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RESTRICTIVE MEASURES AGAINST RUSSIA: EU POLICY AND ROMANIA'S LEGAL IMPLEMENTATION

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Abstract: *This paper analyzes the set of sanctions imposed by the EU on its member countries' direct relationships with the Russian Federation, as a response to the military aggression against Ukraine. This paper presents a synthesis of restrictive measures taken in large domains, such as finance, energy, trade, and technologies, along with proposed direct targets and objectives, and their consequences. Besides, it will be seen the Romanian position on this set of measures, which means together with both the existent deficiencies of the national legislative and institutional background and the present context of reforms in this country. It will be about the efficiency of transposing these measures into legislation and about the institutional capability of applying and assessing their effects. Finally, a summary of impact elements of these sanctions on Russia will be tried and so our answer regarding the results of such a kind of restrictive policies applied.*

Keywords: *energy efficiency, EU energy policy, EU integrated national energy and climate plans (NECPs), European Union (EU)*

JEL Classification: *Q40, Q43, Q48*

1. Introduction

The starting point of this contribution and its related facts is, of course, the February 2022 Russian invasion of Ukraine, an event that triggered an unprecedented wave of international reactions, at the center of which are the economic, financial, and other sanctions imposed by the EU, the US, and other developed democratic countries. Implemented in several successive phases, these sanctions aim to limit Russia's capacity to sustain such a military effort and to discourage its violations of international law.

According to Black's Law Dictionary (the 6th edition, 1990), the economic sanctions are "measures taken or actions against persons and legal entities, including States, in order to impose a law or an international treaty or agreement to be respected" (Black, 1990). Actually, a State or States group agrees on a set of restrictions to be taken against States, all kinds of organizations and persons in order to sanction some law broken and/or to obtain some behavioral changes or foreign policy objectives. By different criteria of classifying, sanctions might be economic and financial (e.g. freezing of assets, trade restrictions), diplomatic, military or just individual, or they might be unilateral – i.e. taken by just one State – or multilateral – when taken by groups of States, here including the EU or UN. A State is likely to be sanctioned for its acts and/or facts that prove unacceptable to those who sanction or to the international community given principles – of course, here including abuses of all kind, human right problems and aggression against other States. Sanctions are assumed to influence the sanctioned State to change its policy and acting. One also might talk about a true inventory of sanctions historically accumulated by authorities like the UN, EU, USA, and UK (Lexis Nexis, 2024).

As for the last and present case of sanctions against Russia – for its aggression against Ukraine since February 2022 – not only the EU and US, but equally Canada, Japan, Australia and not only came to impose about 16,500 individual sanctions related to industrial sectors like energy, finance, transports and technologies accessed (BBC, 2024). The most common examples among these sanctions could be cited as: banning technology exports to Russia, freezing the assets of Russian banks and officials in Western banks, and embargoes on Russian crude oil and derivatives, as well as natural gas. The EU has banned imports of sea-borne crude oil, and the US and the UK have completely blocked purchases of oil and gas from Russia. The Russian State institutions, the same as the business environment, were targeted by these sanctions. A context in which important and famous companies working on a global scale – e.g., McDonald's, Coca-Cola, Starbucks, Heineken – have chosen suspension of activities or leaving the Russian home market, as a consequence. Though there are contrary individual examples – i.e., some firms do prefer to continue their operations in Russia, be it indirectly in some of the cases.

Not to be omitted in context, some aspects through which Russia seems to have succeeded in avoiding or diminishing the effects of sanctions at least partly – e.g., the probable existence of a "ghost fleet" of approximately 1,000 oil tankers, used to export oil at prices above the ceiling set by G7 (Atlantic Council, 2024). The International Energy Agency also mentions an amount of approximately 8.3 million barrels of crude oil per day exported by Russia to India and China, as redirected from initial Western destinations (IEA, 2023). In addition, on the Russian imports side Kupatadze (2023) explains the ways of accessing western goods under the same sanctions through indirect routes and/or using trade networks of other countries like Kazakhstan, Belarus or Georgia.

In this context, the present paper seeks to address a series of essential questions:

- What types of sanctions have been imposed and how do they function?
- What are the legal and institutional mechanisms through which sanctions are enforced in the European Union?
- How is the new European sanctions legislation being implemented in Romania?

2. General framework of the current EU sanctions against Russia (Council of the EU, 2024)

The EU Treaty (1992) does allow the Council of the EU to adopt sanctions against other countries, entities, and individuals off the territory in order to determine (at least) behavioral changes to them according to European values and EU objectives – i.e., by Article 29 in the chapter afferent to the common Foreign and Security Policy of the EU (PESC). As compared to decisions related to economic aspects – these are supposed to be taken by a qualified majority –, decisions related to sanctions require unanimity within the Council. The content of such sanctions is made especially by export bans, travel restrictions, and asset freezing. It is the European Commission (EC) that monitors the sanctions´ application and sustains the member States and other actors involved (Euro-Lex, 2021).

The EU has adopted a total of 17 large sanctions packages, as currently in force, against the Russian Federation since the invasion of Ukraine on 24 February 2022 and equally illegal annexation of territories in context. These sanctions were also preceded, at their time, by another set of sanctions in force since 2014, when the annexation of Crimea and Sevastopol, and so breaking provisions of the Minsk agreement.

As also mentioned above, these current EU sanctions include restrictions for economic sectors – e.g., energy, finance, transport, exports-imports – and activities – e.g., goods of double usage, financing of exports and imports – and for individuals – e.g., visas for individuals, special restrictions for some Russian citizens (EEAS, 2024; Council of the EU,2022). In the same context of its Common Foreign and Security Policy (CFSP), the EU organization enacted corresponding decisions and regulations in order to be transmitted to member States for shaping a uniform behavior within the region (EEAS, 2024).

It is this way that, besides the objectives of economic and military weakening of Russia, with consequences targeted on both short and long terms, the EU Organization intends its message of principles' unanimity on the Western side vis-à-vis the Russian authority and citizens.

2.1. The EU economic sanctions against Russia. An overview

In addition to all of the above, the EU has blocked the activities of Russian media accused of propaganda and restricted the dissemination of disinformation content on its territory. Currently, the sanctions regime covers 1,783 individuals and 469 entities involved in actions considered a threat to the sovereignty and territorial integrity of Ukraine (EEAS, 2024). See the following classification.

Financial sanctions against Russia include banning access to the SWIFT system for 10 Russian banks, thus preventing them from using the global interbank communications network needed for fast and secure financial transactions. More than this, Russia meats serious access restrictions on the financial and capital markets of the EU region. Transactions between the EU and the Central Bank and Regional Development Bank of Russia are banned. The high amount deposits of Russian citizens in the European banks are to be limited. There are also banned the EU region origin investments in projects that belong to the Russian Fund for Direct Investments. Not banned, but restricted the supply of euro banknotes and crypto-assets, as well as the consulting on trusts belonging to Russian citizens. Limited the access of Russian entities to the "SPFS-Transfer System of Financial Messages" (Council of the EU, 2024). A total amount of about 260-billion-euro assets, in cash and securities, that belongs to the same Central Bank of Russia has been blocked by the EU and Australia, as G7 partners and, actually, about two thirds of this amount stay in EU member countries.

In its session of May 2024, the EU Council decides that the exceptional profits afferent to the Russian sovereign assets in Europe under freezing be re-directed to the Ukraine's self-defense and future reconstruction. Then, in June 2024, the G7 announces a new financial package of sanctions against Russia of about 50 billion dollars as related to these same extraordinary revenues. Or, such a new initiative aims both a strong political message and an increasing economic and military pression in the sense of weakening the Russian military system by way of its resources (EEAS, 2024).

Sanctions in the energy sector aim to limit Russia's revenues from this sector and to reduce the EU region's dependence on Russian resources. There are here included, besides price ceilings for the sea transportation of all oil related products coming from Russia, the ban of imports from Russia and of re-exports to the EU region of Russian crude oil, petrol, liquefied petroleum gas (LPG), coal and liquefied natural gas (LNG). On the EU's exports side, there are banned all exports afferents to technologies for the energy industry of Russia, to gas storage capacities for Russian nationals, as well as to all new possible investments in the Russian energy and mining sectors, here including the GNL type projects (Andrei 2025).

Sanctions in the transport sector aim to limit logistical and transportation capacities and capabilities of Russia in view of closing the EU airspace and ports to Russian aircraft and ships. One is banning the exports to Russia of products and technologies of maritime and space industries. The same for exports of complete aircraft, spare parts and turbojet fuel to Russia. The same for Russian road transport operators transporting goods to the EU, as well as trailers and semi-trailers registered in Russia. The same for all transactions with the Russian Naval Register and/or provision of repair, maintenance and related financial services (Andrei, 2025).

Sanctions in the defense and technology sectors regards only EU exports to Russia. There are here included military dual-use items, drone components, weapons, ammunition, military vehicles and equipment. Exports of electronic, optical, IT equipment and chemicals that could support Russia's defense and security industry are also prohibited.

Trade sanctions are aimed at reducing Russia's industrial capabilities and include bans on exports to Russia of luxury goods and restrictions on imports from Russia of steel, iron, cement, copper, aluminum, wood, paper, synthetic rubber, helium, and various consumer goods such as seafood, spirits, cigarettes, cosmetics, diamonds, and gold.

Sanctions on the services provision regard the services of accounting, auditing, tax, legal and IT consulting, as well as architectural, engineering, advertising and market research. Technical, financial assistance and brokerage for sanctioned products are also prohibited, as well as the transfer of intellectual property rights and the use of software for business management and industrial production (Andrei, 2025).

Others. The EU sanctions include banning media organizations and individuals involved in disseminating disinformation. The same for suspending visa agreements – e.g. excluding travel documents issued by the Russian authorities in the occupied regions of Ukraine and the separatist territories of Georgia, as they are not valid for accepting the reduction in the search front (Council of the EU, 2024). The same for a series of measures aimed at countering hybrid threats. These latter include actions such as undermining democratic processes, economic and critical infrastructure sabotage, cyberattacks and migration manipulation – e.g. in 2021, when Lithuania, Poland and Latvia were affected by a coordinated influx of illegal migrants from Belarus (EU Council, 2024).

The EU decided in December 2023 to ban imports of diamonds of Russian origin. This decision is part of another joint initiative of the G7 countries to implement a coordinated international ban, aimed at reducing the revenues obtained by Russia from this strategic sector (EEAS, 2024).

The EU settled a distinct legal mechanism for the introduction of individual sanctions. These are targeted against individuals and also organizations accused of involvement in systematic abuses -- e.g. violation of fundamental human rights, suppression of civil society, repression of democratic political opposition and erosion of the rule of law in Russia, without presumable effects on the economy as a whole (Council of the EU, 2024a).

To counter the indirect support provided by country-States, as well as by individuals and/or organizations of their territories, the EU expanded the scope of sanctions to include all these, targeting in particular entities and individuals from Belarus, Iran and the Democratic People's Republic of Korea (EEAS, 2024).

A complex approach regarding Belarus. Measures adopted in March 2022 reflect, encompassing both individual sanctions and sectoral restrictions (Council of the EU, 2022a). These cover strategic areas such as trade in sensitive goods – e.g. firearms, dual-use technologies and equipment from the aeronautics, space and defense industries –, as well as the road transport sector, with bans for Belarusian operators. In addition to the trade dimension, financial measures were also imposed: disconnecting Belarusian banking institutions from the SWIFT system, blocking financial relations with the Central Bank of Belarus, limiting capital flows from Belarus to, and banning a state-issued banknote in the country. Subsequently, on 29 June 2024, the sanctions regime was strengthened by a new package of trade measures, designed to align the restrictions imposed on Belarus with those already in force against Russia (EEAS, 2024).

Regarding Iran, in July 2023 the European Union adopted another package of sanctions aimed at limiting this country's contribution to supporting Russia's military effort in the war against Ukraine. These measures focus on activities related to the design and manufacture of drones (unmanned aerial vehicles /UAVs) actively used in the conflict illegally initiated by Russia. The sanctions also include restrictions on the supply of equipment and parts intended for the assembly of these UAVs (EEAS, 2024).

In February 2024, the European Union also adopted restrictive measures against entities and individuals suspected of involvement in facilitating the transfer of arms from the Democratic People's Republic of Korea to Russia. These sanctions aim to prevent the delivery of military equipment and weapons that could support Russia's war effort (EEAS 2024).

Last, but not least, the EU imposed all these sanctions against Russia through formal legal instruments called EU Council Regulations and Decisions. These are binding and automatically apply in all member States, without the need for national laws to implement them. However, in practice the concrete application (how compliance with the sanctions is verified, how violations are investigated and sanctioned, etc.) has depended on each member State in part. This means that there may be differences between countries in the interpretation or rigor with which sanctions are implemented.

2.2. The new European legislation on sanctions

On 24 April 2024, the European Parliament and Council adopted the EU Directive 2024/1226 defining criminal offences and sanctions for breaching Union restrictive measures (Eur-Lex, 2024) and so correspondingly modifying the previous EU Directive 2018/1673 (Eur-Lex, 2018). The new Directive is for investigating and sanctioning violations and circumvention of EU restrictive measures. It standardizes the definition of crimes, so eliminates the approach differences between member States and strengthens the deterrent effect of acting against. There are to be found in its content: (i) failure to freeze assets, violating embargoes, providing prohibited services, or concealing funds; (ii) penalties for individuals, including imprisonment (minimum 5 years for certain cases) and fines; legal entities can receive fines of up to 5% of turnover or EUR 40 million; (iii) aggravating and mitigating factors, as clarified; (iv) stricter rules on freezing and confiscating assets; (v) minimum statutes of limitations; (vi) obligation for the member States to cooperate with European institutions, i.e. the European Commission, the European Public Prosecutor's Office, the European Union Agency for Criminal Justice Cooperation (Eurojust) and the European Union Agency for Law Enforcement Cooperation (Europol). The EU Directive had to be transposed into the national legislation of the member States by May 20, 2025, together with the implementing rules.

3. Romanian legal framework for the sanctions' appliance and institutions

In Romania, one of the EU member States since 2007, international sanctions are regulated by Government Emergency Ordinance (GEO) No. 202/2008, supplemented by GEO No. 79/2022, approved by Law No. 357/2023 (Parliament of Romania, 2023). However, it is the terms of implementation and control mechanisms that these normative acts did not bring significant progress in. Plus, the main institutions here involved – i.e. Ministry of Foreign Affairs, National Agency for Financial Administration (NAFA), Office for Prevention and Combating the Money Laundering and Corruption Prevention – face difficulties in effectively implementing restrictive measures, due to the lack of resources, clear procedures and inter-institutional cooperation. In context, the Government also issued Decision No. 269/2022 that establishes the new Interministerial Committee for the Application of International Sanctions on 7 April, 2022.

Basically, all Romanian authorities and public institutions are legally committed to implement the international sanctions each for its own competence area. National Agency for Financial Administration (NAFA) is in charge for respective economic resources and funds freezing, as ordinated by the special ordinance of this Institution´s president, issued and published in the Official Gazette. Thus, NAFA managed to block funds of up to 10 million euros and confiscate a total amount of 13.1 million Ron, as part of actions in accordance with international sanctions related to the Russian-Ukrainian war (Economedia, 2022). Seven international companies, including Aeroflot, TMK and four companies belonging to the same group, such as Metalloinvest Trading, MMK Metalurji and MMK Metalurji Sanayi, were subject to these restrictive and punishment measures. To these, contravention fines totaling 280,000 Ron were added as imposed for failure to comply with sanctions.

The National Office for Prevention and Combating of Money Laundering and Corruption Prevention also has its own competence and power to impose restrictions on fund transfers and financial services, particularly for the purpose of preventing nuclear proliferation (One–Two Thoughts, 2025). On the other hand, there were also nine sanctions waiver orders issued, given the social and economic impacts of sanctions. These other measures were taken to allow certain companies, including employees, to continue their activities without directing financial resources to Russian media figures on the sanctions list (Economedia, 2022).

GEO No. 135/2024, amending and supplementing GEO No. 202/2008 on the implementation of international sanctions, was aimed at strengthening the capacity to apply sanctions and so increase compliance with the country's European obligations (Government of Romania, 2024). It remains to be seen whether these changes will be implemented efficiently.

4. Conclusions

In summary, the restrictions against Russia targeted multiple key sectors, including energy, with embargoes on oil, coal, and liquefied gas, so affecting Russian export infrastructure. Besides, there are harsh financial sanctions imposed, as those for excluding Russia from the SWIFT system, limiting Russian entities' access to international financial markets, and banning the use of cryptocurrencies to evade sanctions. Another important pillar of the same sanctions was the ban on the export of critical technologies to Russia, including advanced drone equipment, electronic components and software, along with other severe restrictions on metal imports from Russia, such as steel and aluminum. Even more, a new critical aspect was the fight against

Russian propaganda and disinformation, by banning media outlets such as RT and Sputnik. These sanctions were complemented by measures on transport, investment, the cultural and sports industry, and the protection of Ukraine's cultural heritage. All of these restrictions were designed to weaken Russia's ability to sustain the conflict, to undermine its economy and to isolate Russia on the international stage. The effectiveness of sanctions, however, depends not only on the severity of the measures themselves, but also on the coherence of implementation at national level by each member State.

As for Romania, its whole context is basically aimed at harmonizing national legislation with European Union regulations, to introduce specific obligations for Romanian entities. The same applies to strengthening the regulatory framework specific to the sanctioning regime and aligning it with the EU one. In context, Romania adopted GEO No. 135/2024, amending and supplementing GEO No. 202/2008 on the implementation of international sanctions. The new brought in by these Acts might consist in: introducing the obligation of due diligence for Romanian entities – i.e. verification of buyers and partners to avoid transactions with persons subject to sanctions –, and clear mechanisms of inter-institutional cooperation – i.e., involving the Ministry of Foreign Affairs, the Ministry of Finance, the National Anti-Money Laundering and Corruption Prevention Office, the National Bank of Romania, etc.). At the same time, the ordinance establishes a national sanctioning regime for non-compliance with these measures.

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