SPECIAL REPORT 30/2026 **EN**

EU trade sanctions against the Russian Federation

Strong coordination efforts, but implementation remains uneven and limits overall impact



EUROPEAN
COURT
OF AUDITORS

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01

Main messages

Why this area is important

01 One of the objectives of the EU's foreign and security policy is to render Russia's war of aggression against Ukraine unviable. To this end, the EU has been using restrictive measures (also referred to as sanctions) to put pressure on the Russian Federation and actors in third countries which are supporting the war (such as Belarus, Iran or North Korea), thereby diminishing the ability of Russia to wage war against Ukraine.

02 The specific objectives of EU trade sanctions are to impede the development of Russia's defence and security sector by restricting its access to items which it has used in its war against Ukraine, and items which are important to its military systems. Trade sanctions are aimed at degrading Russia's industrial capacity in the medium term by restricting access to key technologies and cutting off significant revenue streams by denying Russia access to EU markets.

03 EU sanctions, including trade sanctions, are part of the European Common Foreign and Security Policy. At the same time, trade sanctions are implemented by member states also within the EU's trade and customs union policy. Trade sanctions therefore use primarily tools and systems developed for and used by customs authorities to achieve foreign-policy objectives.

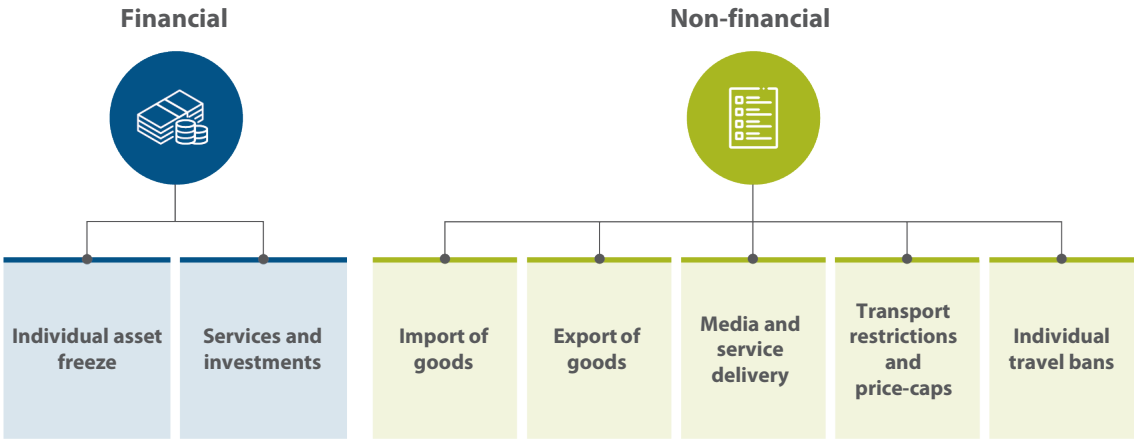
04 This cross-policy nature of trade sanctions implies the need for complex coordination between EU institutions and member states. The EU's trade sanctions are adopted unanimously by the Council of the European Union, but the preparatory work, including a legal proposal for sanctions, is carried out by the High Representative for Foreign Affairs and Security Policy/European External Action Service (EEAS), in cooperation with the Commission. The Commission is responsible for setting up an overall coordination

framework, provides guidance to member states and establishes information-exchange mechanisms to support member states in implementing sanctions. Finally, the Commission monitors and assesses their effectiveness.

05 Between February 2022, when Russia launched its full-scale invasion of Ukraine, and August 2026, the EU progressively imposed 21 sanctions packages on the country. The applicability of sanctions is time-bound, normally ranging from six to twelve months. This means that the legal acts need to be periodically renewed to extend their validity. Subsequent sanctions packages have both amended existing measures and introduce new ones, reflecting both the evolution of the political situation and circumvention efforts by Russia.

06 The post-2022 packages of sanctions on Russia have added to sanctions already in place since 2014. Since they were first introduced, the scope of the sanctions has evolved significantly: they are now the most comprehensive and far-reaching restrictive measures ever adopted by the EU. An overview of the different packages of sanctions against Russia since February 2022 is available both on the Commission and the Council websites. The sanctions include a broad spectrum of financial and non-financial measures, including trade measures (***Figure 1*** and ***Annex I***).

Figure 1 | General overview of EU restrictive measures against Russia



Source: ECA.

07 Our audit assessed whether the Commission had been effective in supporting and monitoring the implementation of EU trade sanctions against Russia by the member states. In this context, we did not assess the work done by the EEAS or the Council, though we make reference to this work as an element of the framework in which the Commission operates. We focused on sanctions applicable to traded goods (except energy) rather than financial sanctions or those related to services or other restrictive measures (such as travel bans).

08 Our audit work covered the period from February 2022 until the end of 2025. Where relevant, sanctions developments occurring after the end of 2025 have been considered for contextual purposes and to enhance the timeliness of the report. In particular, we examined whether:

- the Commission had coordinated effectively its actions related to trade sanctions with other EU institutions, member states and non-EU countries, as well as internally;
- trade sanctions had led to demonstrable changes in the volumes and patterns of EU-Russia trade, and whether specific measures had been taken to prevent their circumvention;
- the legislation applicable to trade sanctions was clear and unambiguous;
- trade sanctions against Russia were enforced consistently across all member states, and whether the Commission had followed up on identified issues;
- the Commission's guidance to member states had contributed to a more harmonised and coherent implementation of trade sanctions across all member states, and how effectively information-sharing tools were used in this regard;
- the Commission had monitored the effectiveness of trade sanctions and assessed their impact on the economies of both Russia and the EU, and whether it had done so in a timely manner and based on the best available evidence.

09 Our audit work included an in-depth analysis of the Commission's support and monitoring work regarding the implementation of trade sanctions, based on questionnaires and various sources of public and internal documentation. We reviewed EU-Russia trade flows based on data received from the Commission and public sources. In addition, we interviewed representatives of various Commission departments and the EEAS. During our information visits in five member states, we conducted further interviews with representatives of national competent authorities. We also carried out a fact-finding visit to the UK. Experts in EU-Russia trade relations and customs have confirmed the validity of our findings based on their review of a preliminary version of this report. ***Annex I*** provides more detailed information on our audit approach.

10 With our audit, we have sought to identify how the Commission could further improve the way in which it monitors and supports member states in their implementation of existing EU trade sanctions. Our recommendations aim to address existing systemic shortcomings, particularly those relating to legal ambiguities and uneven enforcement between member states, as well as gaps in the Commission's guidance and monitoring. Addressing these issues could also strengthen the Commission's input to the design of future sanctions.

What we found and recommend

11 Overall, we found that the Commission has made considerable efforts to coordinate the implementation of EU trade sanctions by member states, and that it has developed a large portfolio of analytical tools to support its decision-making. The trade sanctions applied since 2022 have played a significant role in reducing the amount of goods traded between EU and Russia, especially for those goods which have the greatest effect on Russia's military capabilities. In addition, specific anti-circumvention measures have been put in place to curb the export of EU goods to Russia through third countries. However, four years after the start of the invasion, ambiguity in the legal framework, divergent national practices, uneven use of information-exchange tools by member states and gaps in monitoring by the Commission continue affecting the uniform and effective implementation of EU trade sanctions.

The Commission has established extensive coordination tools to support the effective implementation of trade sanctions

12 Since 2022, the Commission has made significant efforts to coordinate the implementation of trade sanctions, both internally and with its partners at other EU institutions and member state authorities (ministries, customs services and enforcement bodies). To improve coordination with countries outside the EU, the Commission has appointed an International Special Envoy for the Implementation of EU Sanctions (Sanctions Envoy). The Sanctions Envoy also convenes the Sanctions Coordinators Forum. The Commission ensures that the sanctions framework is applied properly and plays an active role in coordinating it (paragraphs ***25***-***26*** and ***31***-***35***).

13 The Commission's co-ordination with the member states, which takes place in parallel to the Council's cooperation framework, consists of 11 standing working groups (not specifically related to sanctions) and three specific working groups dedicated to the topic of sanctions (***Annex II***). The overall set-up of this coordination framework reflects the complexity of cross-policy sanctions. However, fragmentation of competences and the large number of working groups and the (generally justified) overlaps between their responsibilities create a significant administrative burden for the member states and the Commission itself (paragraphs ***27***-***30***).

Trade sanctions together with anti-circumvention measures have significantly reduced trade between the EU and Russia

14 Since the extension of trade sanctions after the full-scale invasion in 2022, the EU's trade with Russia has sharply decreased. The Commission estimated in July 2026, the total economic impact of export restrictions and bans on goods and technologies had been

€49 billion, or 56 % of the EU's exports to Russia before 2022. The impact on imports was estimated to be around €110 billion, or 75 % of pre-war imports from Russia. The trade of critical and high-priority goods, including dual-use items, has almost ceased since 2023. To some extent, Russia has managed to substitute sanctioned trade with the EU by trading more with third countries, particularly China, though the costs of imports are now higher. In the meantime, Russia itself has become a war economy: significantly increased levels of military spending have affected other sectors of the economy (paragraphs ***36***-***42***).

15 While the impact of sanctions on trade has been significant, Russia has sought to circumvent EU sanctions by rerouting trade – especially in dual-use, battlefield and advanced technology items – through third countries. In response, the Council has adopted specific anti-circumvention measures. The Commission has enhanced its monitoring and the Sanctions Envoy is undertaking outreach work in third countries. These tools have contributed jointly to a gradual decline in trade between Russia and several third countries which might have been prone to being used for trade circumvention. We have identified though instances where the extent to which existing tools demonstrate effectiveness varies in view of tackling circumvention, among other things, due to the lack of fully reliable information on trade between Russia and third countries (paragraphs ***43***-***56***).

Ambiguities and divergences in the EU's legal framework can undermine the uniform implementation of sanctions

16 In an area where enforcement relies on rapid high-stakes decisions at border points, ambiguities in legislation present real operational challenges. Against this backdrop, we identified divergences between the use of terms in customs legislation and in sanctions rules. We also found instances where the terms used in sanctions legislation were vague and inconsistent, opening the door to differing interpretations by member states (***Annex III***). These issues related notably to exemptions and derogations. While such a flexible approach to designing sanctions facilitates political agreement in the sanctions-adoption process, the trade-off is clear: it can lead to the uneven implementation of the measures and increase the risk that economic operators may be able to exploit loopholes across borders (paragraphs ***57***-***64***).

Recommendation 1

Improve the regulatory framework for EU trade sanctions

To promote consistency across member states in the implementation of sanctions, the Commission should, in its relevant proposals and in guidance, improve legal certainty by:

(a) avoiding the use of ambiguous terms; and

(b) mitigating the operational issues that arise from terminological distinctions between customs and sanctions legislation.

Target implementation date: 2027

Varying national practices in enforcing EU trade sanctions create opportunities for "forum-shopping"

17 Trade sanctions, while remaining a foreign policy instrument, are implemented, among other mechanisms, through the EU Customs Union, under which national customs authorities supervise external borders. Member states therefore play a key role in enforcing sanctions. However, our audit showed that customs authorities in the member states applied varying practices when enforcing EU trade sanctions. In particular, we found non-uniform customs controls, divergences in how member states dealt with exemptions, and differences in the recognition of export authorisations granted by other member states for goods which would otherwise be illegal to export. In this context, we also noted that member states' administrative capacities – including the resources and infrastructure they have at their disposal – are not all the same (paragraphs *65*-*72*).

18 This situation does not only threaten the Customs Union (as already highlighted in some of our previous reports[1]): it also undermines the consistent and uniform implementation of trade sanctions. Divergences in member states' practices create opportunities for "forum-shopping", which can facilitate circumvention. Dealing with varying practices is also time-consuming for businesses. At operational level, these inconsistencies could to some extent be addressed by a systematic application of risk-based post-clearance audits by member states (paragraphs ***73***-***79***).

Recommendation 2

Conduct an in-depth analysis of how member states implement and enforce EU trade sanctions

To enhance the implementation of sanctions, the Commission should conduct an in-depth analysis of whether member states uniformly implement and enforce EU trade sanctions. Specifically, the analysis should focus on how:

(a) customs controls can be further aligned (including post-clearance audits);

(b) member states manage export authorisations and check those issued by another member state.

Target implementation date: 2027

Commission guidance is comprehensive but not legally binding, and information systems are not used uniformly across member states

19 The Commission has developed extensive guidance to support the consistent implementation of EU trade sanctions, particularly since 2022. This includes general guidelines, topic-specific "frequently asked questions" (FAQs), and direct outreach to businesses. While EU member states generally view these materials as comprehensive and regularly updated, we found some issues with timing and gaps in their scope (for example, in guidance on how to interpret exemptions or address new forms of sanctions

[1] Special report 13/2023: Authorised Economic Operators: Solid customs programme with untapped potential and uneven implementation; special report 04/2021: Customs controls: insufficient harmonisation hampers EU financial interests; special report 20/2019: EU information systems supporting border control: a strong tool, but more focus needed on timely and complete data; special report 26/2018: A series of delays in Customs IT systems: what went wrong?; special report 19/2017: Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interests of the EU.

circumvention; ***Annex IV***). Most importantly, however, as Commission guidance is not legally binding, it cannot guarantee fully harmonised implementation across the EU, leaving room for divergent national practices and potential non-compliance (paragraphs ***80***-***87***).

20 Moreover, the Commission's systems for sharing information – in particular, the Customs Risk Management System (for customs information) and the Sanctions Information Exchange Repository (for secure information-sharing on sanctions) – are not used uniformly across member states, leading to inconsistent enforcement and potentially affecting the effectiveness of the sanctions. Tools and guidance by the Commission are available; nevertheless, uneven participation, a lack of feedback mechanisms and limited information-sharing by member states continue to impede coordinated risk management and timely cross-border action. Furthermore, not all member states ensure that customs authorities that carry out controls on sanctions have access to the Sanctions Information Exchange Repository and other central information-exchange systems (paragraphs ***88***-***97***).

Recommendation 3

Incentivise the full use of information-exchange systems by member states

The Commission should incentivise national administrations to make full use of information-exchange systems used in the context of EU trade sanctions. In particular, the Commission should:

(a) review the functioning of risk information forms for sanctions in the Customs Risk Management System with a view to improving their use and follow-up;

(b) actively promote and facilitate the full and active use of the Sanctions Information Exchange Repository; and

(c) provide customs authorities access to central information-exchange systems relevant to the implementation of EU trade sanctions.

Target implementation date: 2028

The Commission's monitoring of the effectiveness of EU trade sanctions focuses on their impact on the Russian economy and trade flows, and not on intra-EU aspects

21 During our audit, we found that the Commission carries out multiple monitoring activities of EU trade sanctions, though responsibilities are spread across Commission departments: DG FISMA collects information on the implementation of trade sanctions, DG TRADE tracks trade flows, and DG TAXUD analyses customs-related enforcement patterns through the Customs Risk Management System, with support from the Joint Research Centre (JRC) in developing tools for detecting circumventions (paragraphs ***98***-***106***).

22 The Commission uses its monitoring data as a basis for general economic impact assessments of EU sanctions. We note, however, that the Commission does not have criteria to assess the overall effectiveness of sanctions. This makes it difficult to assess the extent to which sanctions are already achieving their strategic objectives – namely, reducing Russia's ability to sustain its war effort – and to determine whether additional sanctions are necessary. The Commission's studies provide a detailed view of trade flows and macroeconomic effects on the Russian economy. However, they do not examine the specific impact of the EU's sanctions on EU economies, companies, sectors or internal market competitiveness – though this is not legally required (paragraphs ***107***-***109***).

Recommendation 4

Improve the monitoring and assessment of EU trade sanctions

The Commission should improve its monitoring of trade sanctions and the assessment of their effectiveness. In particular, the Commission should:

(a) ensure more integrated and comprehensive data collection, analysis, and compliance tracking to monitor the implementation of sanctions; and

(b) propose criteria for assessing the effectiveness of EU trade sanctions and carry out regular assessments based on those criteria.

Target implementation date: 2028

23 The Commission regularly shares the results of its monitoring and impact assessments with member states and partner countries. It uses this information when preparing future sanction packages, for decision by the Council. However, the final scope of each package is ultimately shaped by negotiations between member states and is subject to their unanimous agreement (paragraphs ***110***-***112***).

02

A closer look at our observations

The Commission has established extensive coordination tools to support the effective implementation of trade sanctions

24 While the decisions on the legal framework, including trade sanctions, are taken by the Council of the EU (based on joint proposals by the High Representative and the Commission), the Commission's responsibilities include supporting the uniform implementation of sanctions across member states. The starting point for the effective fulfilment of this role, against the backdrop of the cross-policy nature of sanctions, is a comprehensive coordination. In this context, we established which forums the Commission uses to ensure coordination between its own departments, among member states, and with non-EU countries how the EU sanctions against the Russian Federation are implemented. We also assessed whether these forums were used during the audited period for an effective use of information, and whether their mandates are comprehensive and complementary.

The Commission's coordination framework at EU level supports implementation

Internal coordination ensured that sanctions-related information was exchanged in good time

25 In March 2023, the Commission established an inter-service group (ISG) on sanctions implementation and enforcement, led by DG FISMA and the Secretariat-General. The group's mandate was to coordinate the Commission's actions in relation to EU sanctions. The group includes all Commission departments involved in monitoring and implementing EU sanctions (DG FISMA, DG ECFIN, the JRC, DG TAXUD, DG TRADE, OLAF and the Legal Service), and the EEAS. Other departments (such as DG MOVE, DG ENER and DG GROW) are invited to attend meetings depending on the issues to be discussed.

26 Initially, the ISG was meant to meet weekly; from February 2024 onwards, it met every second week. The working group had met 73 times by the end of 2025, which allowed an exchange of sanctions-related information in good time.

The Commission's coordination framework with member states reflects the complexity of decision-making and cross-policy nature of sanctions

27 The effective implementation of EU trade sanctions also necessitates extensive collaboration between EU institutions and member states. The Council, as the primary institution responsible for adopting EU sanctions, discusses sanctions with EU member states in five working parties.

28 In its own coordination efforts with the member states, the Commission uses 11 standing working groups on different EU policies that deal with EU trade sanctions. Furthermore, it has established three dedicated working groups to discuss the implementation of EU trade sanctions. It has invited representatives of national authorities at various levels of responsibility to participate (***Annex II*** and ***Box 1***).

Box 1

Examples of types of working groups in sanctions

Dedicated working group:

The **Experts Group on Union Restrictive Measures and Extraterritoriality** is one of three working groups established specifically to deal with sanctions. It was set up to assist the Commission in monitoring the uniform implementation and effective

enforcement of EU sanctions, and to assist the Commission in developing additional actions aimed at protecting the EU against the effects of the extraterritorial application of legislation adopted by third countries.

Standing working group:

The **Enforcement Coordination Mechanism** is one of the existing groups used to discuss sanctions. It was established to support the exchange of information and direct cooperation between competent authorities and the enforcement agencies of EU member states on the enforcement of best practices and unauthorised exports of dual-use items.

Source: Commission Decision of 12.4.2021 setting up the Commission expert group on Union Restrictive Measures and Extraterritoriality, C(2021) 2385 final and internal documents of the Commission.

29 The Commission ensures that the working groups meet regularly and coordinates their work by drawing up meeting agendas, chairing meetings, and sharing relevant information. By the end of 2025, the specific experts group had met 34 times; some of the meetings had had more than 150 participants. However, the working groups established by the Commission are consultative, and focused on information exchange and voluntary coordination. It is up to the member states to decide about participation in meetings. For example, up to the end of 2024, five member states had participated in fewer than half of the meetings of the Enforcement Coordination Mechanism. This reflects the divided distribution of competences in this area which also limits the Commission's means of coordination.

30 While the overall set-up of the Commission's coordination framework reflects the complexity of decision-making and the cross-policy nature of sanctions, the large number of working groups and the overlaps between them (such as those between the Dual-Use Coordination Group and the Enforcement Coordination Mechanism) create a significant administrative burden for the member states as well as for the Commission. We found, however, that the overlaps between working groups' mandates were generally justified: the groups discuss similar topics from different perspectives within the scope of their respective mandates.

The Commission is regularly engaging with non-EU countries through diplomatic channels, and with other tools

31 Given the global dimension of trade, the impact of EU sanctions is strengthened by other countries implementing measures with a similar scope – particularly in view of the risk of circumvention. Therefore, the international coordination of EU sanctions with G7 partners and other non-EU countries is critical to ensure their effectiveness, particularly since EU sanctions against Russia are not based on United Nations sanctions and non-EU countries are thus not bound to implement them.

32 To promote international coordination, the Commission has established the Sanctions Coordinators Forum, which brings together representatives from member states and international partners such as the United Kingdom, Switzerland, the United States, Japan, Canada, and Ukraine. Its objective is to coordinate the implementation, enforcement and monitoring of sanctions regimes by assessing the effectiveness of sanctions, addressing challenges such as circumvention, sharing best practices, and pursuing coherent action with international partners. The Commission chairs and organises the meetings of the forum. In this capacity, the Commission ensured that it met regularly: seven times between February 2023 and April 2026.

33 Aside from the Sanctions Coordinators Forum, the EU also holds discussions with partner countries on trade sanctions through other channels. These include frameworks for general cooperation, such as the G7, and discussions in multilateral and bilateral formats. Representatives of a non-EU government told us that they appreciated these efforts.

34 In December 2022, the EU established the position of International Special Envoy for the Implementation of EU Sanctions (the EU Sanctions Envoy). The Sanctions Envoy serves as a single diplomatic contact point for international issues concerning EU sanctions implementation and circumvention. In practice, the main objective of the role is to align EU trade sanctions with those of partner countries and tackle risks of sanctions evasion with other non-EU countries (paragraphs ***51-53***).

35 Overall, the framework and the actions undertaken by the Commission represent a comprehensive response to the need for international coordination of EU sanctions: we have identified no major gaps in this respect. The Commission involved in its actions key international actors and played an active role in the established frameworks.

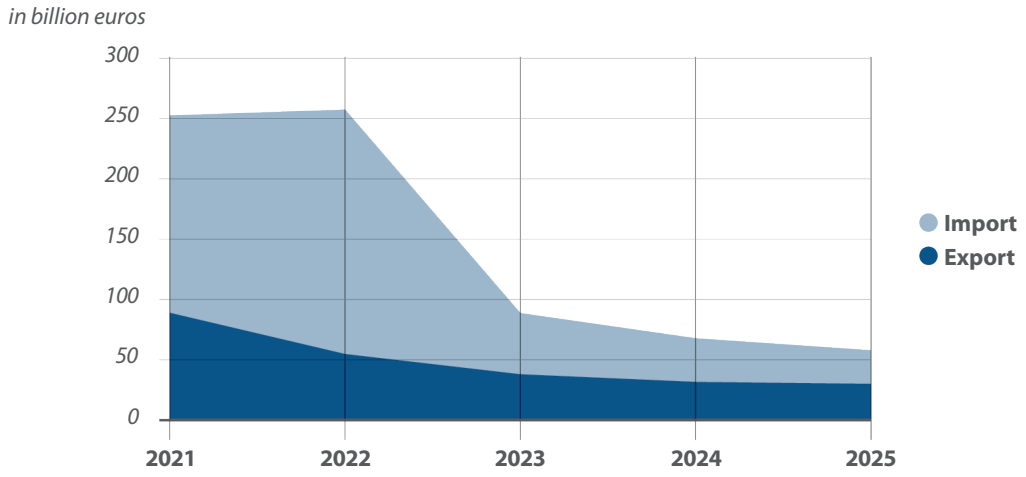
Trade sanctions together with anti-circumvention measures have significantly reduced trade between the EU and Russia

36 EU trade sanctions are aimed at limiting the ability of the Russian Federation to continue its war of aggression in Ukraine, among other things, by restricting the export of dual-use goods and the transfer of advanced technologies needed for its military industry. EU trade sanctions are also intended to reduce Russia's industrial capacity by restricting access to key technologies. In this context, we assessed whether the adoption of EU trade sanctions had led to changes in trade patterns between the EU and Russia. We also checked whether international trade flows suggested that EU sanctions were being circumvented, and assessed the appropriateness of the EU's tools for addressing this issue.

EU-Russia trade declined sharply; some trade remains

37 Before 2022, although sanctions had been in place since 2014, the EU was Russia's biggest trading partner. In 2025, the EU accounted for 10.2 % of Russia's total trade in goods with the world, amounting to €58.3 billion, compared to €252.8 billion in 2021, a drop of more than three quarters (***Figure 2***).

Figure 2 | Trade in goods (import and export) between EU and Russia, 2021-2025

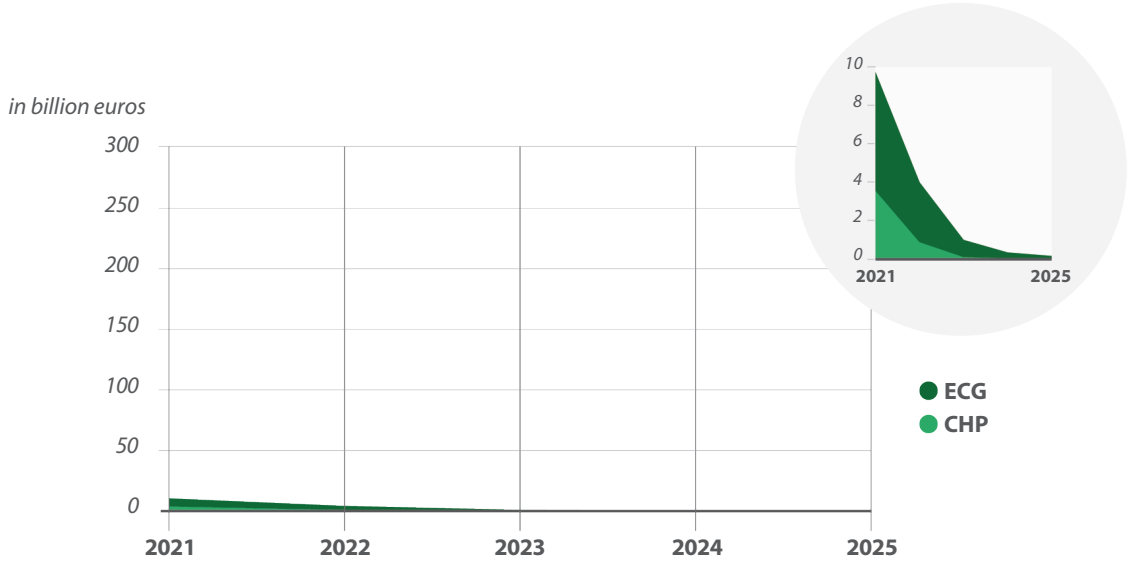


Source: JRC (based on Eurostat data), September 2026.

38 According to the Commission's estimations[2], the value of export restrictions and bans on goods and technologies in September 2026 was €49 billion (56 % of the pre-war level). For imports, it was estimated at €110 billion (75 % of the pre-war level). Despite the steep decline in trade with Russia, the EU remained Russia's third-biggest trade partner in 2025. However, following the implementation of the successive sanction packages, trade in non-sanctioned goods has significantly decreased.

39 Changes in trade between EU and Russia particularly affected common high-priority (CHP) and economically critical goods (ECG) items. These two categories have the largest impact in terms of restricting Russia's military and economic capabilities. CHP goods are restricted dual-use goods and advanced technology items used in Russian military systems found on the battlefield in Ukraine[3]. ECG items are industrial goods that are crucial for the enhancement of Russia's economic and industrial base. ECG items for which significant trade flows existed are subject to EU sanctions. Direct exports of both ECGs and CHPs from the EU to Russia have almost ceased since 2023 (***Figure 3***).

Figure 3 | Exports of common high-priority and economically critical goods from EU countries to Russia, 2021-2025



Source: Commission – JRC.

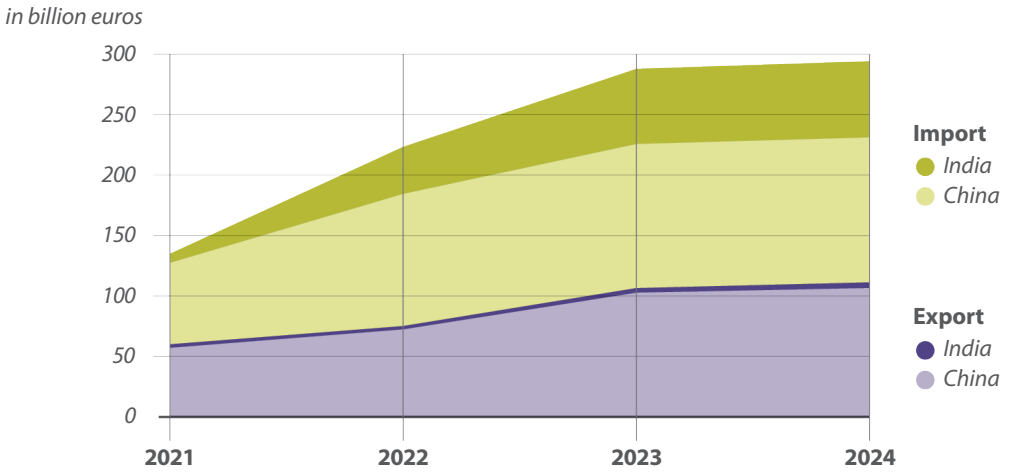
[2] EU sanctions against Russia following invasion Ukraine, import and export bans.

[3] Annex XL to Regulation (EU) No 833/2014 in connection with Article 12g.

40 Russia itself has become a war economy. While its economy continues to grow on paper, a closer look reveals that this is mainly due to significantly increased military spending. The Commission estimates that it accounted for 10.8 trillion roubles (€109 billion) in 2024, or approximately 6 % of Russia's gross domestic product[4]. At the same time, all industries producing goods for civilian needs have declined, and wages have shrunk[5].

41 The reduction in trade between EU and Russia was accompanied by a substantial increase in trade between Russia and non-sanctioning third countries. For example, China's trade with Russia was 82 % higher in 2024 than it was in 2021. Similarly, Russia's trade with India also continued to grow: by 2024, it had increased to a level more than six times higher than the pre-war figure, mainly because of a significant increase in oil imports to India from Russia (***Figure 4***).

Figure 4 | Trade in goods (import and export) between China/India and Russia, 2021-2024



Source: Commission – JRC, based on COMTRADE.

42 These figures suggest that Russia has been at least partly successful in finding new suppliers from other partners to substitute trade with Europe. However, according to a recent study, this substitution has resulted in higher costs. The price that Russia pays for imported dual-use products from other countries since the start of the war has increased by 39 % more than the price of exports from these countries to the rest of the world for the same products over the same periods.

[4] EU sanctions: putting a price on Russia's war of aggression, page 1.

[5] Centre for Eastern Studies: Russia's stagnating economy.

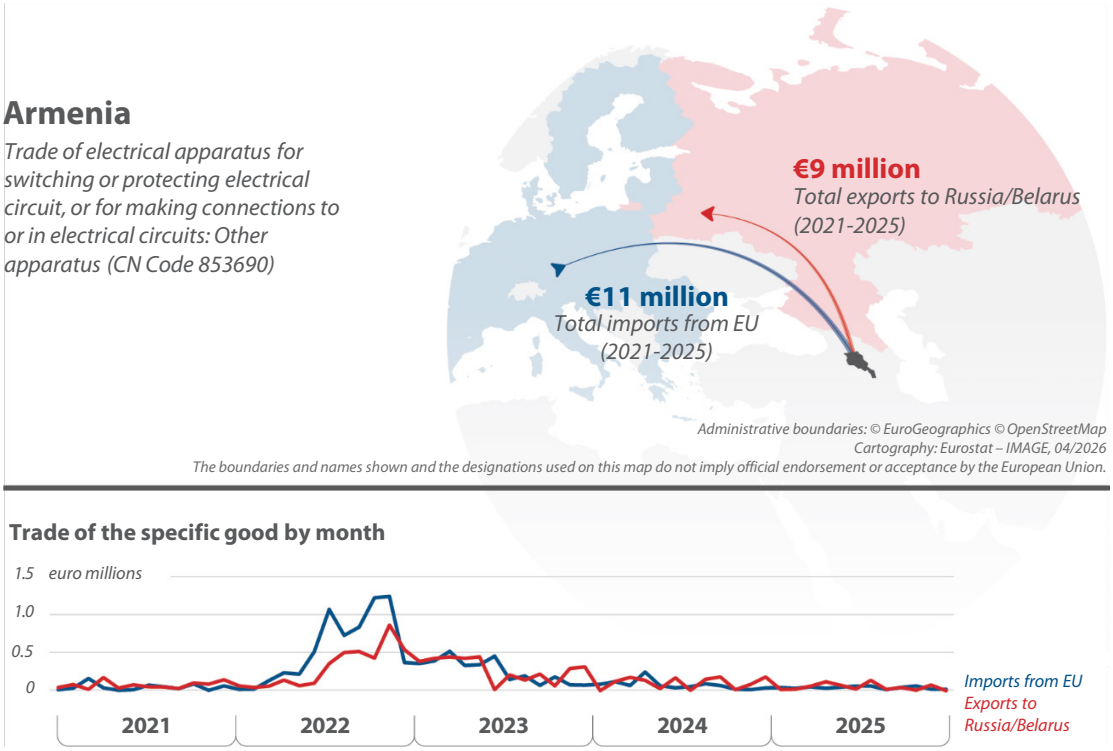
EU sanctions have been largely effective in stopping the direct export of goods Russia's military needs most, but circumvention remains an issue

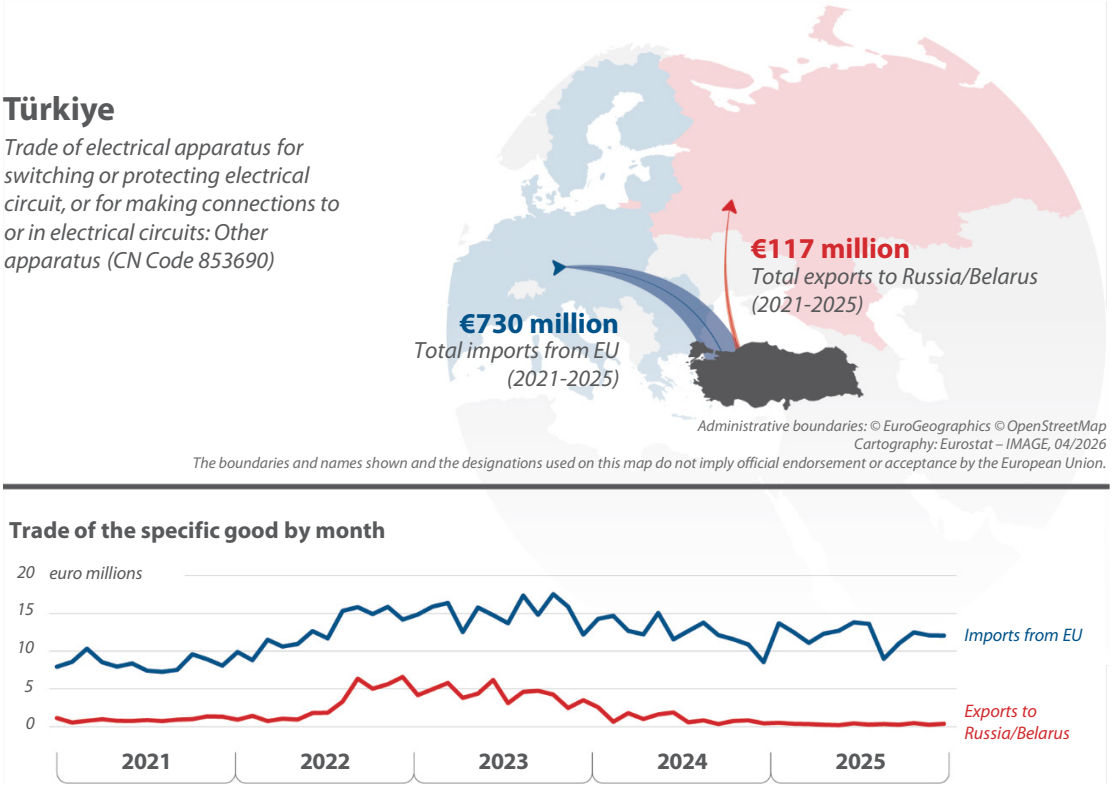
43 A Commission analysis of external data showed that EU parts are still being found in recently manufactured Russian missiles and drones used in the war against Ukraine (most likely from 2024 or 2025). The analysis found, however, that items directly originating from the EU made up only a very small proportion of the components – around 4 %, or 8 out of 202 identified parts. By contrast, components from the wider Western supply chain accounted for about 72 % of all identified components. This is an indication that EU sanctions have been largely effective in preventing the direct export of goods that are most relevant for Russian military capabilities (see also paragraph ***39*** regarding the decrease in trade in CHP and ECG goods). It also suggests, however, that circumvention still occurs.

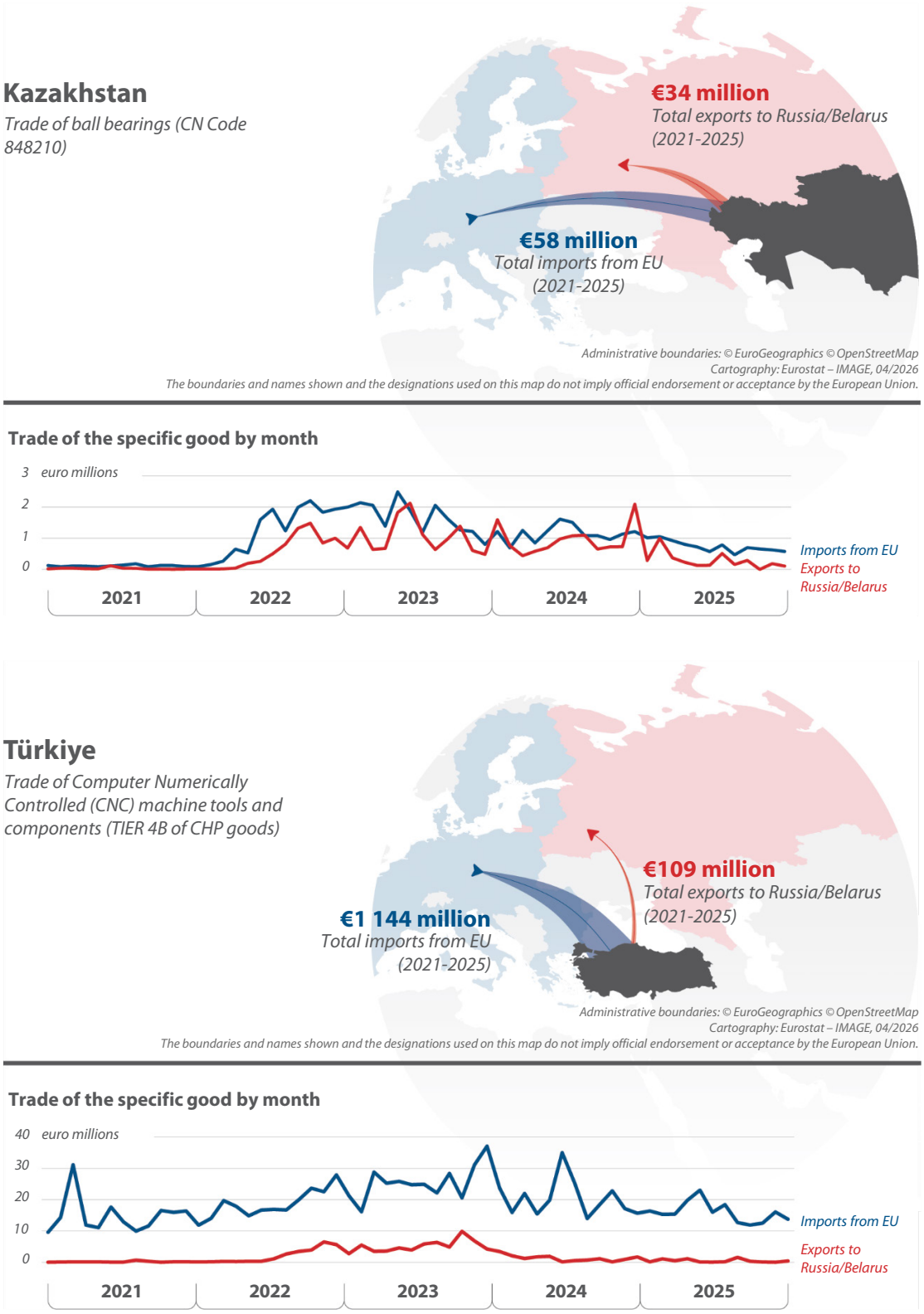
44 As a response to EU trade sanctions, Russia has made significant efforts to circumvent them by finding alternative import routes for sanctioned goods, thus impairing the effectiveness of the measures. In particular, there have been significant temporary increases of imports from the EU to Caucasian countries, and – at the same time – of exports from these countries to Russia and Belarus.

45 We analysed data provided by JRC on trade flows with Türkiye, Armenia, and Kazakhstan for a sample of CHP goods. We observed a steep increase in trade between these countries and both the EU and Russia/Belarus since the invasion in 2022. In most cases, this had decreased to pre-war levels by 2025 (***Figure 5***).

Figure 5 | Trade in selected common high-priority goods (between EU and selected non-EU countries, and between those countries and Russia/Belarus), 2021-2025







Source: Commission – JRC.

46 These statistics provide an indication of circumvention trends. But they do not give a precise picture of trade volumes, as there is no full and reliable information on trade between Russia and third countries. Also, not all sanctions circumvention is visible in trade statistics (***Box 2***).

Box 2

False backfilling

Backfilling is a practice whereby a country subject to sanctions replaces products from a country that applies sanctions with products from countries that do not. For example, Russia can replace battlefield products produced in the EU with similar products produced in jurisdictions which have not applied export restrictions, such as China.

"False backfilling" refers to a scenario where the producer in this jurisdiction is a subsidiary of the company which initially supplied the product. According to research data by the Kyiv School of Economics, 44 % of goods exported to Russia from non-sanctioning countries were originally produced by subsidiaries of Western companies, including companies from the EU. Since the items were manufactured in the non-sanctioning country, their origin is not recorded as being Western. But the products are essentially the same as those produced in the EU or other Western countries. This makes the transaction legal, but it nevertheless constitutes a form of sanctions circumvention.

The EU has put in place a range of measures to prevent circumvention with varying effectiveness

47 The EU has put in place various measures to prevent circumvention. These include measures affecting sanctions design adopted by the Council, as well as outreach and analytical action carried out by the Commission, including the work of the Sanctions Envoy, the whistleblower tool and analysing circumvention trends.

Specific anti-circumvention measures adopted by the Council

48 In 2023, the Council adopted a set of anti-circumvention measures as part of the 11th package of sanctions against Russia in 2023. They focused on specific high-risk goods that had demonstrably reached Russia by way of non-EU countries. The instrument allows the EU to prohibit the export of these goods to the countries which are used to circumvent the sanctions by including them in Annex XXXIII of Regulation (EU) No 833/2014. It was activated for the first time with regard to Kyrgyzstan in 2026 as part of the 20th package of sanctions against Russia.

49 Also in 2023, the Commission complemented these measures by establishing two lists of products particularly prone to circumvention: common high-priority items (CHP) and economically critical goods (ECG). Both lists are subject to regular updates. They are helpful for economic operators to support their due-diligence procedures. Customs authorities of partner countries may also use them to support anti-circumvention actions.

50 In July 2025, the 18th package of sanctions against Russia extended the measures, introducing a dedicated catch-all provision to address the risk of sanctioned advanced technology items being exported to Russia by way of being declared as exported to other third countries. This provides member states with an additional tool to prevent the circumvention of sanctions by stopping suspicious shipments and allowing member states to impose authorisation requirements for the export of items that are not specifically listed in sanctions legislation.

The EU Sanctions Envoy

51 Besides complementing the measures introduced by the sanction packages, the Commission has been proactively reaching out to potential hubs for the circumvention of sanctions to raise awareness of the issue. These efforts were institutionalised in December 2022, when the Commission established the position of the EU Sanctions Envoy.

52 The Sanctions Envoy has engaged in high-level discussions with third countries with a view to stopping the circumvention of sanctions measures imposed on Russia. By the end of 2025, the Sanctions Envoy had carried out 45 missions to 17 different countries (four partner countries and thirteen other third countries). The Sanctions Envoy targeted the countries to be contacted in a systematic way. Based on trade data analysis by DG TRADE and the JRC concerning exports from the EU and re-exports from those third countries to Russia of CHP and ECG goods, the Sanctions Envoy conducted diplomatic outreach with transshipment hubs and jurisdictions identified as “platform countries” (primarily Georgia, Serbia, Türkiye, Armenia, Kazakhstan, Kyrgyzstan, the United Arab Emirates and Uzbekistan) for the circumvention of sanctions.

53 The Sanctions Envoy has had extensive contacts with a range of countries such as those in Central Asia and the Caucasus, Türkiye, the United Arab Emirates, India, Malaysia and Thailand. In response to the Sanctions Envoy's work, some platform countries started sharing data on re-exports to Russia, enabling circumvention monitoring. In addition, the re-export to Russia from some of these countries of battlefield components originating in the EU has decreased. However, the Sanctions Envoy's tools are bound by the Commission's mandate and are strictly diplomatic in nature. The Sanctions Envoy cannot offer any economic or financial incentives to the countries he visits.

The EU sanctions whistleblower tool

54 A further tool launched by the Commission in March 2022 to support the identification of circumvention patterns is the EU Sanctions Whistleblower Tool. It creates an opportunity for the anonymous reporting of potential violations of EU sanctions, including circumvention. By August 2026, the tool had received more than 2 600 reports, most of which concerned sanctions against Russia. The Commission has passed 10 % of reports to national competent authorities (NCAs) or the EEAS for further follow-up. However, its effectiveness cannot be established because member states are not obliged to report back on enforcement actions based on the whistleblower tool.

The Commission's analysis of circumvention trends in relation to trade with Russia

55 Finally, the Commission continuously analyses trade flows to and from Russia and provides EU delegations and member states with monthly reports on trade in CHPs and ECGs with platform countries. The Commission regularly shares its analysis of EU export trends of circumvented CHPs with partner countries through the Sanctions Coordinator Forum, highlighting that circumvention heavily undermines the effectiveness of EU sanctions. This analysis also informs the Commission's guidance on circumventions-related issues (paragraphs ***81***-***87***).

56 Overall, we found that the Commission has supported anti-circumvention measures embedded in the sanctions packages with comprehensive action. Together, these measures have helped to revert the trend of trade increases between Russia and platform countries (paragraphs ***44*** and ***45***). However, the extent to which tools demonstrate effectiveness varies, partially due to their primary function as diplomatic or analytical tools. Furthermore, as circumvention patterns evolve, the trend is also moving from platform countries to new circumvention hubs, notably in South-East Asia. Therefore, despite some tangible positive results, sanctioned goods are still indirectly reaching Russia.

Ambiguities and divergences in the EU's legal framework can undermine uniform implementation of sanctions

57 After sanctions have been adopted by the unanimous decision of the Council, member states are responsible for implementing and enforcing them. To ensure that it can be implemented uniformly, sanctions legislation needs to use consistent terminology and be unambiguous. Furthermore, member states need to have in place effective enforcement rules. We assessed whether the provisions of key terms used in the legal basis of EU trade sanctions were sufficiently clear so that the member states understand them in the same way. We also reviewed the transposition of the Directive (EU) 2024/1226 on the definition of criminal offences and penalties for the violation of EU's restrictive measures.

Imprecise terminology in the EU sanctions legislation makes its implementation more difficult

58 Our audit work showed instances where sanctions-related requirements had been described imprecisely in legislation that needs to be adopted by all member states. Examples of imprecise terms used in sanctions regulations include "strictly necessary", "best efforts", and "appropriate steps and policies" (***Annex III***). The usage of such terms can lead to differences in the interpretation of the legislation between member states and affects coherent implementation, even despite the Commission's efforts to address the shortcomings through guidance.

59 Several of the visited member states confirmed to us the problem with imprecise key terms in the sanctions provisions, particularly regarding exemptions and derogations. Furthermore, one member state referred to high complexity and administrative burden related to checking certain provisions included in sanctions regulations (for example, price caps on luxury products).

60 The vague phrasing of the legal provisions makes it easier to reach unanimous consensus on sanctions packages at the level of the Council. Similarly, exemptions and derogations are often included at the specific request of member states in order to reach agreement.

A lack of alignment between sanctions and customs terminology poses operational difficulties

61 Furthermore, given that member states implement sanctions to a large extent by applying the Union Customs Code, using the same terms and definitions in sanctions regulations as those used in EU customs legislation minimises difficulties in the implementation of

measures. However, we identified several divergences between sanctions regulations and the Customs Code; for example, divergences regarding the concept of "country of origin" and the term "transfer", which is not a standard customs term (***Annex III***). In addition, some member states pointed out that not using the Combined Nomenclature (CN) codes classifying goods for customs purposes in EU trade sanctions legislation (e.g. in Annex VII, part A), and relying instead on descriptions of goods and generic terms leaves room for interpretation and makes customs checks harder.

62 We also found that the way in which the Sanctions Regulation (No 833/2014) captures dual-use goods at least partly contributes to inconsistencies across member states in issuing authorisations for such goods. Notably, there is an overlap between two annexes to the Regulation (Nos VII and XXIII). Annex VII contains a list of goods for which authorisation is required; annex XXIII provides for exemptions. Some items, such as electronic circuits, appear on both lists, rendering their status unclear for customs officers. Moreover, annex VII provides a description of goods, while annex XXIII refers to combined nomenclature codes, which are commonly known by customs authorities. The Commission supports the work of member states in this area by providing guidance and issuing correlation tables.

Criminal offences and penalties for infringements of EU restrictive measures are not yet sufficiently harmonised across member states

63 Lastly, consistent implementation of EU sanctions by member states depends also on effective enforcement, including the rules on offences and penalties for sanctions violations set out in national legislation. So far, violations of EU sanctions have not been criminalised in all member states, and member states have imposed penalties on different bases. While some jurisdictions have imposed criminal penalties, others have only tackled violations through administrative means. This issue should be mitigated by Directive (EU) 2024/1226 on the definition of criminal offences and penalties for the violation of EU's restrictive measures, once it is fully and correctly implemented by all member states. The Directive does not fully harmonise enforcement measures; instead, it sets minimum rules concerning the definition of criminal offences and penalties for natural and legal persons to be implemented by the member states for violations of EU sanctions, and includes provisions aimed at strengthening their enforcement and implementation.

64 The Directive was required to be transposed into national law by 20 May 2025. By August 2026, 19 member states had informed the Commission that they had transposed the Directive in full, as required. The Commission took initial enforcement steps in July 2025, issuing formal notices to outstanding member states. It has not yet assessed whether the member states which have indeed transposed the Directive into national law have done so correctly. The Directive has therefore had only a limited effect so far.

Varying national practices in enforcing EU trade sanctions create opportunities for “forum-shopping”

65 The EU Customs Union contributes to EU’s economic security strategy. Trade sanctions are an important element of this. Customs administrations are now effectively the lead authority for the control of exported goods at the EU's external borders, which puts them at the front line in the effective and consistent implementation of sanctions. Varying levels of controls in different member states undermine the effectiveness of EU trade sanctions. They can also be time-intensive and costly for businesses.

66 We therefore assessed whether member states had implemented and enforced trade sanctions in a harmonised way, and whether the Commission has adequately reacted to cases of identified inconsistencies. We also reviewed initiatives at member state and EU level which could help to address them.

“Forum-shopping” remains a key risk undermining the effective implementation of EU trade sanctions

67 Our audit visits to a sample of five member states revealed important differences in their customs controls. In some member states, customs authorities require more documentation for allowing the exit of sanctioned goods than others. For example, we found that customs authorities from the Baltic countries (Latvia, which we visited, but we also confirmed that Lithuania and Estonia took a similar approach), under certain conditions, require a declaration issued by the manufacturer of exported or re-exported sanctioned goods to be submitted. Other member states do not impose such a requirement.

68 These differences in how customs authorities in different member states carry out customs controls also show in how non-compliance cases related to EU trade sanctions for goods are recorded (*Box 3*).

Box 3

Significant differences in number of non-compliance cases related to EU trade sanctions for goods originating from other member states

Since 2022, Bulgaria has not once recorded cases of non-compliance related to EU trade sanctions for goods that originated from other member states, and that were exported to jurisdictions outside the EU customs area by way of Bulgaria.

By comparison, Latvia recorded a high number of non-compliance cases related to EU trade sanctions of goods originating from other member states. In 2024, a total of approximately 2 100 export shipments were in this category. They accounted for three quarters of all infringements reported by Latvia.

Although both Bulgaria and Latvia have EU external borders through which exports from other member states exit the EU customs territory, we note significant differences in the number of non-compliances.

69 Furthermore, we found inconsistencies in the way that NCAs granted derogation authorisations for the export of sanctioned goods. This process is not centralised at EU level; instead, it remains within the responsibility of each member state. When restricted goods are transported by road, each member state whose territory is crossed needs to give a separate authorisation for the entry of the goods. The Commission has identified cases of diverging assessments by NCAs in this respect, for instance on agri-food grounds.

70 We also identified two cases where goods had been stopped at customs offices of exit in Lithuania and Poland, although the goods were both accepted for export to Russia (exempted without an export authorisation from Italy). In the Polish case, the goods were sent back to Italy, and the initial export declaration was cancelled. In Italy, the goods were again accepted for export to Russia and shipped through an Italian port to a destination in Russia. Following a request, the Commission reiterated that member states were responsible for decisions related to enforcing sanctions, and that it did not have a ground to intervene.

71 In our discussions with external experts, we were informed of several instances where authorisations for similar sanctioned goods had been denied in one member state but authorised in another.

72 We note that, as a reaction to such issues, the Commission, only engages with the customs authorities of the member states concerned at technical level to discuss sanctions implementation issues through the Sanctions Contact Group (SCG) and issues guidance (paragraph *85*).

73 The diverging national practices in customs controls bring a risk that businesses may deliberately choose authorisation offices or customs points in member states with less stringent controls. This practice is commonly referred to as "forum-shopping". Overall, we consider this practice a key risk undermining an effective implementation of EU trade sanctions. This also because of its potential for facilitating sanction circumvention (paragraphs *43*-*56*).

Differences in member states' administrative capacities also affect the implementation of EU trade sanctions

74 One of the reasons why member states are not consistent in their enforcement of sanctions is their differing administrative capacities. For example, some member states may have more trained staff who specialise in detecting sanctioned goods compared others. As member states are responsible for customs controls, the Commission has no means of influencing the level of resources and infrastructure that member states affect to the implementation of trade sanctions.

75 Finally, the effectiveness of customs operations is not only about resources and infrastructure but also about organisational arrangements within the member states. For example, in the Netherlands, we observed a good practice that is likely to contribute to a more consistent and efficient implementation and enforcement of sanctions (*Box 4*).

Box 4

Good practice in national coordination

In the Netherlands, a central licensing office has been established within the customs department, acting on behalf of the Ministry of Foreign Affairs. Advantages include easy communication between organisations in operational cases, a good overview of risk management in enforcing sanctions, and the possibility of using the customs authority's expertise in connection with tariff-classification issues.

Initiatives are in place to address the gaps in the harmonisation of sanctions implementation

76 During our audit, we have also identified existing initiatives and opportunities for further harmonisation, both within the current framework and through legislative changes. This includes a more consistent application of post-clearance audits, intergovernmental approaches to customs cooperation such as the Baltic Customs initiative and the implementation of the EU Customs Union.

77 By the time of the audit, the Commission was unable to provide information on whether member states carry out risk-based post-clearance audits to assess the effective implementation of EU trade sanctions. We consider that a more consistent application of risk-based post-clearance audits for EU trade sanctions, coordinated between national customs authorities, could help to identify, among other things, whether businesses are engaging in "forum-shopping" (***Box 5***).

Box 5

Risk-based post-clearance audit in customs

Risk-based post-clearance audits allow the quicker release of goods and save time and costs to business while ensuring that due compliance is achieved through an audit mechanism that can be more effectively conducted after the release of the goods.

In accordance with the WTO Trade Facilitation Agreement, World Trade Organization members have the obligation to adopt or maintain risk-based post-clearance audits to ensure compliance with customs and other related laws and regulations, including trade sanctions.

78 The Baltic Customs Initiative (a cooperative agreement between Estonia, Croatia, Latvia, Lithuania, Poland and Finland is an intergovernmental attempt to address the problem of uneven approaches to customs controls within the EU. This initiative is intended to create a stronger, harmonised customs approach by tightening checks for sensitive goods, requiring extra documents such as manufacturer declarations, and coordinating efforts to stop goods from being rerouted through third countries.

79 Further to such existing multilateral cooperation agreements between member states, the upcoming EU Customs Reform is an attempt to provide a strategic response to the growing challenges faced by customs administrations and businesses at EU level. The legislative package, presented in May 2023, will modernise and improve the functioning of the Customs Union, including more effective customs controls on EU trade sanctions[6]. In particular, the creation of an EU Customs Authority and the development of an EU Customs Data Hub will improve information-sharing and risk management across the EU. However, the impact will be visible only in the medium term, as full implementation is envisaged for 2034.

Commission guidance is comprehensive but not legally binding, and information systems are not used uniformly across member states

80 Against the backdrop of complex sanctions regulations, the role of the Commission in providing clear, consistent and comprehensive guidance to the member states to prevent differing interpretations and support effectively cooperation between them is of particular importance. We assessed whether the Commission had provided such support in good time, and whether the scope of that support was sufficient to mitigate the risk of inconsistent implementation and insufficient information exchange.

The Commission's guidance on the implementation of sanctions covers a broad spectrum of issues despite some remaining gaps

81 Since February 2022, the Commission has put in place extensive guidance in the form of guidelines and FAQs aimed at supporting the harmonised implementation of EU trade sanctions against Russia (***Figure 6***).

[6] Commission proposal COM(2023) 258 of 17 May 2023.

Figure 6 | Overview of Commission frequently asked questions by topic



Source: Commission.

82 In particular, the Commission has issued eleven topical general guidelines on trade and customs, together with subject-specific FAQs. These were first published in June 2022 and have been regularly updated, most recently in May 2026. In addition, the Commission uses trade alerts to inform member states about high-risk trade patterns (***Box 6***).

Box 6

The Commission's use of trade alert: example on birch plywood

EU sanctions prohibit the purchase, import, or transfer of plywood from Russia and Belarus. To gain access to the EU market, companies from sanctioned countries pay producers in third countries to repackage and relabel their plywood.

In March 2025, the Commission published an alert on its website about this circumvention risk. It informed member states of the need to pay attention to elements such as links between exporters and certain third countries, as well as unusually circuitous logistics routes. It recommended that member states pay particular attention to the origin of imported plywood.

83 Most member states we visited told us that they considered the Commission's guidance to be generally comprehensive; they also confirmed that it was regularly updated on their request. However, they indicated that it would be helpful for the Commission to publish new guidelines at the same time as new sanctions restrictions were imposed, allowing all operators and all member states to immediately apply the new measures in the same way.

84 Nevertheless, when we reviewed the Commission guidance, we identified various issues, also raised in interviews in the audited member states, for which no common guidance exists for national authorities:

- recognition of sanctions derogation authorisations issued by another member state;
- rules explaining which member state should issue an authorisation in cases when multiple economic operators from different member states are involved in the transaction (exporter, buyer, transport company, etc.), or when goods pass through the territories of multiple member states; and
- how to carry out returns of defective goods from Russia which were not sanctioned for export but are sanctioned for import.

In addition, we found areas where the Commission's guidance is not sufficiently developed or clear (***Annex IV***).

85 Besides clarifications on the scope of specific trade measures, the Commission has provided guidelines to member states for a common approach to risk management and customs controls in connection with sanctions against Russia and Belarus. The member states we visited considered these guidelines to be helpful, but drew attention to weaknesses such as the guidance being outdated, lack of clarity, the use of vague or context-dependent terms, and the use of unclear phrases such as "should be considered", "is recommended", and "may be covered", which do not provide national authorities with a specific basis for action.

86 Notwithstanding its broad coverage and overall positive perception by member states, the Commission's guidance is by nature not legally binding, which reduces its effectiveness. Since member states are not obliged to apply the guidance, it cannot entirely eliminate the risk of non-compliance and ensure the harmonised implementation of EU trade sanctions.

87 Besides its work with member state authorities, the Commission also reaches out directly to businesses which could be affected by EU trade sanctions. In 2023, it published specific guidelines on due-diligence requirements. In 2025, it also set up a Sanctions Helpdesk, which should help businesses to comply with EU sanctions requirements by providing a repository of existing EU tools in this area, organising webinars on relevant topics and providing specific direct support to SMEs in complying with due-diligence checks.

The Commission has put information-exchange systems in place, but they are not being used to their full potential

88 The Commission provides communication tools enabling member state authorities to cooperate with each other and allowing them to share information with the Commission about risks to the harmonised implementation of EU sanctions, including trade sanctions. In particular, the Commission provided risk information forms within the Common Risk Management Framework under the Union Customs Code and a new dedicated Sanctions Information Exchange Repository (SIER).

Risk Information Forms remain an underused alert tool for customs

89 The Common Risk Management Framework was established in the Union Customs Code. The CRMS 2 system, being part of it, is designed to allow member states' customs authorities (and the Commission) to exchange sensitive information in real time, and to communicate instantly on risky consignments and operators. Sanctions are one of the topics covered by the information exchange in the Customs Risk Management System (CRMS2). Used to its full extent, the system makes it possible to ensure that risks identified at one external border crossing are properly addressed at another.

90 Within the CRMS2 system, national customs authorities issue Risk Information Forms (RIFs) to alert other customs offices about identified risks of circumvention or violations. In particular, this should happen in cases where a consignment is identified as falling under the scope of the sanctions and exit is not allowed (e.g. non-validity of authorisation, attempts to circumvent sanctions).

91 Since 2022 the total number of RIFs issued for all customs procedures which relate to sanctions is more than 12 000. Half of those RIFs which relate to sanctions against Russia and Belarus concern cases where the customs office of exit from the EU rejected goods that were released for export by the customs office of export in another member state. This is another indication for the different approaches taken by member states in implementing sanctions (paragraphs *57*-*79*).

92 Based on the statistics for the use of RIFs, we found that member states use the system to varying degrees. In particular, member states bordering Russia and Belarus issued more RIFs than others. During our visits, member states mentioned they often receive no feedback on the RIFs issued and have only scarce resources to deal with a large number of incoming RIFs. This suggests that member states' interest in RIFs is uneven and, in some cases, weak.

93 The Commission provides guidance on the system in the form of the CRMS2 user manual. It has regularly analysed the RIFs issued by member states only since 2024. However, the Commission has not carried out specific analyses related to the feedback of RIFs. No formal mechanism exists for doing so, and the Commission has not addressed the weak performance of some member states on RIFs related to sanctions within the system.

Member states do not fully use the Sanctions Information-Exchange Repository

94 The Commission has developed the Sanctions Information-Exchange Repository (SIER) to improve information exchange and reporting between member states and the Commission on sanctions-related matters. SIER has multiple modules, including reporting on frozen assets, authorisations granted and denied, and other reporting obligations. A message board also allows NCAs to put questions to the Commission or to other member states.

95 Member states use the SIER platform to provide information to the Commission and other member states on sanctions derogation authorisations, in accordance with the reporting obligations set out in the sanctions regulations. While the Commission has provided a template and there are standard fields to be filled in, member states can still decide by themselves how much information they share, and in what form. As a result, it can be difficult for other NCAs and customs authorities to verify the validity of a derogation authorisation: certain information, such as the Harmonised System classification of goods, quantities authorised, parties involved, and expiry date, is often missing. Exchanges of information on ownership and control structures of entities is also insufficient, despite the creation of a specific module for this purpose in SIER.

96 In addition, not all member states' customs authorities that carry out controls on sanctions have access to SIER and other central information-exchange systems (such as the dual-use e-licensing system), as not all member state administrators grant access to them. SIER access management is beyond the Commission's control, as it is for the member states to decide to which authorities (and which individuals) to grant access. The Commission supports this process with guidance.

97 Currently, the SIER cannot be accessed by customs authorities in real time using centralised customs digital environments for the purpose of customs controls, such as the EU Customs Single Window Certificates Exchange System (in that case, due to its legal scope). This implies that if national administrators decide not to grant SIER access to their customs authorities, those authorities cannot efficiently and systematically use the original data in real time at the moment of clearance. This could, however, be mitigated by the national administrators granting the necessary access.

The Commission's monitoring of the effectiveness of EU trade sanctions focuses on their impact on the Russian economy and trade flows, and not on intra-EU aspects

98 EU sanctions are designed to contribute to the EU's policy objective of rendering Russia's war of aggression against Ukraine unviable[7] (paragraph ***02***). The Council[8] calls for EU sanctions to be monitored at EU level – based on consistent reporting by member states – to ascertain whether they are working effectively. Although these assessments are primarily the responsibility of the Council, the Commission also has a role to play, not least given that the final Council Regulation is based on a joint proposal from the Commission and the High Representative (***Annex 1***).

99 We assessed whether the Commission had comprehensively monitored the implementation of EU sanctions and assessed their impact, taking into consideration their overall objectives. We also checked whether the Commission had used the results of its analyses in its preparatory work on the sanctions' design and shared them with relevant EU institutions so they could be considered in the subsequent decision-making process.

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[7] Website of the Council (EU sanctions against Russia).

[8] Sanctions Guidelines of the Council of the EU, (5664/18 of 4 May 2018), points 15, 32 and 95 (https://data.consilium.europa.eu/doc/document/ST-5664-2018-INIT/en/pdf).

The Commission regularly monitors how the sanctions are implemented with data collection spread over different departments

100 The Commission regularly monitors the implementation of sanctions against Russia. However, the responsibilities for various aspects of this monitoring activity are spread across Commission departments (*Table 1*).

Table 1 | Monitoring of the implementation of restrictive trade measures

Commission's department	Activity
DG FISMA	Monitoring the impact of the war in Ukraine on the Russian financial markets. Questionnaires to the EU member states on sanctions implementation. On-site visits in EU member states.
DG TRADE	Monitoring trade flows with Russia and with third countries, and issues monthly reports on CHP and ECG. Produces analytical material regarding circumvention of export sanctions for the outreach activities of EU Sanctions Envoy. Engages with like-minded partners on sanctions alignment and circumvention prevention.
DG TAXUD	Monitoring of the implementation of trade-related restrictive measures by customs authorities. Monitoring of the implementation of the sanctions by member states with the use of surveys.
JRC	Support the monitoring of anomalies in trade flows, while piloting data centralisation and interoperability with services across the Commission and the EU member states.
DG ECFIN	Monitoring the impact of EU sanctions on the Russian economy.
DG JUST	Monitoring of the enforcement of the Directive (EU) 2024/1226 on the definition of criminal offences and penalties for the violation of Union restrictive measures and amending Directive (EU) 2018/1673 (paragraph *64*).
OLAF	Investigations and operational activities concerning the circumvention of the sanctions.

101 Moreover, Commission departments collect data from different sources, including official EU data on trade, international trade data, analyses from partner countries, and analyses from academic services within the EU and Ukraine. While there is no formalised policy on what data should be collected, by which department and how, each Commission department carries out data collection and analysis in its area of expertise. Similarly, while there is neither a central data hub nor an agreement on data sharing between Commission departments, data centralisation efforts are ongoing by JRC and data and information exchange between Commission departments takes place regularly. This makes it more difficult to carry out a comprehensive analysis of the effectiveness of trade sanctions.

102 As an initial initiative to gain an overview of issues related to the implementation of sanctions, the Commission sent questionnaires to the member states in 2022, including on trade sanctions. As a follow-up, DG FISMA held on-site bilateral meetings with almost all member states (except one) to gather more detailed information (***Annex V***). The member states we visited confirmed the usefulness of these exchanges, which helped the Commission to understand the diverse circumstances encountered by the member states in their work on sanctions.

103 Recurrent analyses of changes in trade with Russia are a task of DG TRADE, which it fulfils comprehensively. In its reports, DG TRADE analyses the effects of the war on global trade as well as summarising measures adopted by Russia. In these reports, DG TRADE analyses the trade flows of items on the ECG list and the CHP list (paragraph ***49***). The collected data and analyses are exchanged within the ISG, with the EU Sanction's Envoy, with member states in the specific expert group on EU sanctions and in reports to the Council's working groups on sanctions for future sanction packages. They constitute a solid basis for the design of future sanction packages and the Commission's annual impact assessments (paragraph ***107***).

104 DG TAXUD monitors how the customs authorities of member states implement trade-related restrictive measures. To do so, it uses CRMS2 to derive information, for example, about the number of controls carried out by customs authorities. DG TAXUD also gathers data regarding the implementation of the sanctions in the form of a voluntary weekly survey filled in by member states in CRMS2.

105 The analytical work of the Commission is further supported by the JRC. The JRC carries out analyses aimed at detecting anomalous transactions and the circumvention of sanctions. Using customs declaration data and working in cooperation with DG TAXUD, it supports the identification of potential sanctions-evasion patterns involving third countries. In cooperation with DG FISMA and DG TRADE, the JRC is also involved in analytical work that supports sanctions-awareness missions to third countries by the Sanctions Envoy (paragraphs ***51***-***53***).

106 Lastly, the risk of circumvention is also subject to OLAF analyses. For these analyses, OLAF investigates specific trade patterns, paying particular attention to battlefield-related products. OLAF analyses may lead to investigations being launched into possible circumventions of EU sanctions (***Box 7***).

Box 7

Examples of OLAF's assistance to member states in the context of sanctions on Russia

Since February 2022, OLAF has launched 20 cases concerning imports and 8 cases concerning exports.

For example, OLAF assisted the Spanish authorities in an operation (code-named "Probirka") that led to the arrest of four individuals involved in the illegal export of chemicals to Russia and the seizure of 13 tonnes of chemical substances.

OLAF coordinated a cross-border investigation into the circumvention of EU sanctions against Russia involving the export of more than 760 vehicles from the EU. The investigation, launched following alerts from the Polish authorities, revealed that vehicles declared as being destined for third countries were ultimately transported to Russia. Through data analysis and cooperation with EU and non-EU authorities, OLAF tracked the vehicles and confirmed the breaches of the sanctions. The findings led to criminal investigations being carried out in several member states, and heightened EU monitoring of future shipments.

The absence of clearly defined criteria limits the Commission's assessment of the economic impact of EU trade sanctions

107 From the outset, Council guidelines did not contain any requirement for member states to agree common criteria for measuring the effectiveness of EU trade sanctions. Nor has the Commission proposed any such criteria. We consider that common criteria are essential if the effectiveness of EU trade sanctions by member states and EU institutions is to be assessed consistently, in line with the Council's guidelines[9].

[9] Section IV of the Sanction Guidelines of the Council of the European Union (Doc. 5664/18).

108 The Commission carried out comprehensive economic impact assessments in 2023 and 2024. In the absence of specific criteria, the assessments were based primarily on developments in trade flows between the EU and Russia, which are monitored on a regular basis (paragraphs ***100***-***106***). These studies cover an analysis of trade flows by categories of products subject to sanctions and offer an assessment of macroeconomic developments in Russia, including growth prospects and inflation. The Commission's assessments provide an overview of the consequences of EU sanctions for the Russian economy, but also their overall costs for the EU.

109 However, no information was available on matters such as the impact on specific companies in Russia involved in the production of military goods, the impact on specific companies in Europe that were mainly exporting sanctioned goods, or the impact on specific member states or regions in the EU. The Commission also did not assess the administrative resources needed for the implementation of EU trade sanctions. Complementing the assessments with these aspects would require more data and resources to be made available. We consider, however, that more detailed objective information published by the Commission would be helpful, even though it is not legally required. It would inform the public more comprehensively about the effectiveness of EU trade sanctions and hence limit the impact of deliberate misinformation campaigns and allow trade sanctions to be targeted more precisely.

The Commission's analysis informs the design of subsequent sanctions packages, although decisions are driven by political objectives

110 In our audit we found evidence that the Commission uses the information gathered during the process of monitoring in its preparatory work on sanctions packages and also information obtained during its regular technical assessments of the situation related to sanctions against Russia. For example, it relies on the data to make proposals for amending Annex IV of Regulation (EU) No 833/2014, which lists, among other things, Russian military end-users and parts of the military industrial entities to whom it is prohibited to sell dual-use or advanced technology goods from the EU. Further, when monitoring activities indicate circumventions of sanctions, the Commission proposes new measures adapted to the changing circumstances to the Council. One such example is the alignment of sanctions against Belarus, which has had a positive effect in preventing sanctions evasion.

111 The Commission regularly shares the results of its monitoring activity with the Council and member states. For example, the Commission shares the proposed listings under Annex IV of Regulation (EU) No 833/2014 through the SIER system and presents them during meetings with the member states to gather feedback from national experts, allowing the proposal to be further refined. The Commission also regularly communicates the results of the impact assessments to the working groups of the Council.

112 Overall, we note that the sanctions proposals prepared by the Commission are informed by monitoring activities and the results of impact assessments, among other sources of information. However, the proposals are subsequently subject to close political scrutiny by the Council, which considers multiple economic and non-economic factors. Ultimately, however, it is the Council that decides in how far the information provided by the Commission is reflected in new sanctions packages.

This report was adopted by Chamber IV, headed by Mr Petri Sarvamaa, Member of the Court of Auditors, in Luxembourg at its meeting of 30 September 2026.

For the Court of Auditors

Tony Murphy
President

Annexes

Annex I – About the audit

Background information

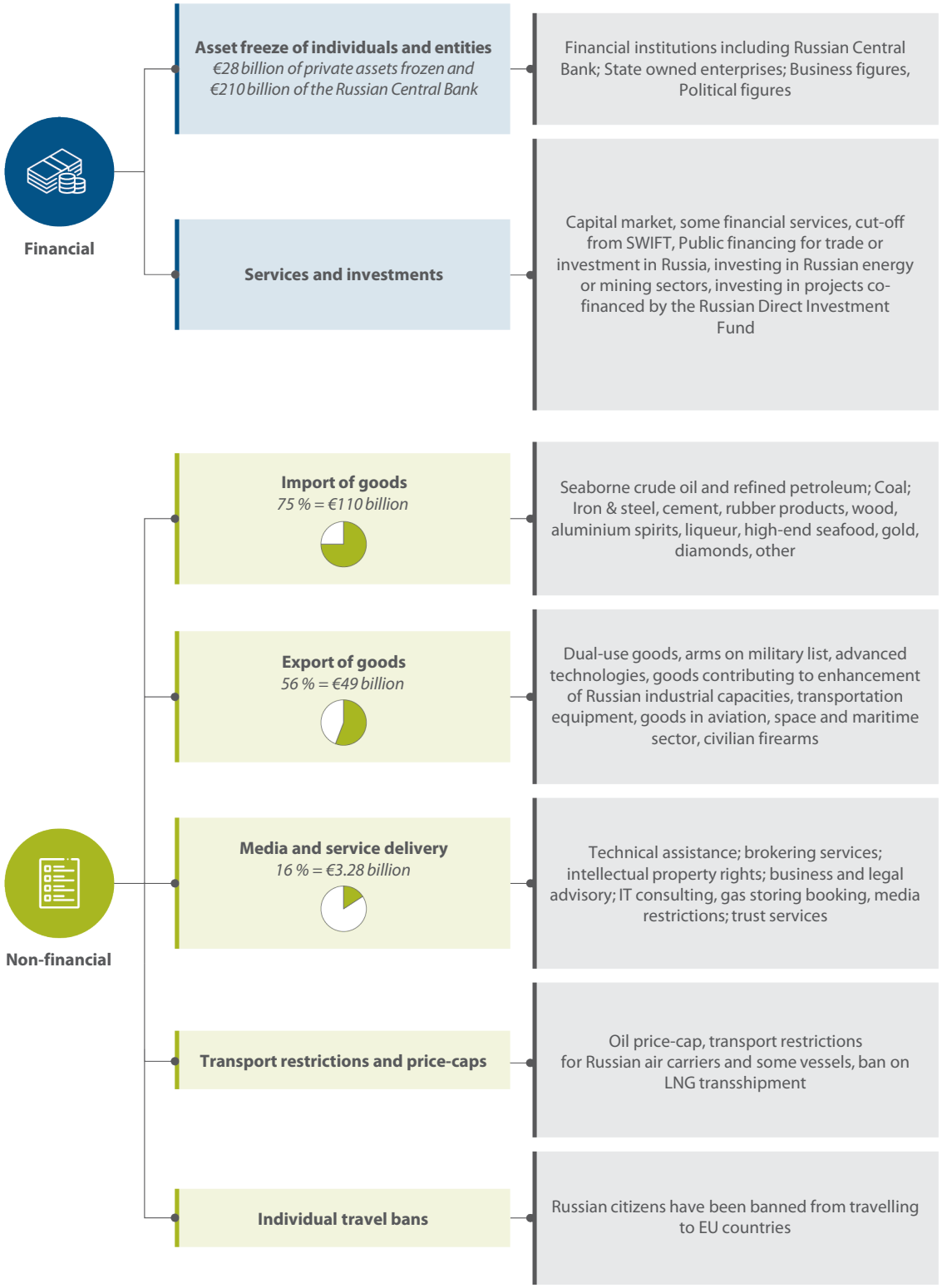
EU sanction framework

01 Restrictive measures (often referred to as sanctions) constitute a central instrument through which the EU seeks to prevent conflicts or address emerging and ongoing crises. These measures fall within the remit of the EU's Common Foreign and Security Policy (CFSP). The intergovernmental nature of the CFSP, together with its specific operating procedures, distinguishes it from other areas of EU competence such as trade policy.

02 Sanctions are not punitive in intent. Rather, they are designed to promote a change in behaviour by governments of non-EU countries, as well as by entities, organisations, and individuals whose actions undermine international peace, security, democracy, the rule of law, or respect for human rights. As an instrument of EU foreign policy, restrictive measures aim to encourage compliance with international norms by targeting those responsible for harmful or destabilising activities.

03 Sanctions can broadly be categorised into those affecting the financial sector and those of a non-financial nature. Both types may target individuals, entities or whole countries. Sanctions affecting the trade in goods fall in this latter category (***Figure 1*** of Annex I for a detailed overview).

Figure 1 | Detailed overview of EU restrictive measures against Russia



Source: ECA based on EU Commission website: EU sanctions against Russia following the invasion of Ukraine.

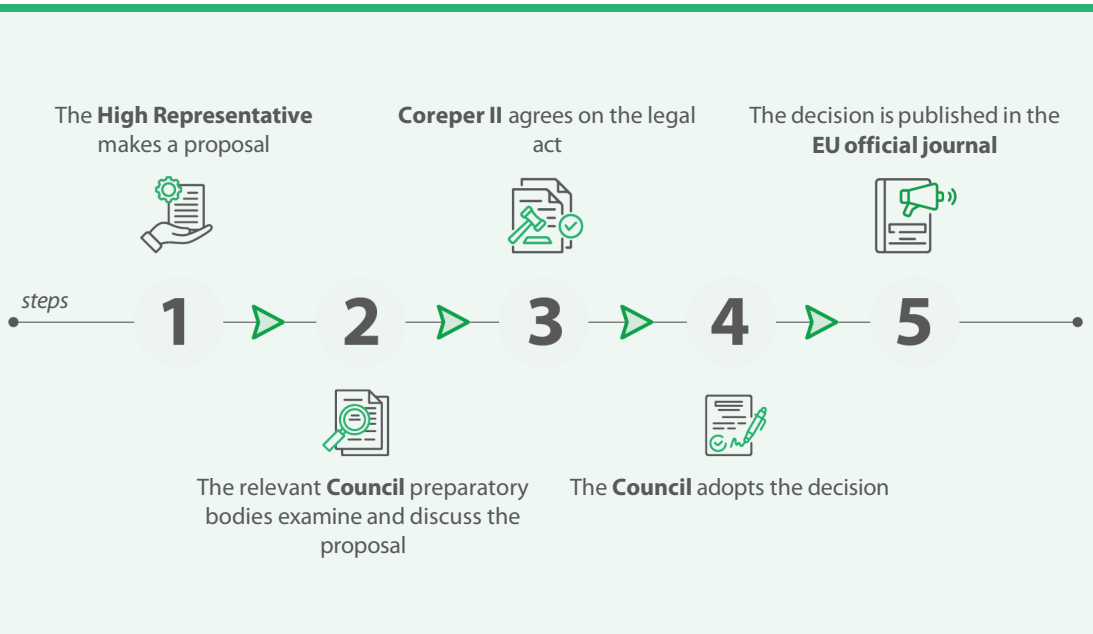
04 While they are primarily directed at actors outside the EU, these measures are enforceable only within EU jurisdiction. As such, they are binding within the territory of the EU, on EU nationals irrespective of location, on organisations and companies incorporated or constituted under the laws of a member state (including their branches in third countries), with respect to any business done in whole or in part within the EU, and on aircraft or vessels falling under the jurisdiction of member states.

05 Approximately 20 countries worldwide are currently subject to EU trade related measures, which focus predominantly on prohibitions or restrictions linked to military equipment and dual use goods—items that may serve both civilian and military purposes. The most extensive regimes have been adopted in response to Russia's full-scale invasion of Ukraine in 2022 and apply to Russia, as well as Belarus, Iran, North Korea and the territories of Ukraine occupied by Russia.

Decision-making process

06 As a first step in adoption of sanctions, the Head of the EEAS, the High Representative of the Union for Foreign Affairs and Security Policy, presents the proposal for a Council Decision. In exceptional circumstances also EU member states could propose EU sanctions. The proposed measures are then examined and discussed by the relevant Council preparatory bodies before the decision is adopted by the Council with unanimity (***Figure 2*** of Annex I).

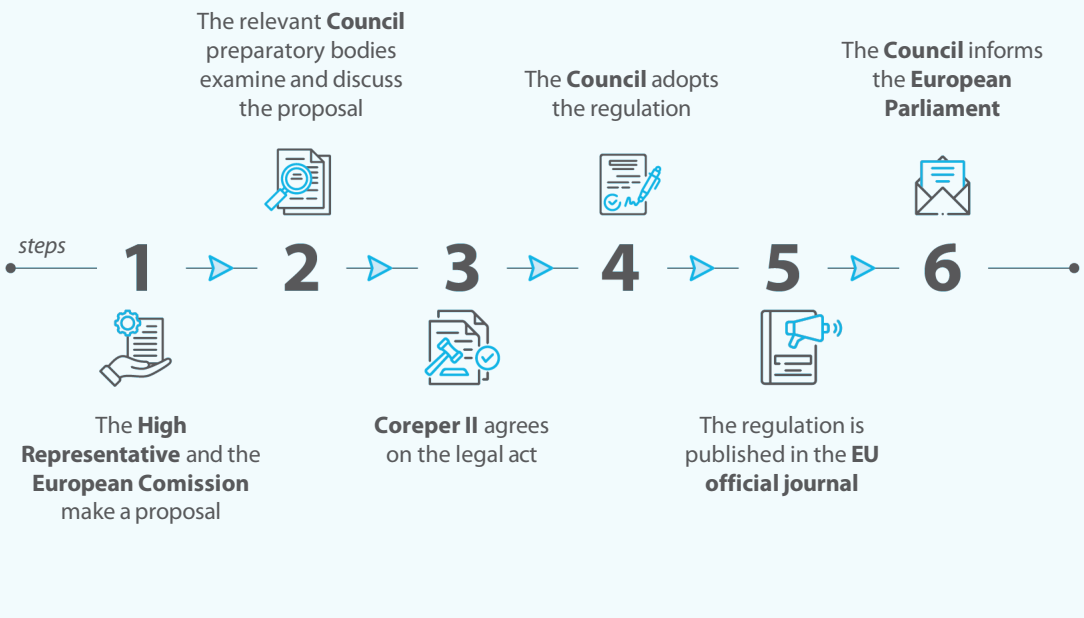
Figure 2 | Adoption of Council decisions as compulsory first step for all types of sanctions



Source: Council of the European Union.

07 Where sanctions involve economic or financial elements—such as trade restrictions or asset freezes—a second step is required: the adoption of a Council Regulation to implement the decision. This Regulation is then adopted by the Council with qualified majority (***Figure 3*** of Annex I).

Figure 3 | Adoption of Council Regulations related to restrictive measures, where necessary



Source: Council of the European Union.

08 Once sanctions are adopted, member states are responsible for implementing and enforcing them. Member states must ensure compliance within their jurisdictions, including the imposition of penalties for breaches. The Commission's role is limited to monitoring implementation and issuing guidelines and best practices to allow consistent and effective implementation.

Audit scope and approach

09 This audit examined whether the Commission supported effectively the implementation of EU trade sanctions adopted by the Council in response to Russia's war on Ukraine. The period under review covered developments from 2022 (the start of the full-scale invasion of mainland Ukraine) through to the end of 2025. Where relevant, sanctions developments occurring after the end of 2025 have been considered for contextual purposes and to enhance the timeliness of the report. Our work focused on the Commission's role in establishing an appropriate implementation framework, monitoring the implementation of EU sanctions, identifying weaknesses and loopholes, taking action to address these shortcomings, and assessing the overall impact of the trade sanctions.

10 As the audit concentrated specifically on the actions of the Commission, we did not evaluate the adequacy of the sanctions' scope – such as the types of measures applied, their geographical or sectoral scope, or the detailed parameters of individual sanctions. While the Commission is involved in the preparatory processes, these matters fall exclusively within the competence of the Council and form part of a political decision-making process. Consequently, institutions such as the Council, the High Representative for Foreign Affairs and Security Policy, and the EEAS, while involved in the preparatory work and inter-State coordination on sanctions through the RELEX/Sanctions working group, were not subject to audit.

11 Moreover, our audit focused on trade sanctions against Russia, including their circumvention. We chose this focus because of our mandate and because trade sanctions play a crucial role in limiting Russia's export and import capabilities, affecting the overall economic power of the country. We covered both imports and exports of goods, except energy products. Nor did we include restrictions on the export of services, transport restrictions or media restrictions, as these would require the involvement of many more departments within the Commission.

12 In line with EU law, the primary responsibility for implementing sanctions rests with member states. This includes establishing and maintaining the necessary legal and administrative systems, allocating sufficient human resources, and investigating potential breaches of restrictive measures within national jurisdictions. The Commission's guidance on specific aspects of implementation is non-binding, and member states retain discretion as to its implementation. For this reason, we visited national competent authorities (i.e. central coordinating ministries and ministries/authorities responsible for trade and customs controls) in five member states – Bulgaria, Germany, Latvia, the Netherlands and Poland – solely for information purposes. These countries were chosen based on trends in their imports from and exports to Russia between 2021 and 2024, the structure of their national implementation systems, and an internal risk assessment. We also consulted

national competent authorities in the United Kingdom, which administers sanctions against Russia under its own legal framework.

13 Our audit work encompassed a review of documentation and interviews with the Commission departments responsible for implementing sanctions, including DG FISMA, the Secretariat-General of the Commission, DG TRADE, DG TAXUD, the Joint Research Centre (JRC), and OLAF. We also held discussions with other EU bodies such as the EEAS, and EU delegations in non-EU countries, as well as with national authorities and external stakeholders involved in monitoring and assessing sanctions. Our audit methodology complies with the international standards on auditing issued by the International Organization of Supreme Audit Institutions (INTOSAI).

Annex II – Main EU forums for the implementation of EU trade sanctions

Group	Frequency	Chaired by	Comment
Council			
RELEX Sanctions	Ad-hoc (roughly every 2 months)	Rotating Presidency	Capital-based (member states' administrations).
High Level Customs Union Working Party	Ad-hoc	TAXUD	Member states' Heads of Customs.
Customs Union Working Party	Ad-hoc (roughly every 3-4 months)	TAXUD	Member states' Customs Attachés.
Council Working Party on Tax Questions	Ad-hoc (roughly monthly)	TAXUD	Capital-based (Tax administrations) + Fiscal Attaches Permanent Representatives.
Dual-Use Working Party (DUWP)	Monthly	TRADE	Capital-based (Dual Use Export Control National Competent Authorities).
EU Commission internal			
Inter-Service Group on sanctions implementation and enforcement (ISG)	Bi-weekly	General Secretariat / FISMA	The ISG has a core group of Directorates-General including FISMA, ECFIN, JRC, TAXUD, TRADE, OLAF, the Legal Service and the EEAS, with other Directorates-General to be involved on a flexible basis depending on the issues to be discussed.

EU Commission forums with EU member states			
High Level Formation of the Expert Group on Union Restrictive Measures and Extra-territoriality	Ad-hoc	Commissioner / FISMA	Specific sanctions group, capital-based – High-Level participants.
Expert Group on Union restrictive Measures and Extra-territoriality	Ad hoc (roughly every 4-8 weeks)	FISMA	Specific sanctions group, capital-based (depending on topic: Treasuries, National Central Banks, Customs, etc.).
Trade Policy Committee (Full Members and Deputies formations)	Weekly (Monthly Full Members and three times/month Deputies)	TRADE	Capital-based. Director-General level for Full Members and Brussels-based Trade Counsellors for Deputies.
Dual-Use Coordination Group	Ad-hoc	TRADE	Based on the EU's dual-use export control framework (Regulation 2021/821).
Enforcement Coordination Mechanism group (sub-group under the Dual-Use Coordination Group)	Every 3 months	TRADE	Capital-based (National competent authorities for licensing and/or enforcement).
Entity Review Meetings	Ad-hoc	TRADE	Dual Use Export Control National Competent Authorities, Ministry of Foreign Affairs and trade ministries as well as Permanent Representations (RELEX Counsellors).
Technical Review Meetings	Ad-hoc	TRADE	Capital-based.
Legal Review Meetings	Ad-hoc	TRADE	Capital-based incl. Licensing authorities, Ministry of Economy, Ministry of Foreign Affairs, Custom).
Customs Policy Group of Directors-General of Customs	Ad-hoc (roughly 2-3 times per year)	TAXUD	Informal gathering of Customs DGs, meets on a need basis (in the form of a Customs DGs Forum).

Joint meeting with tax and customs Directors-General	Ad-hoc	TAXUD	Implementation of import/export-related sanctions and circumvention risks.
Customs Expert Group	Ad-hoc	TAXUD	Joint meeting of Member States' representatives in different sections notably on Customs Legislation, Risk Management, and International.
(Customs) Sanctions Contact Group	Ad hoc (4-5 times per year)	TAXUD	Specific sanctions group, mainly on reporting on circumvention, sharing information; involvement of OLAF and other DGs.
Law Enforcement Working Party – Customs	Ad-hoc	TAXUD	Capital-based customs administrations + MS Customs Attachés.
Maritime Transport Directors (informal)	Ad-hoc (2-3 times per year)	MOVE	Informal exchanges on current maritime issues, including, where relevant, maritime specific sanctions points.
EU Commission for a coordination with EU partner countries			
Sanctions Coordinators Forum	Ad-hoc	Sanctions Envoy / FISMA	Capital-based with partner countries

Source: Working document of the Council of the European Union and ECA.

Annex III – Issues identified in key legal terms

Vague descriptions

- **Strictly necessary**: this terminology is used 63 times in Regulation (EU) No 833/2014 (consolidated version 24/07/2026), mainly in the context of derogations, which competent authorities may authorise exports or transfers to Russia of goods which contribute to the enhancement of Russian industrial capacities. This type of terminology creates different interpretations for the authorisation of derogations. For example, one member state might require an authorisation for the export of sanctioned goods, and another might not. Another example is related to special economic zones in Article 5ah(7): "By way of derogation from paragraphs 1 to 4, the competent authorities may authorise, under such conditions as they deem appropriate, activities which are strictly necessary for…" The Commission has provided guidance on this issue in FAQ 18 (3), which introduces further vague terms: "Where strictly necessary to complete the withdrawal, operators may request an authorisation pursuant to the derogation in Article 5ah(7)(d)". Therefore, despite Commission guidance, instructions remain vague and ambiguous.

- **Best efforts**: this term is used in the context of the liability clause for EU parent companies for their subsidiaries in non-EU countries, but its scope and precise meaning in terms of the required minimum obligations of the parent company remains unclear. The vague term was introduced during the decision-making process: the Commission initially proposed a more specific liability standard.

- **Appropriate steps and policies**: the vague term "appropriate" introduces uncertainty for businesses in the interpretation of their obligations when selling common high-priority items.

Inconsistent terms

- **Country of origin**: within the customs union, the country of origin could change if the goods are worked on in another country. Within sanctions regimes, the country of origin remains the country the goods originally come from.

- **Transfer**: interpreted broadly as the movement of sanctioned goods between the EU and Russia without specifically referring to goods terminology, e.g., the goods moved under the export or transit procedure.

Annex IV – Areas where Commission's guidance is not sufficiently developed or clear

Examples of Commission guidance requiring further clarification

- **Operator due diligence** – Measures requiring businesses to monitor, detect and prevent sanctions circumvention are becoming more common. Such measures are often complex, resulting in many questions from the private sector, especially SMEs, and reducing the effectiveness of efforts to counter circumvention. Better guidance is needed, and should be provided from the moment such measures are adopted.

- **Best efforts of EU operators in relation to activities of their subsidiaries outside the EU** – More detailed guidance would be helpful to help businesses to make their "best efforts", as required by legislation, to ensure that their subsidiaries in non-EU countries do not participate in activities that undermine restrictive trade measures.

Member states' perspectives on implementing trade sanctions against Russia

The overview presents a series of proposals from the visited member states aimed at improving the implementation of trade sanctions through better guidance. The observations are based on each member state's practical experiences in the audited period, highlighting areas where stronger coherence and accessibility would be beneficial.

— **Provision of detailed, area-specific EU guidelines**

The provision of area-specific EU level guidelines concurrently with new restrictions could promote the uniform interpretation and implementation of trade sanctions across member states instead of relying on replies to specific questions published in the FAQs.

— **More detailed guidance related to exports/imports related to returns of defective goods**

Guidance on handling exports and imports should be enhanced, specifically in complex scenarios such as returns of defective goods, which are sanctioned for import but not for export.

— **More timely and clear guidance on economic operators' due-diligence obligations**

Measures requiring economic operators to monitor, detect and prevent the circumvention of sanctions are becoming increasingly common. These measures are often complex and broadly framed. Clear and detailed guidance should therefore be made available from the

moment such measures are adopted, to support effective implementation and reduce the risk of circumvention.

— **Recognition of sanction`s derogation authorisations issued by another member state and multiple-member-state transactions**

The process for recognising sanction derogations issued by different member states could be refined. There should be clear rules explaining which member state is responsible for issuing authorisations when several economic operators are involved in a transaction (e.g. exporters, sellers, buyers, warehouse holders, and transport companies), and when goods pass through the territories of multiple member states.

— **Standardise authorisation reporting**

Defining specific requirements for reporting sanctions implementations across member states and EU governance bodies is essential. Improving the SIER system with uniform data fields for issued authorisations would facilitate verification processes. A mechanism for tracking authorisations across the member states would minimise fraudulent use and ensure compliance continuity.

— **Incorporation of elements of regional agreements into EU legislation or guidance**

Adopting elements from regional agreements, such as the Baltic Customs Initiative, comprising Estonia, Croatia, Latvia, Lithuania, Poland, and Finland, could improve uniform customs controls and information exchange among the member states. By analysing unusually circuitous routes and requesting thorough documentation, the participating member states have streamlined processes and reduced the risk of sanctions being circumvented. Integration into EU legislation or guidance could improve enforcement across the EU.

Annex V – On-site visits by DG FISMA in member states to monitor the implementation of trade sanctions

Key conclusions of the visits with relevance for trade sanctions:

— Between 2023 and 2025, DG FISMA visited all but one member state to obtain an overview of the state of sanctions implementation and enforcement in EU countries. The overall finding was that the enforcement of sanctions is strongly connected to the internal organisation of the member state and its governance structure

— In some of the member states, authorities had introduced national mechanisms for imposing sanctions. This brings with it the risk that member states may create an incoherent patchwork of national sanctions across the EU, which is likely to be detrimental to the internal market. It also raises questions about the credibility of the EU system.

— Positive developments include the establishment of a national sanctions coordinator and the creation of a platform for the exchange of experiences among all parties involved in the implementation of sanctions.

— Some member states expressed concerns about the internal organisation of the Commission, warning that the involvement of a large number of Commission departments in multiple discussion formats might lead to confusion.

Abbreviations

Abbreviation	Definition/Explanation
CHP	Common high-priority items
Coreper	Committee of the permanent representatives of the governments of the member states to the European Union
CRMS2	Customs Risk Management System 2
CSD	Central securities depositories
DG ECFIN	Directorate-General for Economic and Financial Affairs
DG FISMA	Directorate-General for Financial Stability, Financial Services and Capital Markets Union
DG JUST	Directorate-General for Justice and Consumers
DG TAXUD	Directorate-General for Taxation and Customs Union
DG TRADE	Directorate-General for Trade
ECG	Economically critical goods
EEAS	European External Action Service
ISG	Inter-Service Group on sanctions implementation and enforcement
JRC	Joint Research Centre
NCA	National competent authority
OLAF	European Anti-Fraud Office
RELEX	Council Working Party on External Relations
RIF	Risk information form
SIER	Sanctions Information Exchange Repository
SWIFT	Society for Worldwide Interbank Financial Telecommunication

Glossary

Term	Definition/Explanation
Advanced technology items	Goods, software or technology subject to enhanced EU sanctions because they might be used by a country under sanctions for military, strategic or industrial purposes.
Authorisation (licence)	In the context of this report, formal permission granted by a national competent authority, under the conditions laid down in EU law, allowing an activity or transaction that would otherwise be prohibited by EU sanctions, subject to specified terms, scope and validity.
Central securities depositories	A central securities depository (CSD) is an organisation that safely keeps financial assets like shares and bonds. These assets are usually stored electronically rather than as paper certificates.
Circumvention	In the context of this report, any conduct that has the aim or effect of avoiding the application of EU sanctions.
Common high-priority (CHP) items	A category of dual-use and advanced technology items identified by the Commission, in coordination with international partners, as particularly relevant for military use and therefore at heightened risk of diversion and circumvention in the context of sanctions against Russia.
Coreper II	Coreper II is composed of the permanent representative from each of the 27 EU member states. Its role is to do preparatory work for the Council of the European Union in a number of areas, such as foreign and home affairs
Customs Union	EU framework under which member states apply common external tariffs and a uniform set of customs rules.
Derogation	In the context of this report, an exception provided for in a sanctions regulation, allowing a competent authority to authorise, under specified conditions, an activity or transaction that would otherwise be prohibited.
Dual-use items	Technology that can be used for both civilian and military purposes and therefore subject to export control rules and, where relevant, EU sanctions.
Economically critical goods (ECG)	Industrial goods subject to EU restrictive measures for which significant trade flows existed prior to the imposition of sanctions and which are considered relevant for the economic or industrial capacity of a sanctioned country.
Exemption	In the context of this report, the explicit exclusion from prohibition of an activity or transaction by a sanctions regulation itself, meaning there is no need for a prior authorisation from a competent authority.
Forum-shopping	Practice of deliberately selecting jurisdictions, routes or customs control points perceived as applying less stringent enforcement or authorisation practices, making it easier to circumvent sanctions.

Term	Definition/Explanation
Platform country	A non-EU country through which goods are routed, for circumvention purposes, to a destination under sanctions.
Post-clearance audit	Risk-based customs checks carried out after the release of goods, to verify compliance with customs legislation and other rules, including EU trade sanctions.
Sanctions	In the context of this report, a non-punitive measure applied under the EU's common foreign and security policy to promote a change in the behaviour of states Can include trade, financial, economic and industry-specific restrictions.
Sanctions Envoy	Commission-appointed representative responsible for diplomatic outreach and coordination with non-EU countries, to support the effective implementation of EU sanctions and prevent their evasion or circumvention.

Replies of the Commission and the European External Action Service

https://www.eca.europa.eu/en/publications/sr-2026-30

Timeline

https://www.eca.europa.eu/en/publications/sr-2026-30

Audit team

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This performance audit was carried out by Audit Chamber IV – Regulation of markets and competitive economy, headed by ECA Member Petri Sarvamaa. The audit was led by ECA Member Mihails Kozlovs, with support of his private office and the audit team. Linguistic and graphical support was provided by other ECA departments.

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European Court of Auditors, special report 30/2026 “EU trade sanctions against the Russian Federation – Strong coordination efforts, but implementation remains uneven and limits overall impact”, Publications Office of the European Union, 2026.

Following Russia's full-scale invasion of Ukraine, by August 2026, the EU adopted 21 sanctions packages to weaken Russia's war effort by restricting trade in strategic goods.

Our audit assessed whether the Commission effectively supported and monitored effectively the implementation of these trade sanctions. We found that the Commission established extensive coordination, guidance and monitoring mechanisms, and that sanctions significantly reduced EU–Russia trade and curtailed direct exports of critical military-related goods. However, legal ambiguities, divergent national enforcement practices, uneven use of information-sharing systems and shortcomings in monitoring limit the sanctions' overall effectiveness and create risks of circumvention. We recommend improving legal clarity, analysing and addressing differences in national enforcement, promoting full use of information-exchange tools, and strengthening monitoring through integrated data collection and clear effectiveness criteria.

ECA special report pursuant to Article 287(4), second subparagraph, TFEU.

EUROPEAN COURT OF AUDITORS

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