WILLKIE

CLIENT ALERT

EU's 21st Russia Sanctions Package: Expanded Litigation and Arbitration Protections for EU Persons

August 18, 2026

AUTHORS

Peter Burrell | Jerry Healy | Rita D. Mitchell | Simon Osborn-King
Dharshini Prasad | Yannis Yuen | Dr. Maximilian F. Schlutz

On 23 July 2026, the Council of the European Union adopted the 21st package of restrictive measures targeting Russia (the "**21st Package**"), amending and strengthening the EU's sanctions framework, including a material expansion of the litigation and arbitration toolkit available under Regulation (EU) No 833/2014 (as amended) ("**Regulation 833/2014**"), with parallel amendments also made to Regulation (EU) No 269/2014 ("**Regulation 269/2014**") and to Regulation (EC) No 765/2006 concerning Belarus ("**Regulation 765/2006**").

The 21st Package provides EU operators with expanded rights in Member State courts to recover damages, to resist recognition and enforcement of Russian court decisions, to obtain anti-suit injunctions and, for the first time, to seek anti-enforcement orders backed by financial penalties.

Key Takeaways

1. **Expanded damages recovery**. EU persons may now seek compensation in Member State courts in respect of **proceedings** brought by any counterparty involved in activities prohibited by Regulation 833/2014, Regulation 269/2014 or Regulation 765/2006. This right is no longer confined to claims by sanctioned persons, Russian or Belarusian persons, and their affiliates.

2. **Broader non-recognition and non-enforcement**. Member States must now refuse to recognise, give effect to or **enforce** any Russian court or administrative decision holding an EU person liable in connection with a sanctions-affected contract or transaction. This now expressly extends beyond decisions under Article 248 of the Russian Arbitration Procedure Code.

3. **Strengthened anti-suit protection**. Article 11ca of Regulation 833/2014 has been replaced with an expanded provision. EU persons may now seek anti-suit injunctions before Member State courts where proceedings are brought in Russian courts not only under Article 248 but also under any other Russian law, or in frustration of EU sanctions, or in breach of exclusive jurisdiction or arbitration clauses.

4. **New anti-enforcement orders**. Member State courts may now order a claimant not to seek to enforce, recognise, or rely **upon** any injunction, order, judgment or other measure obtained in Russian proceedings in any jurisdiction. Breach of such an order attracts financial penalties proportionate to the potential loss, payable to the affected EU operator.

5. **Practical next steps**. Businesses with Russia/Belarus-exposed contracts should review jurisdiction and arbitration **clauses**, monitor Russian court and third-country enforcement activity, preserve evidence of loss, and update sanctions incident response and disputes playbooks to reflect the expanded EU toolkit.

Background

Article 248 of the Russian Arbitration Procedure Code. Since 2020, Russian courts have relied on Article 248.1 and Article 248.2 of the Arbitration Procedure Code of the Russian Federation to assert exclusive jurisdiction over sanctions-related disputes, notwithstanding exclusive arbitration or jurisdiction clauses agreed between the parties. Russian courts have used these provisions to issue anti-suit and anti-arbitration injunctions ordering EU parties to halt arbitration or foreign court proceedings, with fines imposed on parties that fail to comply. For example, in *UniCredit Bank GmbH v RusChemAlliance LLC [2024] UKSC 30, RusChemAlliance* relied on Article 248 to bring proceedings in Russia notwithstanding ICC arbitration clauses providing for arbitration in Paris, and the Russian court later prohibited UniCredit from initiating arbitration or court proceedings in respect of the bonds. The effect has been to undermine contractual dispute resolution mechanisms and to expose EU operators to retaliatory litigation in a jurisdiction where the rule of law protections available in EU Member States cannot be assured.

EU tools prior to the 21st Package. The EU has progressively developed a litigation and arbitration toolkit to counter the effects of Article 248 and related Russian measures:

- No claims protection (Article 11 of Regulation 833/2014): a long-standing provision shielding EU operators from claims in respect of contracts or transactions affected by EU sanctions, where the claim was brought by designated persons, Russian or Belarusian persons, or persons acting on behalf of the above.

- Damages recovery (Article 11a): introduced to allow EU persons to recover direct and indirect damages, including legal costs, arising from claims lodged in third-country courts in connection with sanctions-affected contracts or transactions. Prior to the 21st Package, the scope of Article 11a was narrower and its application was limited to claims by designated persons, Russian/Belarusian persons, or persons acting on behalf of the above.

- Non-recognition of Article 248 decisions (Article 11c, introduced by the 15th Package in December 2024): prohibited Member State courts from recognising or enforcing Russian court injunctions, orders, judgments and similar measures issued pursuant to, or derived from, Article 248.1 or 248.2 of the Russian Arbitration Procedure Code or equivalent Russian legislation.

- Anti-suit injunctions (Article 11ca, introduced by the 20th Package in April 2026): enabled EU persons to seek anti-suit injunctions before Member State courts where proceedings were brought in Russian courts in breach of valid jurisdiction or arbitration clauses.

Expansion of the EU Litigation and Arbitration Toolkit

The 21st Package significantly strengthens each element of the existing framework and introduces new protective mechanisms.

Expanded Damages Recovery (Article 11a)

Council Regulation (EU) 2026/1848 replaces Article 11a(1) of Regulation 833/2014, expanding the right to compensation for EU persons for direct and indirect damages, arising in connection with EU restrictive measures. The key practical change is that EU persons may now bring a damages claim in Member State courts in respect of proceedings brought by *any counterparty involved in activities prohibited* by Regulation 833/2014, Regulation 269/2014 or Regulation 765/2006. The right is no longer confined to claims brought by designated persons, Russian or Belarusian persons, or their affiliates or agents.

This expansion addresses a gap in the prior regime, under which EU operators could face retaliatory proceedings from non-Russian or non-designated counterparties that were nonetheless involved in prohibited activities, without recourse to the damages recovery mechanism. The revised Article 11a closes this gap and provides a more comprehensive remedial framework.

Expanded Non-Recognition and Non-Enforcement (Article 11c)

Article 11c of Regulation 833/2014 has been replaced and broadened by Council Regulation (EU) 2026/1848. Member States must now refuse to recognise, give effect to or enforce *any* injunction, order, relief, judgment, or other court or administrative decision of a Russian court or authority holding an EU person liable in connection with a contract or transaction affected by the EU’s restrictive measures. Critically, this protection is no longer limited to decisions issued pursuant to Article 248.1 or 248.2 of the Russian Arbitration Procedure Code. It extends to any Russian court or administrative decision connected to a sanctions-affected contract or transaction, regardless of the legal basis upon which the Russian court asserted jurisdiction.

In parallel, Council Regulation (EU) 2026/1844 inserts a new Article 11c into Regulation 269/2014, establishing an equivalent non-recognition and non-enforcement rule under the EU’s asset-freeze framework in respect of Russia. This ensures that Russian court or administrative decisions connected to sanctions-affected contracts or transactions are not recognised, given effect to or enforced in Member States, regardless of whether the sanctions engagement arises under the economic sanctions framework (Regulation 833/2014) or the asset-freeze regime (Regulation 269/2014).

Strengthened Anti-Suit Protection (Article 11ca)

Article 11ca of Regulation 833/2014 has been replaced by Council Regulation (EU) 2026/1848 with an expanded provision. EU persons may now seek anti-suit injunctions before Member State courts in respect of proceedings in Russian courts or before Russian authorities concerning sanctions-affected contracts or transactions where such proceedings are brought:

- in breach of an exclusive jurisdiction or arbitration clause;
- abusively pursuant to Article 248.1 or 248.2 of the Russian Arbitration Procedure Code or equivalent Russian legislation;
- pursuant to any other Russian law; or
- otherwise in frustration of EU sanctions.

The expansion beyond Article 248 is significant: it recognises that Russian courts may rely on domestic legislation other than Article 248 to assert jurisdiction over sanctions-related disputes, and that the protective framework must be sufficiently broad to address the evolving tactics employed by Russian litigants or the Russian government to evade EU sanctions jurisdiction.

New Anti-Enforcement Orders (Article 11ca(1)(b))

The most notable innovation in the 21st Package is the introduction of anti-enforcement orders. Under the revised Article 11ca(1)(b), Member State courts may now order a claimant not to seek to enforce, recognise, or rely upon any injunction, order, relief, judgment, court decision or other measure obtained in Russian proceedings in any jurisdiction. This power goes beyond the defensive non-recognition rule under Article 11c (which operates only within EU Member States) and provides an affirmative tool enabling EU courts to restrain enforcement activity globally.

Breach of an anti-enforcement order is backed by financial penalties that are payable to the affected EU operator and must be proportionate to the potential loss. The financial penalty mechanism underpinning the anti-enforcement orders marks a departure from the prior approach. Under the previous framework, EU operators were reliant on national procedural rules for the enforcement of anti-suit injunctions, with remedies varying across Member States. The 21st Package harmonises and strengthens the position by confirming that the financial penalty for breach must be proportionate to the potential loss suffered by the affected EU operator, creating a direct economic incentive for compliance and an effective remedy that follows directly from the EU legislation itself.

Practical Steps for Businesses

In light of the 21st Package, businesses with exposure to Russian or Belarusian counterparties or to contracts and transactions potentially affected by EU sanctions should consider the following steps:

- **Review jurisdiction and arbitration clauses**. Assess the dispute resolution provisions in all contracts with a Russian or Belarusian nexus, including supply, distribution, joint venture, financing, licensing and service agreements. Identify contracts where the chosen seat or forum is in a jurisdiction that may not give effect to EU anti-enforcement orders, and consider whether contractual amendments, renegotiation or supplementary protective measures are appropriate.

- **Monitor Russian court activity and third-country enforcement attempts**. Russian court decisions may be presented for recognition or enforcement in third-country jurisdictions where Russian counterparties hold assets or where enforcement treaties exist. Businesses should monitor for such court activity and enforcement attempts, and evaluate whether pre-emptive anti-suit injunctions or anti-enforcement orders from EU Member State courts can provide effective protection.

- **Preserve evidence of loss and legal costs**. The expanded damages recovery mechanism under Article 11a covers direct and indirect damages, including legal costs. Businesses should maintain contemporaneous records of all expenditure, losses and costs attributable to retaliatory proceedings, sanctions-related disputes or enforcement attempts, to support future recovery claims in Member State courts.

- **Update sanctions incident response and disputes playbooks**. Internal procedures and escalation frameworks should be updated to reflect the expanded litigation and arbitration toolkit. Legal teams should be trained on the availability of anti-suit injunctions, anti-enforcement orders and damages claims under the revised framework, including the procedural requirements and evidential thresholds for invoking these remedies in the relevant Member State courts. Consideration should also be given to incorporating early warning indicators and trigger points for escalation to external legal counsel.

If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

Peter Burrell +44 20 3580 4702 pburrell@willkie.com	**Jerry Healy** +44 20 3580 4852 jhealy@willkie.com	**Rita D. Mitchell** +44 20 3580 4726 rmitchell@willkie.com	**Simon Osborn-King** +44 20 3580 4712 sosborn-king@willkie.com
Dharshini Prasad +44 20 3580 4801 dprasad@willkie.com	**Yannis Yuen** +44 20 3580 4855 yyuen@willkie.com	**Dr. Maximilian F. Schlutz** +49 69 7930 2382 mschlutz@willkie.com	

WILLKIE

BRUSSELS CHICAGO DALLAS FRANKFURT HAMBURG HOUSTON LONDON LOS ANGELES
MILAN MUNICH NEW YORK PALO ALTO PARIS ROME SAN FRANCISCO WASHINGTON