

SANCTIONS: TWO WEEKS OVERVIEW

United Kingdom

Supreme Court [Rejects Shvidler and Naumenko Appeals](#)

On 29.07.2025, the Supreme Court rejected the appeals of Evgeny Shvidler (personal sanctions) and the company owning the yacht Phi (sectoral sanctions that led to the arrest of a ship that remained in the UK).

The Supreme Court, agreeing with the Court of Appeal, pointed out, in particular, that the inconvenience caused to members of the Russian elite by the sanctions proves their effectiveness and, therefore, their proportionality (for more details see [the digest](#) dated 11.03.2024).

Court [Refuses](#) to Consider EuroChem's Russian Companies Uncontrolled by Sanctioned Persons

On 31.07.2025, the High Court rejected the claim by EuroChem Group AG and EuroChem North-West-2 LLC to receive payments under guarantees (bonds) issued by Societe Generale and ING.

One of the court's conclusions was that the Russian companies of the group continue to be controlled by Mr. Melnichenko. The court, among other things, found that:

- Mrs. Melnichenko, as the beneficiary of the trust, is an agent ("*proxy*") of her husband;
- The protector of the trust is a trusted person of the husband;
- The firewall in EuroChem Group AG only applies to companies in the EU, but not to companies in the UAE, where the couple resides, and not to the Russian companies.

Evidence of Control or Ownership [Must Not Be Speculative](#)

The dispute arose in November 2021 due to the chartered tanker owner's refusal to accept oil supplied by NK Neftisa.

The shipowner cited data from Refinitiv about the connection between the supplier and Mikail Gutseriev, against whom the EU and the UK imposed sanctions in the summer of 2021. In response, the charterer presented a letter from the supplier with rebuttals, as well as opinions from two international law firms. The charter agreement was terminated, and the parties filed claims against each other.

On 31.07.2025, the High Court supported the charterer.

The court interpreted the "reasonable judgment" test in the sanctions clause of the charter agreement. As in the Litasco case (see [the digest](#) dated 29.11.2023), the court stated that speculative risk is not sufficient. The information from Refinitiv said nothing about control and ownership as of November 2021. The shipowner could not stop at the impossibility of excluding control over the supplier but was obliged to assess the documents submitted by the charterer, as well as publicly available information.

EU

EU Court Upholds Sanctions Against the Timchenko Spouses

Sanctions were imposed against Gennady Timchenko on 28.02.2022 and against Elena Timchenko on 08.04.2022. The court of first instance rejected their lawsuits on 06.09.2023. Appeals were filed on 15.12.2023. They were rejected on 01.08.2025.

Among other things, the Court [pointed out](#) that G. Timchenko's failure to distance himself from Bank Rossiya is not part of the sanction criteria applied against him. However, the fact of non-distancing indicates the absence of circumstances justifying the businessman's case as opposed to other evidence.

Regarding E. Timchenko, the Court [confirmed](#) that her participation in the charitable foundation created by the spouses goes beyond family relationships and thus constitutes the common interests required to satisfy the criterion of being "associated". The Court also stated that this criterion does not require a link between the common interest and the content of the sanction criterion and does not depend on the legality or illegality of receiving benefits from the primary sanctioned person by a family member.

WHAT TO EXPECT IN THE NEXT TWO WEEKS:

- New US sanctions