

Club Circular

EU Sanctions: 20th Sanctions Package Against Russia

May 2026

Dear Members

On 23 April 2026, the Council of the European Union adopted its 20th package of restrictive measures against Russia, amending Regulation (EU) 833/2014 and Regulation (EU) 269/2014. These measures were implemented in [Council Regulation \(EU\) 2026/506](#), [Council Implementing Regulation \(EU\) 2026/509](#), and [Council Regulation \(EU\) 2026/511](#) and published in the Official Journal of the EU. Further details can be found [here](#). The EU also issued [FAQs](#) in relation to the 20th package which can be found [here](#).

The package comprises 120 individual and entity listings, the largest number in a single package in two years, together with a range of sectoral, trade, financial and anti-circumvention measures.

This update summarises the key measures of particular relevance to shipping, marine insurance, and related maritime services.

Key takeaways for Members

- Significant expansion of the **shadow fleet regime**, including 46 newly listed vessels and new tanker sale due-diligence obligations.
- Ban on financial services including insurance **to LNG tankers**: Russian-owned or flagged from 25 April 2026; all others operating in Russia or for use in Russia from 1 January 2027
- Establishment of the **legal basis for a future full maritime services ban** for Russian crude oil and petroleum products, pending coordinated G7 implementation.
- New **transaction bans on 2 Russian ports – Murmansk and Tuapse, and the Karimun Oil Terminal in Indonesia**
- First use of the EU's **country-level anti-circumvention tool**, targeting exports to the Kyrgyz Republic.

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MANAGERS: STEAMSHIP P&I MANAGEMENT LLP

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Shadow Fleet and Vessel Designations

Forty-six additional vessels have been designated under Regulation (EU) 269/2014, bringing the total number of designated shadow fleet vessels to 632. Eleven vessels have been delisted following demonstrated return to compliance by their owners. Designated vessels are subject to an EU port access ban and a prohibition on the provision of a broad range of services related to maritime transport, including insurance, as well as a prohibition on ship-to-ship transfers and any other cargo transfer involving such vessels.

A derogation has been introduced to facilitate the recycling of listed shadow fleet vessels that have reached end-of-life, including activities necessary for such vessels to proceed to the recycling facility, and for any relevant activities or for payments related to the recycling.

Entity Designations

A total of 120 individuals and entities have been designated. The 36 energy-related designations cover both the upstream and downstream segments of the Russian energy sector, including exploration, extraction, refining, and transportation of oil. They include entities operating in third countries as part of the shadow fleet ecosystem, and the Russian insurance company, Soglasie (also designated by the UK since 9 May 2025).

The following entities in the energy sector are now subject to an asset freeze: Bashneft, Slavneft, Gazprom Flot, Gazprom LNG Technologies, Gazpromneft Marine Bunker, Rosneftflot, and Lukoil Nizhnevolzhskneft.

A number of UAE-based ship management entities have been designated: Centauri Services LLC, Lumen Ship Management FZCO, Alghaf Marine DMCC, and Lark Ship Management LLC. Novus Middle East, which controls the previously designated 2Rivers Group, is also listed. Moran Security Group has been designated for supplying personnel to provide security to shadow fleet tankers.

Furthermore, 58 designations specifically target actors associated with Russia's military-industrial complex, including 16 entities established in third countries, notably China, UAE, Belarus, and states in Central Asia.

Port Transaction Bans

Transaction bans have been introduced on the Russian ports of Murmansk and Tuapse and on the oil terminal at the port of Karimun in Indonesia (under Article 5ae of Regulation (EU) no. 833/2014).

Maritime Services Ban: Legal Basis Established

The package establishes the legal basis for a future full prohibition on the provision of maritime services, including insurance, to vessels transporting Russian crude oil and petroleum products. In practical terms, such a prohibition would ban the transport of

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Russian oil and related services including financing and insurance to vessels carrying Russian oil. The Council will decide when this prohibition is to enter into force, taking into account an appropriate wind-down period, following coordination with the G7 and the Price Cap Coalition. No decision on phase-in has been taken at this stage.

Services for Russian LNG Tankers and Icebreakers

With effect from 25 April 2026, it is prohibited to provide technical, financial, or brokering services, including insurance, for Russia-flagged, certified or Russian-managed LNG tankers and icebreakers.

With effect from 1 January 2027, it is prohibited to provide technical, financial, or brokering services, including insurance to LNG tankers - not Russian-flagged or owned, but operating in Russia or for use in Russia.

With effect from 1 January 2027, it will also be prohibited to provide LNG terminal services to Russian entities or to entities owned or controlled by Russian nationals or operators.

Tanker Sales

The package introduces mandatory due diligence requirements for EU operators engaged in the sale of tankers. All tanker sale contracts are required to include a mandatory clause prohibiting resale to Russian entities or use in Russia. Sellers must carry out and document a risk assessment addressing the possibility of re-transfer to Russia, adopt appropriate controls to mitigate identified risks, and promptly notify the competent authority of the relevant Member State of any sale, including full details of the parties and the vessel (IMO number and call sign).

The “no-Russia” resale prohibition must be mirrored through the contractual chain, requiring third-country purchasers to impose equivalent restrictions on any onward transfer to ensure that such obligations bind all subsequent acquirers.

Financial Measures

A transaction ban has been extended to an additional 20 Russian banks. Four financial institutions in Kyrgyzstan, Laos, and Azerbaijan have been subjected to a transaction ban for assisting Russian entities in circumventing EU sanctions or for connection to Russia’s financial messaging network. Five financial institutions have been removed from the transaction ban list following successful engagement with third-country jurisdictions.

Anti-Circumvention

The EU has applied its anti-circumvention tool at country level for the first time, restricting the export to Kyrgyzstan of certain machine tools and telecommunications equipment used for drones and missiles, assessed as being systematically re-exported to Russia.

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Legal protections for EU operators

The package strengthens protections for EU operators against retaliatory and abusive litigation. EU courts may now issue orders requiring parties to cease or refrain from initiating proceedings before Russian courts that assert jurisdiction over disputes affected by EU sanctions.

In addition, EU persons may bring claims for damages before the courts of Member States against parties seeking to enforce Russian court or administrative decisions in third countries, including in cases involving illegitimate expropriations.

The prohibition on satisfying claims has been further expanded to cover claims brought by third-country persons (other than those established in listed partner countries) in connection with contracts or transactions affected by EU sanctions.

Other Measures

The package introduces new import bans on metals, chemicals, and minerals worth over €530 million, an import quota on Russian ammonia, a ban on the provision of cybersecurity services to Russia, new export restrictions on chemicals, rubber, steel components, and certain industrial equipment, and measures protecting EU operators against retaliatory legal proceedings in Russian courts and the enforcement of abusive Russian judgments in third countries.

Members are reminded that cover is not available for any trade that breaches applicable sanctions. Members are advised that they should conduct thorough due diligence on the parties, cargoes, vessels, and other service providers that are or may be involved before they engage in any trade with a high sanctions risk. Finally, Members are reminded to keep records of their due diligence investigations and findings.

All Clubs in the International Group have issued a similarly worded Circular.

Yours faithfully,
Steamship Mutual Underwriting Association Limited.

Circular No. L.480

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