Sanctions: two-week review

EU

EU General Court annuls challenged sanctions against Vladimir Avetisyan

On 24.06.2024, the businessman was designated under criterion (f) as the CEO and founder of the management company of a microelectronics supplier. In October 2024, he stepped down as CEO and sold his 100% stake in the company. The action was filed on 23.05.2025. On 30.09.2026, the General Court of the ECJ annulled the renewals of the sanctions for the period from 15.03.2025 to 15.03.2026. The proceedings took 1 year and 4 months.

The Court held that, in renewing the sanctions in March, the Council of the EU relied on evidence dating from May 2024 and disregarded more recent evidence submitted by the applicant (the decision to replace the CEO, corporate register extracts and a notarised share purchase agreement). Criterion (f) requires the Council to prove that the grounds persist at the date of each renewal; by requiring the applicant to prove that he had resigned from the electronics sector, the Council unlawfully shifted the burden of proof onto him. The applicant's wish to escape sanctions cannot be held against him – on the contrary, it shows that they are effective.

US

A7: criminal organisation status from OFAC and a ban on transfers for agents from FinCEN

On 1.10.2026, in addition to the sanctions under E.O. 14024, OFAC applied E.O. 13581 to A7 and added A7 Network to the SDN List as a transnational criminal organisation (TCO). The grounds were the network's use by Iran, Hamas and cybercriminals (the other persons on the 1.10.2026 list were designated under the Iran programme). Its stated locations are Russia, Kyrgyzstan, Nigeria and Zimbabwe.

On the same day, FinCEN published a proposed rule of 31 CFR § 1010.668: a complete ban on transmittals of funds involving A7 "sub-agents", except for accepting payments to be blocked as required by OFAC. The sub-agents are six named companies and other persons on a list that FinCEN will send to banks via the FI-Portal.

In addition, on 1.10.2026, FinCEN issued an alert with 17 "red flags" relating to A7 (including the network's VPN domains and IP addresses).

United Kingdom

Two rounds of sanctions

On 1.10.2026, the list was expanded by 31 entries, including 6 gas carriers, 2 support vessels and the trader Novatek Gas and Power Asia (Singapore).

As a matter of context, the Graham Act previously singled out Yamal LNG, Arctic LNG 1, 2 and 3 and Arctic projects as a separate sanctions target (see the digest for 14–28 September 2026).

On 8.10.2026, the list was expanded by a further 38 entries. In particular, designations citing a possible link to A7 include the payment service Planeta JSC, the Canadian owner of the crypto service Cryptomus, the Kyrgyz processing centre Processing KG, etc. Zarubezhneft and, as usual, tankers (12 vessels) and companies suspected of supplying dual-use goods were also designated.

GTLK Malta: the parties drafted the guarantees so that they would operate even in the event of sanctions

In 2018–2020, GTLK Malta Four (the claimant) financed the acquisition of 7 vessels for a Cypriot company (the charterer) through 10-year bareboat charters, secured by joint guarantees from the four defendants and ownership title to the vessels. Following the sanctions against Russia's GTLK, the charterer stopped paying and, on 1.09.2022, gave notice of termination of the charterparties. After the liquidation of the claimant's parent company commenced in Ireland (31.03.2023), the claimant ceased to be subject to an EU asset freeze, and OFSI and OFAC issued licences for payments to it into blocked accounts. On 28.02.2024, the claimant terminated the charterparties, demanded a buy-out of the vessels and, having received no payment from the charterer, made demands on the guarantors.

On 30.09.2024, the charterer commenced LMAA arbitration. In turn, on 18.10.2024, the claimant brought proceedings in the English High Court, which, after a 2-day hearing, granted summary judgment ordering the guarantors to pay approximately USD 42 million.

The Court held that the "hell or high water" clause placed on the charterer all risks of being unable to use the vessels. Therefore, the doctrine of frustration did not apply, and the inability to pay in US dollars due to US sanctions merely suspended the payment obligation temporarily. In any event, the guarantors had undertaken to pay even if the guaranteed obligation became "unenforceable, invalid or illegal". The charterer's 2022 termination is therefore irrelevant.

What to expect in the next 2 weeks:

- 22nd EU sanctions package;
- The General Court of the ECJ's ruling in *Pumpyanskaya v Council*.