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EU's 21st Sanctions Package: Broader Protection Against Russian Court Decisions

The recast of Article 11c of Regulation (EU) 833/2014 – what has changed and what to do now



At a Glance

On 23 July 2026, the Council adopted the 21st package of sanctions against Russia; the legal acts entered into force on 24 July 2026. Alongside the largest round of designations in four years, the package significantly expands the procedural protection of EU companies against Russian retaliatory litigation (see our previous Client Alert on the 21st Sanctions Package **here**). Its centrepiece is the recast of the non-recognition and non-enforcement rule in **Article 11c of Regulation (EU) 833/2014 and Regulation (EU) 269/2014**: it now captures any Russian court or administrative decision related to a dispute involving EU sanctions – no longer only decisions under Article 248 of the Russian Arbitrazh Procedure Code (APC). At the same time, the prohibition is flanked by a reinforced anti-suit mechanism (Article 11ca) and an extended damages claim (Article 11a).

In Focus: Article 11c – From a Formal to a Substantive Non-Recognition Rule

Starting Point: The 15th Package

Article 11c was inserted into Regulation 833/2014 by Regulation (EU) 2024/3192 of 16 December 2024 (15th package). It responds to the Russian practice of claiming exclusive jurisdiction of Russian courts over disputes resulting from Western sanctions under Articles 248.1 and 248.2 APC, overriding agreed forum and arbitration clauses and backing

non-compliance with draconian financial penalties. The original prohibition attached on purely formal grounds: recognition, giving effect to and enforcement were barred for decisions pursuant to or derived from Article 248 APC or equivalent Russian legislation – irrespective of whether the individual case resulted from EU sanctions.

The New Rule: The 21st Package

Regulation (EU) 2026/1848 replaces Article 11c(1). The prohibition now covers the recognition, giving effect to and enforcement of *any* injunction, order, relief, judgment or other court or administrative decision from Russia holding an EU person liable **in connection with a contract or transaction affected by the EU sanctions targeting Russia**. Decisions under Articles 248.1 and 248.2 APC are expressly, but not exhaustively, mentioned. In parallel, Regulation (EU) 2026/1844 inserts an identical prohibition as a new Article 11c into Regulation 269/2014, covering EU Designated Parties (**EUDP**) designations.

Assessment: Broader and Narrower at the Same Time

The recast shifts the prohibition in two directions. The trigger becomes broader: it is no longer limited to Article 248 decisions but extends to Russian decisions on any legal basis – including ordinary civil judgments by which Russian courts override the consequences of sanctions. The filter, however, becomes narrower: a sanctions nexus is now required, i.e. liability must be imposed in connection with a contract or transaction affected by the EU sanctions. A party invoking Article 11c will therefore have to establish that nexus; purely civil-law Russian decisions without a sanctions element fall outside the prohibition. In practice, documenting the sanctions basis of a contract or transaction leading to a dispute becomes a key building block of the defence against Russian titles. It should also be noted that the official language versions of the new provision differ in their syntactic detail, the German version arguably suggesting the clearest expression of a requirement of an EU sanctions-based dispute; in borderline cases, consulting several language versions is advisable.

Our View: The Reintroduction of the Sanctions Nexus Is an Oversight

The reintroduction of the EU sanctions basis of the dispute as a requirement for the applicability of the provision does not convince us. The 15th package had deliberately opted for a purely formal connecting factor: every Article 248 decision was per se excluded from recognition and enforcement – a criterion that recognition and enforcement courts can apply without taking evidence. The recast gives up this gain in legal certainty for no discernible reason. The EU sanctions basis proviso is familiar from other protective provisions of the Regulation; in our view, its transfer to Article 11c is less likely to reflect a deliberate policy choice than a drafting oversight.

The consequential questions are substantial. **First, intertemporally:** Are Article 248 decisions without a demonstrable sanctions element – until now barred per se – once again capable of recognition and enforcement? The wording suggests as much; whether courts will treat the express mention of Articles 248.1 and 248.2 APC as examples that are always covered, or will subject them to the EU sanctions basis requirement as well, remains open. **Second, procedurally:** How is the EU sanctions basis requirement to be proven in recognition or exequatur proceedings? These proceedings are formalised and not designed for fact-finding on the underlying contract; Russian decisions will regularly not disclose any sanctions element. The EU party concerned would have to plead and, where necessary, prove the EU sanctions basis of the dispute – with material drawn solely from the underlying relationship. Until the courts clarify the point or the legislator corrects it, legal uncertainty arises precisely where the 15th package had created clarity.

Flanking Amendments: Articles 11ca and 11a

Article 11ca of Regulation 833/2014 (anti-suit and anti-enforcement mechanism): The power of Member State courts, created by the 20th package, to order claimants not to commence or to discontinue abusive Russian proceedings is extended. Courts may now additionally order that a decision resulting from such proceedings must not be enforced, recognised or relied upon in any jurisdiction – including third countries. Non-compliance may be met with financial penalties proportionate to the potential loss and payable to the applicant.

Article 11a (damages): The right of EU companies to recover damages suffered in connection with the restrictive measures is widened in all EU sanctions regulations targeting Russia and Belarus (Art. 8h of Regulation (EU) 765/2006 for Belarus) and may now also be directed against contractual counterparties from third countries – no longer only against Russian or Belarusian parties and the persons they control.

What Does This Mean for You?

No Immediate Need for Action

For companies without any Russia exposure and without pending or threatened Russian proceedings, the recast of Article 11c changes nothing directly. What remains crucial is general sanctions compliance, in particular the new designations under transaction bans, the expanded goods lists with their wind-down periods and the comprehensive obligations vis-à-vis third-country subsidiaries and companies.

Review and Monitoring

Companies with legacy contracts involving Russian parties or with pending or threatened proceedings in Russia should assess whether existing or expected Russian decisions fall under the new Article 11c – and should start documenting the sanctions element relevant for the contracts and transactions concerned now. Enquiries from banks, insurers and auditors on the treatment of Russian titles and litigation risks should also be anticipated, and a consistent line of communication prepared.

Adjusting Litigation and Contract Strategy

Companies actively involved in disputes with Russian parties should review their defence and enforcement strategy in light of the new rules. Options include applications under Article 11ca where enforcement of Russian titles in third countries is looming, and an assessment of damages claims under Article 11a – now also against third-country counterparties. In contract drafting, forum and arbitration clauses, the location of assets and the documentation of the sanctions element of future transactions should be taken into account. Whether and how these instruments apply depends on the circumstances of the individual case; we would be pleased to assist with that assessment.

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