



TEXTS ADOPTED

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Effectiveness of the EU sanctions on Russia

European Parliament resolution of 9 November 2023 on the effectiveness of the EU sanctions on Russia (2023/2905(RSP))

The European Parliament,

- having regard to its previous resolutions on Russia and Ukraine, in particular since the escalation of Russia's war of aggression against Ukraine in February 2022,
 - having regard to the Charter of the United Nations,
 - having regard to the 11 consecutive packages of sanctions against Russia adopted by the EU since February 2022,
 - having regard to Council Decision (EU) 2022/2332 of 28 November 2022 on identifying the violation of Union restrictive measures as an area of crime that meets the criteria specified in Article 83(1) of the Treaty on the Functioning of the European Union¹,
 - having regard to the report of its Committee on Civil Liberties, Justice and Home Affairs of 7 July 2023 on the proposal for a directive of the European Parliament and of the Council on the definition of criminal offences and penalties for the violation of Union restrictive measures,
 - having regard to Rules 132(2) and (4) of its Rules of Procedure,
- A. whereas since 24 February 2022, when Russia re-launched its unprovoked, unjustified and illegal war of aggression against Ukraine, the geopolitical situation in Europe has fundamentally changed; whereas Russia's forces have conducted indiscriminate attacks against residential areas and civilian infrastructure, killing thousands of Ukrainian civilians, forcibly deporting and illegally imprisoning Ukrainian citizens in Russia and Russian-occupied territories of Ukraine and carrying out acts of terror throughout the country;
- B. whereas since the full-scale invasion of Ukraine by Russia in February 2022, the EU has imposed 11 sanctions packages against Russia aimed at weakening its economic base and thus curtailing its ability to wage war, including restrictive measures against almost

¹ OJ L 308, 29.11.2022, p. 18.

1 800 individuals and entities responsible for or involved in the war in Ukraine, bans on imports of numerous goods and services from Russia such as oil and raw materials, and a prohibition on exports to Russia of weapons, military equipment and dual-use goods; whereas the sanctions also include a prohibition on all transactions with the Central Bank of Russia, the exclusion of key Russian banks from the SWIFT financial messaging system and the suspension of the transmission and distribution of certain Russian state-owned or state-backed disinformation outlets;

- C. whereas, in addition, the Council has imposed restrictive measures under the EU's Global Human Rights Sanctions Regime on several individuals responsible for serious human rights violations in the Russian Federation and in the territories of Ukraine that Russia has temporarily occupied; whereas the EU has also adopted additional sanctions against Belarus, in response to its involvement in the war of aggression against Ukraine, and Iran, in relation to the use of Iranian drones in Russia's war;
- D. whereas measuring the impact of sanctions presents numerous challenges, including the lack of reliable figures and statistics; whereas the impact of EU sanctions cannot be easily separated from the impact of US and other sanctions, the Russian counter-sanctions or the impact of Russia's war of aggression against Ukraine; whereas most experts warn that, although the sanctions are working, their impact is not severe enough to limit Russia's ability to wage war against Ukraine and call for additional measures to increase the scope and enforcement of the sanctions; whereas, although the EU sanctions against Russia are unprecedented, the impact on the Russian economy so far seems to be smaller than initially forecasted and there are worrying signs that the effectiveness of the sanctions is wearing off; whereas the sanctions against Russia have forced and are still forcing their targets into a permanent search for costly byways;
- E. whereas EU Member States, together with the Price Cap Coalition, have introduced price caps on seaborne crude oil, petroleum oils and oils obtained from bituminous minerals which originate in or are exported from Russia; whereas they set these price caps at USD 60 per barrel for crude oil, USD 45 per barrel for discounted petroleum products and USD 100 per barrel for premium petroleum products; whereas various studies estimate that production costs for Russian crude oil per barrel is approximately USD 15 and for diesel USD 20; whereas, therefore, the current price caps are still enabling significant profits for Putin's regime;
- F. whereas Russia's oil and gas export revenues decreased by 38 % between January 2022 and January 2023; whereas Russia's share of European gas demand fell from 45 % in 2021 to 23 % in 2022 and to below 10 % in January 2023; whereas, according to reports, the volume of Russian liquefied natural gas (LNG) production has increased to record levels; whereas, despite the EU sanctions on Russian coal, its production increased by 0,3 % compared to 2021, reaching a record level; whereas since the beginning of the war, Russia has earned EUR 532 billion in revenue from fossil fuel exports, of which the Member States' purchases accounted for more than EUR 178 billion; whereas in 2022 alone, revenues from Russian energy resources amounted to USD 321 billion;
- G. whereas since August 2023, it has been evident that Russia is finding new ways to circumvent the price cap on oil sanctions, and prices of Russian oil in the global markets have started to increase; whereas Russia has been able to redirect crude oil exports from Europe to alternative markets such as India, China and Türkiye; whereas

EU imports from India and other nations of petroleum products made with Russian oil have soared, creating a backdoor route for Russian oil and undermining the impact of the EU sanctions; whereas EU-owned vessels transported the highest proportion of Russian crude oil in both 2022 and 2023; whereas in 2022, the share of revenues from exports of energy resources amounted to one third of the total income in the Russian Federation's budget; whereas the sanctions on the export of Russian energy resources are having a strong impact on Russian state revenues; whereas, following the introduction of the price cap on oil in December 2022, Russia's income from the export of energy resources has decreased significantly compared with pre-war levels; whereas Russia's oil revenues rebounded in the first half of 2023, rising to the highest level since November 2022;

- H. whereas purchases by EU Member States of Russian LNG or Russian-origin oil from non-EU countries are not restricted and are currently running well above levels seen before February 2022; whereas Russia is the EU's second largest supplier of LNG, behind only the US; whereas the increase in LNG imports from Russia runs counter to the EU's aim to end its reliance on Russian fossil fuels; whereas Russia is still making around EUR 690 million a day from its fossil fuel exports (data from August 2023); whereas the EU is still sending EUR 2 billion per month to Russia for fossil fuels; whereas, due to continued imports of pipeline gas and LNG, as well as various exceptions to the bans on importing crude oil and oil products, the EU still remains one of Russia's largest clients for fossil fuels;
- I. whereas, according to official Russian figures, the Russian economy allegedly shrank by only 2,1 % in 2022, much less than expected, despite its war of aggression against Ukraine and the international sanctions; whereas the International Monetary Fund forecasts, on the basis of the official Russian figures, that the Russian economy will grow by 2,2 % in 2023 and by 1,1 % in 2024; whereas Russia has announced that, in 2024, its defence budget will be increased by nearly 70 % and will reach EUR 107 billion, or 6 % of GDP (up from EUR 63 billion, or 3,9 % of GDP, in 2023);
- J. whereas, nevertheless, on 1 November 2023 the Russian President called for officials to address the issue of high inflation, warning that the Russian economy faced increased pressure from Western sanctions; whereas inflation remains high in Russia, ticking upwards as the economy faces a weaker rouble and rising military spending on the offensive in Ukraine;
- K. whereas EU imports from Russia have fallen since February 2022; whereas, despite the sanctions, in practice some Member States have increased trade with Russia since February 2022;
- L. whereas a number of EU companies enjoy derogations under Council Regulation (EU) No 269/2014¹ and, hence, continue to carry out business activities with Russian entities that are under financial and trade sanctions; whereas the competence of granting derogations belongs to the national authorities and the EU institutions are merely informed about the granted derogations, without the ability to contest them; whereas Parliament and other institutions do not have access to that essential information;

¹ 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 (OJ L 78, 17.3.2014, p. 6).

whereas this derogation practice considerably reduces the desired impact of the EU sanctions, thus depriving one of the main EU foreign policy tools of its effectiveness and credibility;

- M. whereas, in an attempt to counter the sanctions, Russia has turned to non-sanctioning countries in search of technology and other products; whereas the ever closer relations between Russia and China, both in terms of trade in energy and dual-use goods, as well as diplomatic and strategic support, have hampered the impact of the EU's sanctions on Russia; whereas Russia's trade with China hit record highs in 2022 and 2023; whereas China is now the source of around half of Russia's imports, up from a quarter before the war; whereas Russia's trade volume with India and Türkiye has also increased significantly;
- N. whereas several analyses of captured Russian weaponry have shown that Russia continues to import critical Western components due to its ability to find alternative suppliers and routes, with imports of key items such as semiconductors even rising above pre-sanctions levels; whereas several non-sanctioning countries such as China, Türkiye, the United Arab Emirates, Kazakhstan, Kyrgyzstan, some countries from the South Caucasus and Serbia have become hubs through which Russian entities reroute the products they import from the EU towards Russia or provide alternative routes for imports of dual-use goods and foreign-made technology and equipment;
- O. whereas, in December 2022, the EU appointed David O'Sullivan as International Special Envoy for the Implementation of EU Sanctions; whereas a specific anti-circumvention tool was included in the latest sanctions package, adopted in June 2023;
- P. whereas Rosatom and the Russian nuclear energy sector are still not included in the sanctions packages; whereas Rosatom, through its subsidiaries, has been providing critical imports of technologies and materials to the Russian military-industrial complex; whereas, over the course of 2022-2023, the Member States have made significant progress in reducing their dependence on the Russian nuclear industry;
- Q. whereas, on 2 December 2022, the Commission presented a proposal for a directive on the definition of criminal offences and penalties for the violation of Union restrictive measures¹, with a view to facilitating the investigation, prosecution and punishment of violations of EU sanctions in all Member States;
- R. whereas Russian civil society and opposition figures living in exile in the EU have struggled with the disproportionate impact of some of the sanctions on their daily lives in ways that do not correspond to the objective of the EU's sanctions policy and instead harm the credibility of the EU;
- 1. Reiterates its condemnation in the strongest terms of Russia's unprovoked, illegal and unjustified war of aggression against Ukraine and of the involvement of the Lukashenko regime in Belarus; reiterates its call on Russia to immediately terminate all military activities in Ukraine and to unconditionally withdraw all forces and military equipment from the entire internationally recognised territory of Ukraine, to end its forced

¹ Commission proposal for a directive of the European Parliament and of the Council on the definition of criminal offences and penalties for the violation of Union restrictive measures (COM(2022)0684).

deportations of Ukrainian civilians and to release all detained and deported Ukrainians, particularly children;

2. Underlines that the objective of EU sanctions in response to Russia's war of aggression against Ukraine is to strategically weaken the Russian economic and industrial base, in particular the military-industrial complex, in order to undermine the ability of the Russian Federation to continue waging the war, attacking the civilian population and violating the territorial integrity of Ukraine, as well as to hamper Russia's access to military technologies and components and to target Russian political and economic elites to undermine their support for the regime;
3. Recalls that the effectiveness of international sanctions depends on the firmness, cohesion, cooperation, honesty and respect for the commitments of the states that have adopted them; calls for the Member States to clearly identify sanctioned Russian foreign assets being held in their jurisdictions and to ensure that they are effectively removed from the reach of Russian entities; highlights the need for a more harmonised approach and greater transparency on the reporting of the location and the amount of the assets frozen;
4. Underlines that, given that the EU sanctions on Russia are a foreign policy instrument aimed at ending an illegal war, circumventing such export restrictions on war-critical goods in certain grave cases could be considered and prosecuted as complicity in Russia's war crimes;
5. Calls for the EU and its Member States to reinforce and centralise, at EU level, the oversight of sanctions implementation and to develop a sanctions circumvention prevention and monitoring mechanism to limit Russia's ability to circumvent sanctions; calls on the Member States' authorities to cooperate more closely on investigations of sanctions violations and circumvention and to demonstrate the consequences of such violations by dynamically and vigorously preventing and/or prosecuting violations of EU sanctions; calls, in this regard, for the EU institutions to reach a swift agreement on an ambitious directive on the definition of criminal offences and penalties for the violation of Union restrictive measures; underlines that penalties should remain proportionate but also sufficiently high to have a deterrent effect; calls on the European Council to adopt a decision expanding the powers of the European Public Prosecutor's Office to include the crime of violation of Union restrictive measures, which would allow for greater harmonisation and consistent and uniform prosecution of such crimes throughout the EU;
6. Expresses deep concern regarding ongoing trade in sanctioned war-critical goods between Member States and Russia; deplores the serious lack of compliance culture regarding the EU sanctions on Russia; condemns the practice in which sanctioned goods from the EU are sold to companies or individuals from non-EU countries and then shipped directly from the EU to Russia; calls for the EU and its Member States to set up systems through which information on transactions can be shared more effectively in order to improve the enforcement of sanctions related to military and dual-use goods; calls on the Member States' authorities to provide the necessary information and assistance to companies in order to improve compliance with EU sanctions and to engage with the companies whose products are being exported to Russia in order to minimise the risk of unknowingly violating export controls; calls on the Member States

to thoroughly investigate the compliance of companies with export restrictions on listed goods and to impose dissuasive penalties;

7. Calls on the Member States to expand export controls to cover more categories of goods, to align export controls across jurisdictions and to enforce measures consistently to close loopholes; calls for the EU and its Member States to take particular measures to prevent advanced technology products that are being exported to non-EU countries from ending up in Russia, and to constantly monitor developments so as to identify how sanction circumvention schemes work and to adapt the sanctions regimes accordingly;
8. Urges companies from EU and EU candidate and potential candidate countries to withdraw their operations from Russia and to exercise particular diligence when exporting goods that are prohibited from export to Russia; emphasises that EU companies and their subsidiaries that are found to be in violation of EU restrictive measures should be ineligible for funding, including for tenders and other forms of funding as part of the Ukraine Facility and other reconstruction programmes in Ukraine; considers that the companies using derogations from the application of the EU sanctions against Russia, and, as such, maintaining business activities with Russia, should not benefit from any EU funds, technical assistance or participation in EU-funded projects; considers that these companies should be automatically put on the Early Detection and Exclusion System and that their status on the Arachne risk scoring tool should be updated accordingly; believes that the same principle should apply, *mutatis mutandis*, to public procurement, whereby government departments or local authorities should not be allowed to purchase work, goods or services from companies derogating from EU sanctions under Council Regulation (EU) No 269/2014;
9. Calls for the EU and its Member States to improve EU strategic communication on, and fight disinformation about, the EU sanctions against Russia; calls on the Commission and the Member States to increase efforts to inform the broader public about the EU's restrictive measures against Russia, in particular their objective, and to make use in this regard of the experience of the EU Sanctions Envoy in convincing international partners, organisations and key industries of the need to prevent the circumvention of efforts aimed at cutting the revenues available for the continuation of Russia's war of aggression against Ukraine;
10. Urges all candidate and potential candidate countries for EU accession to strictly align with EU sanctions in response to Russia's war of aggression against Ukraine as a sign of their preparedness for taking on the obligations of EU membership;
11. Condemns the behaviour of the states, legal service providers, other entities and individuals that help Russia to avoid the effects of EU sanctions; recalls that the violation of the sanctions represents a crime at EU level, and has a severe impact on EU financial interests; calls for the Member States and the EU institutions, including the EU Sanctions Envoy, to intensify their work to limit the evasion and circumvention of the EU sanctions against Russia, which seriously undermine the effectiveness of EU sanctions and obstruct international efforts to end the war; stresses that the assets confiscated as a result of sanctions violations must be used for the compensation of the victims of the Russian aggression, as well as for infrastructure reconstruction and reforms, under the Ukraine Facility; calls for the EU and the Member States to reassess their relations with countries that do not make sufficient efforts to limit the evasion and circumvention of the EU sanctions on Russia, including the financial assistance

provided to these countries and any preferential access to EU markets; is concerned about reports that Azerbaijan and other countries whitewash Russian gas; urges the EU and its Member States to employ all possible tools to convince the Government of Azerbaijan to cease colluding with the Russian regime;

12. Calls for the EU institutions and the Member States to actively contribute towards maintaining unity on sanctions and therefore calls for the renewal periods for all sanctions regimes related to Russia's actions against Ukraine of not less than 12 months to be systematically provided for and for further sanctions packages aimed at strategically limiting Russia's ability to finance its war campaign to be adopted; supports the High Representative of the Union for Foreign Affairs and Security Policy in continuing to contribute to long-term unity and increased effectiveness by making ample use of his right to submit proposals;
13. Calls on the Commission to review its interpretation of sanctions leading to the seizure and confiscation of items and vehicles for personal use only; stresses that such over compliance discredits the goal and instrument of sanctions;
14. Calls for the EU and its Member States to strengthen and increase coordination on the enforcement of existing sanctions on Russian oil exports; calls for the EU and its Member States to fully close the EU market for Russian-origin fossil fuels; calls for harmonised testing of the origin of fossil fuels, LNG and refined fossil fuel imports to prevent the re-export of Russian energy to the EU;
15. Calls for the EU and its Member States to work with the G7 to substantially lower the price cap on Russian oil and petroleum products, to impose a full ban on the import of Russian LNG and liquefied petroleum gas into the EU and on the import of fuel and other petroleum products from non-EU countries if those products were produced using Russian oil, and to prohibit the shipment of Russian oil and LNG exports through EU territory; calls for the EU to introduce price and volume caps on Russian and Belarusian fertiliser imports into the EU;
16. Calls for the EU and its Member States to impose sanctions on all the major Russian oil companies, Gazprombank, their subsidiaries, and their boards and management; calls for the EU and its Member States to expand the sanctions against Russia on aluminium imports and to introduce sanctions against the Arctic-2 LNG project; invites the EU and the Member States to propose a restriction on tanker services and an embargo on the sale of tankers to Russia, as well as a restriction on European insurance services for tankers if these are used to export Russian oil; calls on the Price Cap Coalition countries to prohibit the transshipment of Russian oil and LNG through their territorial waters and exclusive economic zones; calls for the EU and the Member States to strengthen oil price cap enforcement and price cap compliance, in particular, by requiring that price attestations for Russian oil cargoes can only be issued by a whitelist of approved traders and by requiring all tankers transiting European territorial waters to verify they hold adequate oil spill ('P&I') insurance;
17. Calls on the Commission and the Member States to expand the sanctions to include a full ban on the marketing and cutting of diamonds of Russian origin or re-exported by Russia in the EU; calls for the EU and its Member States to sanction the state-owned company Alrosa and to broadly introduce systems to track the origin of diamonds based on new technologies;

18. Calls for the EU and its Member States to limit, as soon as possible, their cooperation with Rosatom, as well as its leadership and subsidiaries, to what is strictly necessary for the EU's energy security; calls on the Commission and the Euratom Supply Agency to screen existing cooperation with Rosatom and to provide support for substituting Russian fuel, spare parts and services with possible alternatives, taking into account the successful experience of Ukraine; calls for the EU and its Member States to prevent the vessels of Rosatom's subsidiary Atomflot from entering EU ports and to reinforce international pressure to end the occupation of the Zaporizhzhia nuclear power plant and more broadly ensure the safety of conflict-affected nuclear power plants; calls for the EU and its Member States to ban the import of Russian nuclear products;
19. Is concerned that Russia is able to obtain a significant number of the computer components required to produce ballistic and cruise missiles by using its space programme (Roscosmos) as a means of acquiring technologies with both civilian and military applications; calls for the EU and its Member States to immediately cease deliveries of such components to Russia and to adopt additional measures that would further disrupt Russia's military supply chain and target external actors seeking to support Russia's war effort, including through the production of drones and missiles;
20. Calls for the EU and its Member States to find legal avenues allowing for the confiscation of frozen Russian assets and for their use for the reconstruction of Ukraine and compensation for the victims of Russia's aggression; welcomes the announcement by the Belgian Government on the taxing of the proceeds obtained from the immobilised Russian-owned assets being held by Euroclear;
21. Calls for the restrictive measures against Belarus to be fully aligned with those currently in place against Russia, as the Lukashenka regime is gravely complicit in the Russian war of aggression against Ukraine;
22. Calls on the European External Action Service, together with the Commission, to undertake a comprehensive review of the EU sanctions in response to Russia's war of aggression against Ukraine and to submit proposals on how to further improve the preparation, maintenance, monitoring of implementation and enforcement of EU sanctions, and their coordination with transatlantic allies, G7 and G20 partners, other like-minded partners and UN members in general; reiterates its position on maintaining robust transatlantic cooperation between the EU and the US on sanctions, closing any loopholes that could enable Russia to evade sanctions and streamlining export controls;
23. Calls on the Council to accelerate its work towards reaching an agreement for the swift adoption of the proposed regulation on restrictive measures against serious acts of corruption; calls on the Council to rapidly impose sanctions under this new regime on natural and legal persons responsible for acts of corruption in the context of Russia's war of aggression against Ukraine and that aim to support the Russian regime;
24. Calls on the Council and the Commission to increase their transparency and professionalism regarding the way in which they identify persons that should be targeted or released from personal sanctions; reiterates that the current modus operandi is harming the reputation of the existing sanctions regime;
25. Highlights that the limited effectiveness of sanctions underlines the need for a more comprehensive approach towards Russia; calls, therefore, for EU sanctions in response

to Russia's war of aggression against Ukraine to be embedded in a comprehensive political and diplomatic strategy towards Russia that also includes support to Russia's exiled opposition, civil society and independent media and journalists opposed to the war, coordination with international partners on countering Russia's interference in democratic processes and international conflicts, and effective multilateral cooperation to offset Russia's obstruction or abuse of multilateral institutions or mechanisms; calls on the Commission and the Member States to minimise negative consequences for Russian and Belarusian civil society and opposition representatives in exile, as those consequences do not contribute towards reaching the stated objective of the sanctions, namely limiting Russia's ability to wage its war of aggression against Ukraine;

26. Instructs its President to forward this resolution to the Council, the Commission, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, the President, Government and Verkhovna Rada of Ukraine, the Council of Europe, the Organization for Security and Co-operation in Europe, and the Russian and Belarusian authorities.