COMPLIANCE CIRCULAR	**21/2025 [CC 21_2025]**
To:	**ALL MEMBERS, FIRMS AND ALL COMPLIANCE OFFICERS OF THE INSTITUTE**
Date:	**21 July 2025**
Subject:	**Eighteenth package of sanctions imposed by the EU against Russia**

The Institute of Certified Public Accountants (ICPAC) with the present circular draws the attention of its Members, Firms and Compliance Officers to the eighteenth package of sanctions imposed on 18 July 2025 by the European Union against Russia. For the official announcement please follow the link.

The eighteenth package of sanctions imposed provides, inter alia, for a further 55 listings of persons adding 14 individuals and 41 entities to its sanctions list.

Furthermore, the eighteenth package introduced sectoral measures on the following industries:

Energy measures

The price cap for crude oil has lowered from USD 60 to USD 47.6 per barrel.

Further sanctions have been imposed across the shadow fleet value chain. An additional 105 vessels are subject to a port access ban and a ban on the provision of a broad range of services related to maritime transport, bringing the total number of listed vessels to 444.

Full-fledged sanctions (asset freezes, travel bans, bans on providing resources) target Russian and international companies managing shadow fleet vessels, traders of Russian crude oil and a major customer of the shadow fleet – a refinery in India with Rosneft as its main shareholder. For the first time, the EU has also listed the captain of a shadow fleet vessel, as well as a private operator of an international flag registry. Lastly, one entity in the Russian LNG sector has also been listed.

Furthermore, the EU has introduced an import ban on refined petroleum products made from Russian crude oil and coming from any third country – with the exception of Canada, Norway, Switzerland, the United Kingdom and the United States.

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The EU has also imposed a full transaction ban on Nord Stream 1 and 2, including for the provision of goods or services, thus preventing the completion, maintenance, operation and any future use of the Nord Stream 1 and 2 pipelines.

Lastly, the Council decided to end the exemption for oil imports from Russia to Czechia.

Banking

The EU has upgraded the existing prohibition on providing EU-based specialized financial messaging services to certain Russian banks to a full transaction ban. This will apply to 22 additional Russian banks, on top of the 23 banks already subject to the ban.

The EU has lowered the threshold for sanctioning third-country financial and credit institutions and crypto-asset service providers that are frustrating sanction measures against Russia, supporting Russia's war of aggression or are connected to the System for Transfer of Financial Messages (SPFS), the Russian alternative financial messaging service, developed by the Central Bank of Russia and used to shield Russian banks from the impact of EU sanctions.

The EU has also expanded the transaction ban on third countries' financial and credit institutions and crypto-asset service providers which, through their actions, frustrate EU sanctions or support Russia's war of aggression against Ukraine. The transaction ban on third-country operators that circumvent oil-related prohibitions has also been widened.

Additionally, a ban was imposed on carrying out any transaction with the Russian Direct Investment Fund (RDIF) and its sub-funds and companies, and Council has established an instrument to extend such a ban to certain companies in which the RDIF has invested and to entities providing investment services or other financial services to the RDIF itself. Such companies and financial institutions will be selected by the Council; four Russian entities in which the RDIF has invested are already listed.

Lastly, a new ban has been inserted on selling, supplying, transferring and exporting software management systems and software with certain uses in the banking and financial sector.

Military – Industrial sector

Further full-fledged sanctions have been imposed on suppliers of the Russian military industrial complex, including three entities based in China that sell goods used on the battlefield. Additionally, the package covers eight companies operating in the Belarusian military-industrial complex.

26 new entities are subject to tighter export restrictions concerning dual-use goods and technologies. Eleven of these entities are located in third countries other than Russia (seven in China and Hong Kong, and four in Türkiye), and have been involved in circumventing export restrictions, including for unmanned aerial vehicles (UAVs).

Additionally, the EU has agreed further export bans worth more than €2.5 billion. The list of restricted items now includes items for the development and production of Russia's military systems such as computer numerical control (CNC) machines and constituent chemicals for propellants. Furthermore, the existing transit ban via the territory of Russia is expanded to cover selected economically critical goods used for construction and transport.

Accountability

Sanctions have been imposed on another individual actively involved in Russia's "military education" of Ukrainian children. This brings the total number of listings in relation to the deportation and indoctrination of Ukrainian children to over 90. The package also lists several Russian proxies in occupied territories, including a person responsible for manipulating Ukrainian cultural heritage, another leading Russian businessperson and a prominent Russian propagandist.

Other

The EU has also introduced measures to protect member states from illegitimate Bilateral Investment Treaty (BIT) arbitration proceedings launched by Russian companies and individuals, including oligarchs and their proxies (i.e. damages recovery provision to be taken by member states, tailored non-recognition provision in the EU for those arbitration proceedings and an obligation on member states to act in BIT proceedings).

Belarus

In addition to the eight new listings related to the Belarusian military complex, the package imposed on Belarus' trade mirrors the measures with those imposed on Russia.

Furthermore, the ban on specialized financial messaging services has been upgraded to a full transaction ban and an embargo on imports of arms from Belarus is introduced.

For the updated Regulation (EU) 269/2014, please follow the link.

For the updated Regulation (EU) 833/2014, please follow the link.

For the updated Regulation (EU) 765/2006, please follow the lοὐink.