EU targets Russian banks in new sanctions package over Ukraine war

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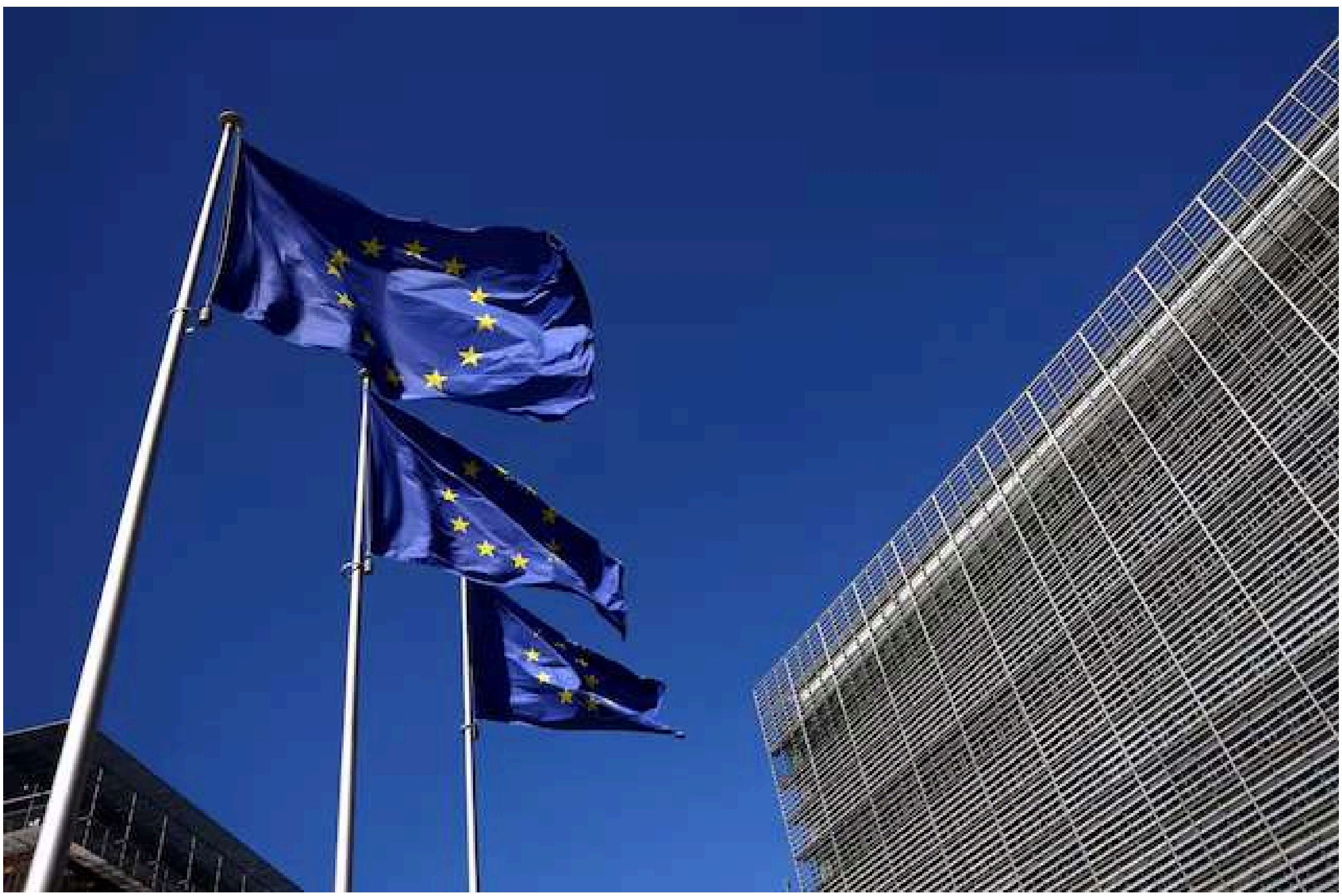

European Union flags flutter outside the European Commission headquarters in Brussels, Belgium April 29, 2026. REUTERS/Yves Herman/File Photo Purchase Licensing Rights

Summary

Package designates 218 entities, individuals

Lists 94 Russian financial institutions including Moscow's stock exchange

Exemption granted for Russian LNG transfers to third countries after Jan 1 deadline

Sanctions freeze Russian oil price cap at $44.10/barrel for 12 months

Majority of Russian crude trades well above price cap

BRUSSELS, July 23 (Reuters) - The European Union approved its 21st sanctions package against Russia over its war in Ukraine, imposing curbs on the country's banking sector and crypto currency networks, the Council of the EU said on Thursday.

The package, however, granted a one-year exemption with automatic renewal allowing EU companies to transfer Russian liquefied natural gas to third countries, after demands from Greece. Sanctions require unanimity to be adopted.

"Member states showed solidarity with Greece and it's expected that Greece will do the same with others in the future," one EU diplomat said.

Athens said a planned ban on transfer services for Russian LNG would simply shift market share outside Europe and would not impact Russian revenues. The measure was due to come into effect on January 1. EU imports of Russian LNG will still be banned from that date.

Greece dominates Europe's LNG carrier market and is among the biggest players globally, competing with Japan, China and the United States.

EU TARGETS BANKS, CRYPTO

The package includes 218 designations - 170 entities and 48 individuals, the Council of the EU said in its statement. These entities and individuals will come under the full weight of sanctions including asset freezes, travel and transaction bans.

The restrictions target the banking sector in an effort to squeeze Russia's financial system at what the EU sees as a vulnerable time for its economy. Russian companies have succeeded in maintaining trade and financial flows via small or regional lenders as well as crypto currency networks.

"Our 21st package includes the highest number of listings in four years," the EU's chief diplomat Kaja Kallas said in the statement.

"We're hitting over a hundred banks and crypto operators, 40+ vessels in Russia's shadow fleet, and several oil refineries in Russia and Belarus. More than 50 military-industrial entities are included, key actors involved in the production of Russia's long-range drones."

A diplomatic source specified the package designates 94 Russian financial institutions - mainly banks - alongside Moscow's stock exchange. The listings take the total number of sanctioned banks to over 100, or more than half of Russia's 213 internationally connected lenders.

The package includes separate transaction bans on 33 of these banks, which means they will be disconnected from SWIFT, a global financial payment instructions system. Russia's biggest banks were disconnected soon after Russia's invasion of Ukraine in 2022.

OIL PRICE CAP

The package includes a 12-month freeze on the Russian oil price cap at $44.10 a barrel. The cap aims to reduce Russia's sources of revenue without creating an oil price shock.

A scheduled review would have increased the cap after a jump in crude prices due to the Iran war, providing substantially higher earnings to Moscow on its sales using Western shipping services. Without the delay, the review would have raised the price to about $58.5 a barrel, a senior EU official said.

However, the majority of Russian oil trades above the cap. Urals, Russia's main export grade, has been trading well above the limit since February and was valued at around $67.50 a barrel this week excluding shipping and insurance costs. ,

"We're... freezing the oil price cap adjustment for a year, so that the Russian war machine does not benefit from market shocks," European Commission President Ursula von der Leyen wrote on X.

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