



EU cracks down on Russian “meddling” with arbitration

17 July 2024

The EU has adopted measures allowing EU operators to claim compensation for damages caused by Russian parties – as well as new sanctions on parties that use the Russian courts to interfere with arbitration and litigation.

Anna Bradshaw commented on this for [Global Arbitration Review](#).

“The EU has, for almost three decades, operated a not dissimilar mechanism under the EU ‘blocking’ regulation to confer a right on EU operators to recover damages caused by the application of specified US sanctions on Iran, which were considered by the EU to extend US extraterritorial jurisdiction too far. It has, however, been widely acknowledged as a remedy without teeth. There is nothing to suggest that a corresponding mechanism in the EU’s sanctions on Russia would fare any better. The more significant aspect of these provisions in practice is instead likely to be the creation of an EU variation on US secondary sanctions exposure – in the form of a transaction ban.

“Measures specifically targeting persons for exercising their legal rights is not, however, anything that we have seen in sanctions legislation until now. From a Russian countersanctions perspective, the ‘no claims’ provisions in EU sanctions legislation creates the need for a Russian law mechanism precisely like Article 248 of the Russian Arbitration Procedure Code. It is difficult to envisage where the boat will be pushed out to next.”