EU

EU 22nd sanctions package

On 12.10.2026 the EU Council listed 826 Russian companies and 743 of their general directors – 1,569 entries in total (on the same day, 77 persons were listed over the State Duma elections). The stated ground for all companies is their inclusion in a (non-public) Russian Government list of defence-industry organisations whose employees receive federal housing subsidies. Mass sanctions against Russia's military-industrial complex had previously been imposed by the US: e.g., 23.02.2024 – over 500 persons, 23.08.2024 – almost 400.

On 15.10.2026 the list was extended by 12 more persons for sanctions circumvention: logistics firms and customs brokers, a payment intermediary, Turkish suppliers, an oil trader and shadow fleet operators from the UAE, India and the Seychelles.

Zarubezhneft, designated by the UK on 08.10.2026, was not included in the EU packages; OFSI has authorised a wind-down of transactions with it until 21.11.2026.

Mikhail Gutseriev removed from the Belarus sanctions list

On 13.10.2026 the EU Council removed M. Gutseriev from the Belarus list, complying with the General Court of the ECJ judgments (see our digest for 12–24 May 2026) – but only after adding him to the Russia list on 23.07.2026.

The General Court of the ECJ upholds Galina Pumpyanskaya's initial listing

On 06.09.2023 the General Court of the ECJ dismissed the action of the businessman's wife. She appealed on 16.11.2023. On 15.10.2026 the appeal was dismissed. It took almost 3 years (including a stay of proceedings).

The Court held that spouses' common interests going beyond family ties may consist in holding positions in different but closely linked organisations. The unpaid nature of her role at the charity and her lack of control over it are irrelevant. The Council need not prove a risk of circumvention in each case.

US

Graham Act: Section 117 waived

On 16.10.2026 the US President signed Executive Order 14436 implementing the Graham Act (see our digest for 14–28 September 2026). Among other things, it waives Section 117: the conditions for lifting sanctions on Russian persons (a peace agreement and an end to military hostilities – s. 117(a)(1)(A)) and congressional review of termination (s. 117(b), (c)).

Bank of America: penalty for payments through blocked Russian banks

On 13.10.2026 OFAC settled with Bank of America over 475 apparent violations worth USD 14.8 million, for a penalty of USD 11.66 million. The violations were non-egregious, but most of them (413 of 475) were not self-disclosed.

As regards Russia sanctions, OFAC identified several groups of violations:

- the bank's payment routing directory still listed OFAC-blocked banks; aware of this, the bank kept processing payments through them – 403 payments worth USD 14.3 million from February 2022 to March 2025 (32 Russian and 2 Belarusian banks);
- sanctions lists were updated with delays and errors;
- due to staff errors, one sanctioned person's account was not blocked, and blocked funds were moved from another account to an unblocked one.

At the same time, FinCEN imposed a USD 1.2 billion penalty on the bank.

LUKOIL: licences extended until 24.04.2027

On 15.10.2026 OFAC extended until 24.04.2027 GL 128D (service stations outside Russia of Lukoil International GmbH and its subsidiaries) and GL 130B (the group's Bulgarian companies, including the Burgas refinery).

On 21.10.2026 OFAC issued GL 131K: talks on the sale of Lukoil International GmbH are authorised until 21.11.2026; the sale itself still requires separate OFAC authorisation.

Lessons from Iran sanctions: law firms and FinCEN

On 21.10.2026 OFAC designated the Panamanian-Greek law firm Karnakis and Karnakis, which provided corporate services to Iranian shadow fleet companies.

At the same time, FinCEN served a Greek bank with an administrative subpoena under 31 U.S.C. § 5318(k), and asked third parties for information about the bank.

What to expect in the next two weeks:

- The General Court of the ECJ judgment in *Khan v Council*