



The Civil Society
Council on Sanctions

Sanctions To-Do List:

*Consolidated Recommendations for
Updating Sanctions Policy*

November 2024

This document aims to compile and update the recommendations of Ukraine's civil society, particularly those represented in the Civil Society Council on Sanctions, regarding sanction priorities for partner countries to address gaps in their sanction policies.

The Civil Society Council on Sanctions was established to coordinate the efforts of government representatives and civil society for joint advocacy in implementing and updating restrictions against Russia and its partners. The Council includes the following organisations: the National Interests Defense Network “ANTS,” Black Sea News and the Institute for Black Sea Strategic Studies, DiXi Group, the Institute of Legislative Ideas, ICUV (International Center for Ukrainian Victory), KSE Institute, OSINT Agency Molfar, the Independent Anti-Corruption Commission (NAKO), the Economic Security Council of Ukraine (ESCU), the Center for Global Studies “Strategy XXI,” StateWatch/Trap Aggressor, Razom We Stand, and the NGO “Ukrainian Analytical Center U8.”

The **Independent Anti-Corruption Commission (NAKO)** consolidated the **recommendations** within the framework of a project supported financially by the **“Ukraine Civil Society Sectoral Support Activity.”** The content of the recommendations is the sole responsibility of the author organisations and does not necessarily reflect the views of the “Ukraine Civil Society Sectoral Support Activity.”



1000 Days of the Full-Scale Invasion: Sanctions Achievements and Gaps

Over more than two years of Russia's full-scale war against Ukraine, the international community has made significant efforts to increase pressure on Russia through extensive sanctions. These measures aimed to undermine the economic foundations of aggression and limit the Kremlin's military capabilities. On the 1000th day of this war, notable successes and serious shortcomings can be observed, which need to be addressed to maintain an effective sanctions policy.

Among the main accomplishments is the EU's **oil embargo**, which has become one of the most critical tools for reducing Russia's budget revenues. Economic pressure on Russia has also become evident, with significant oil and gas revenue declines. In 2023, oil exports fell by 20%, and budget revenues from oil and gas dropped by 24%.¹ However, European countries' dependence on pipeline oil still creates loopholes that Russia actively exploits. Simultaneously, restrictions on access to **critical components** have complicated the production of military equipment in Russia. This has somewhat limited the Russian military-industrial complex's ability to manufacture missiles, drones, and other weapons. Nevertheless, challenges in global export controls still allow Russia to import high-tech components through third countries. This and the general economic downturn have led to rising inflation and crises in strategic industries such as aviation, mechanical engineering, coal, and timber. **Individual sanctions** against vital Russian figures, including propagandists, oligarchs, and officials, have deprived them of access to Western assets, increasing pressure on the elites.

However, significant gaps are preventing the full impact of sanctions. For instance, Russia has created a **"shadow fleet"** transporting about 90% of its crude oil,² bypassing the established price cap. Furthermore, more enforcement of the price cap mechanism is needed to allow Russia to earn revenues exceeding the set limits. In 2023, **imports of critical components** reached \$27.6 billion,³ demonstrating successful sanctions evasion through third countries such as China, Thailand, and the UAE.⁴⁵⁶ Another significant issue is the need for more international businesses to withdraw from Russia. Thousands of Western companies continue to operate there, paying taxes to the budget of the aggressor state.⁷ Additionally, the growth of exports to Russia from "friendly countries" highlights the need for secondary sanctions to prevent sanctions circumvention. **Selective individual sanctions** against Russian oligarchs, officials, and arms manufacturers allow assets to be transferred to affiliated individuals.⁸⁹ The **need for mechanisms for confiscating** private sanctioned assets further reduces the effectiveness of this type of sanction.

¹ Bloomberg, [Russia's 2023 Oil and Gas Revenue Curbed by Sanctions. Cheaper Crude](#)

² KSE Institute, [Russian Oil Tracker August 2024: Russian Oil Revenues Increase. More Sanctions on Shadow Fleet Needed](#)

³ KSE Institute, [The International Working Group on Russian Sanctions. Working paper №20 "Export Controls: A Key G-7 Tool to Halt Russia's War"](#)

⁴ NAKO, [Wings of War: Analysing the Western Parts in Russian Fighter Jets](#)

⁵ Trap Aggressor, ["The Promtekh network: the route of Western weapons components from the EU to Russia"](#)

⁶ NAKO, [Globalization. Weaponized: Foreign Components in Weapons and Equipment Used by the Russian Army](#)

⁷ <https://leave-russia.org/uk>

⁸ Trap Aggressor, ["How to become a millionaire at the age of 5? French secrets of Putin's oligarch Andrei Bokarev"](#)

⁹ Trap Aggressor, ["The invader's European nest: the family of a Russian aircraft and drone developer owns property in France and the UK"](#)

Despite significant achievements, sanctions policy requires substantial improvement. Future steps should include stricter enforcement of sanctions compliance, expanded international cooperation to close loopholes, and increased economic pressure on the aggressor. Only through coordinated international efforts can the effectiveness of sanctions be ensured, bringing Ukraine closer to victory.

Recommendations

Access to Strategic Resources

- ☐ **Restricting Export, Re-export, and Transit of Strategic Mineral and Raw Materials to Russia:** Implement measures to limit the Russian Federation's access to scarce resources, such as chromium, lithium, tungsten, antimony, and other materials critical to the military-industrial complex.¹⁰
- ☐ **Expansion of the Common High Priority Items List (CHPL):** Broaden the CHPL by adding new HS codes covering strategically important mineral and raw materials in various forms—ranging from metal ores and compounds to finished products.
- ☐ **Blocking Access to Extraction Technologies:** Introduce restrictions on transferring technologies essential for developing Russian deposits of critical minerals and raw materials. This includes equipment, software, and technical expertise.
- ☐ **Sanctions on Entities Involved with Critical Resource:** Impose financial and trade restrictions on Russian and foreign companies engaged in the processing and supply of critical materials to the Russian MIC. This should include entities involved in refining, export, and technological support.
- ☐ **Diplomatic Engagement with Global South Nations:** Intensify diplomatic efforts to reduce the dependency of Global South countries on Russian resources and limit Russia's ability to use these nations as alternative sources of critical minerals and raw materials.

A Critical Metal for the Army: How Chromium Sustains Russia's Military Power

Chromium is essential for Russia's military production, particularly in manufacturing artillery barrels, armoured vehicles, and other military systems. Due to the low quality of its domestic chromium deposits, Russia relies heavily on imports from Kazakhstan, South Africa, and EU countries. Notably, the Netherlands and Germany serve as crucial transit hubs for supplies from South Africa. Chromium strengthens steel and chrome-plate barrels, making it indispensable for maintaining Russia's artillery capabilities.

Targeted sanctions against critical suppliers, such as the Aktobe Ferroalloy Plant in Kazakhstan or Rand York Minerals in South Africa, could significantly weaken Russian production. Restricting access to this vital metal would complicate the production of new artillery systems and create a shortage of spare parts for existing weaponry, directly impacting Russia's ability to continue its aggression.



¹⁰ United24 Media, [Russia Keeps Freely Importing Chromium, Powering Artillery That Kills Soldiers and Civilians in Ukraine](#)

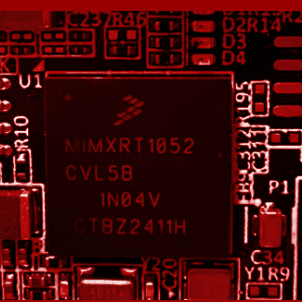
Access to Critical Technology

- ☐ **Strengthening Oversight of Western Technology Supplies for Russia's Military-Industrial Complex:** Ensuring Strict Monitoring of Export Restrictions: Enforce rigorous supervision of export controls for microelectronics, engines, machinery, ship components, and other equipment potentially used by Russia's military-industrial complex (MIC).
- ☐ **Blocking Sino-Russian Cooperation in CNC Machine Trade:**¹¹
 - ☐ Introduce restrictions targeting Chinese and Russian suppliers of advanced equipment, including CNC machines, their components, consumables, and software.
 - ☐ Motivate Western CNC machine manufacturers to enhance screening processes for distributors and end users. This includes conducting detailed vetting of Chinese partners, distributors, and clients and stricter oversight of subsidiaries in China.
- ☐ **Expanding the CHPL with High-Tech Equipment Codes:** Add HS codes for a full range of high-tech equipment, such as CNC machines, their components, and consumables, to the List of Common High Priority Items (CHPL).
- ☐ **Introducing Mandatory HS Codes in SWIFT Messages:** HS codes must be included in SWIFT messages for transactions involving high-risk countries prone to sanctions evasion.
- ☐ **Export Quotas for Critical Products:** Set export limits for critical technologies (e.g., machinery and equipment) to transit countries (Central Asia, Turkey) at 2021 levels, allowing a maximum increase of only +15%.
- ☐ **Strengthening Compliance in Western Companies:** Expand mechanisms for verifying end users and increase accountability for non-compliance with sanctions among Western businesses.¹²
- ☐ **Developing Algorithms to Detect Sanctions Violations:** Create and implement automated algorithms for real-time financial and trade operations analysis to identify high-risk buyers and prevent sanctions violations.

¹¹ Рада Економічної Безпеки, [Запасний варіант для агресора: Новий звіт РЕБ про роль Китаю у збереженні доступу Росії до критично важливого промислового обладнання](#)

¹² RUSI, OSJI, NAKO, Heartland Initiative, [Managing risks created by Russia's invasion of Ukraine: enhanced due diligence and advanced know your-customer policies](#)

"Fresh" Microelectronics for Russia's Military-Industrial Complex



Despite export controls, Russia's military-industrial complex continues to use components produced by Western companies. Microelectronics manufactured in 2022–2024 by leading companies from the USA and EU have been found in Russian missiles and drones shot down in Ukraine. These components are classified as high-priority items on the CHPL lists, highlighting their critical importance for developing modern weapons. Russia obtains these components primarily through third countries, particularly China.

Photo: a Dutch microcontroller, manufactured by NXP in 2024, found in the "Gerbera" UAV.¹³

Energy and Transport Logistics

- ☐ **Control of Energy Exports:** Ensure strict oversight by partner countries' authorities over importing liquefied natural gas (LNG), oil, petroleum products, and natural gas from Russia.
- ☐ **Blocking the Shadow Fleet and Restrictions on Arctic Projects:** Impose sanctions on vessels involved in sanctions evasion and limit Russia's participation in Arctic energy and logistics projects.
- ☐ **Restricting Russia's Use of the Northern Sea Route:** Prevent Russia from using the Northern Sea Route as a critical pathway to bypass sanctions and transport resources.
- ☐ **Blocking Access to Exploration and Extraction Technologies:** Prohibit the supply of technologies and software essential for Russia's fossil fuel exploration and extraction.
- ☐ **Expanding Sanctions Against "Rosatom":** Restrict "Rosatom's" involvement in new projects, isolate the company from international nuclear energy cooperation, and extend existing sanctions.
- ☐ **Optimising Restrictions on Transit Through Russia:** Expand restrictions on the transit of goods through Russian territory, considering critical routes and product categories.
- ☐ **Modernising the Price Cap Mechanism on Crude Oil:**
 - ☐ Ensure access for oil products from third countries made with Russian-origin oil to Western markets, provided compliance with the price cap.
 - ☐ Introduce administrative barriers, quotas, or additional tariffs for oil products made with Russian oil purchased without guaranteed adherence to the price cap.

¹³ Портал ГУР МОУ "Війна і санкції", [Microcontroller MIMXRT1052 CVL5B 1N04V CTBZ2411H](#)

"Shadow Fleet" for LNG: Russia Attempts to Expand Exports



Russia has begun creating a "shadow fleet" to transport LNG despite US, EU, and UK sanctions. In early August 2024, Russian tankers started circumventing sanctions, delivering LNG from the Arctic LNG 2 project. These tankers frequently pass through the territorial waters of European countries such as Denmark, the Netherlands, and Belgium.

Due to Western sanctions on LNG exports, Arctic LNG 2 reduced gas field production to nearly zero by November 2024. Ensuring the effectiveness of energy sanctions and countering Russia's new adaptive strategies require strict and coordinated international actions.

Rosatom: The Nuclear Giant "Overlooked" by Sanctions

Russia controls a significant portion of the global nuclear energy market, supplying nuclear fuel to 15 countries, including the EU and the US, and is a critical player in uranium enrichment. This grants Russia a powerful leverage that could be used against its partners. A key player in this sector is "Rosatom," which generates \$10 billion in annual revenue and is responsible for constructing over a third of new reactors worldwide.

Within Rosatom's structure is a division responsible for nuclear weapons, directly linking it to Russia's military-industrial complex. Rosatom employees were directly involved in the seizures of the Chernobyl and Zaporizhzhia atomic power plants. Additionally, one of its subsidiaries in Tatarstan manufactures Iranian "Shahed" drones.



Economic Sanctions Against Legal Entities and Individuals

- ☐ **Sanctions against intelligence personnel and propagandists:** Personal sanctions are imposed on employees of Russian intelligence services (GRU, FSB, SVR) and propagandists operating abroad.
- ☐ **Sanctions against shipowners and shadow fleet crews:** Restrictions targeting shipowners, management companies, captains, and senior crew members of vessels used to circumvent the sanctions regime.
- ☐ **Freezing and confiscation of private assets:** The assets of Russian oligarchs, military-industrial complex producers, and other sanctioned individuals in coalition countries will be blocked, with the possibility of subsequent confiscation.
- ☐ **Synchronisation of sanctions lists:**¹⁴ Coordinating sanctions policies among coalition countries to establish a unified list of individuals and entities.
- ☐ **Expansion of secondary sanctions mechanisms:** Applying secondary sanctions and other pressure tools to "third countries" that facilitate sanctions evasion.
- ☐ **Mandatory reporting for companies with Russian capital:** Introducing compulsory reporting requirements for Western companies with more than 25% Russian capital regarding exports of products prohibited from being supplied to Russia.

¹⁴ NAKO, [Inconsistency In Action: A Case of Sanctioning Russian Military Industry](#)

Vladimir Lisin: Oligarch, Metallurgist, and Putin's Ally

Vladimir Lisin is a prominent Russian oligarch and owner of Novolipetsk Steel Plant (NLMK). Lisin is one of the leading producers of specialised electrical steel, crucial for manufacturing electric machines and military equipment. He owns strategic assets in Russia, including steel plants, mining and processing enterprises, railway transport operators, and ports.¹⁵

His companies supplied coal to the occupied Donbas, and Lisin himself is involved in several cases related to sanctions evasion and is suspected of possible involvement in the murder of NLMK's Belgian manager.

Lisin's companies have not been subjected to EU, US, or UK sanctions.



Monitoring the Effectiveness of Sanctions Policy

- ☐ **Tracking the effectiveness of sanctions in key sectors:** Ongoing monitoring of the impact of sanctions on Russia's energy sector and the military-industrial complex (MIC).
- ☐ **Analysing sanctions gaps:** Conduct regular analyses to identify shortcomings in sanctions policy and improve restrictions.
- ☐ **Enhancing international coordination:** Strengthening cooperation, experience sharing, and data exchange among coalition countries and states, particularly those bordering China, to address gaps in export controls.
- ☐ **Strengthening law enforcement capabilities:** Expanding the capacity of law enforcement agencies to investigate sanctions violations and hold offenders accountable and increasing the authority of customs bodies in Western-allied countries to block or suspend export operations suspected of circumventing sanctions to supply goods to Russia.
- ☐ **Accelerating the review of sanctions violations:** Establishing clear timelines for national authorities to confirm receipt of complaints regarding violations and initiate investigations.
- ☐ **"Know Your Customer" (KYC) policy:** Close collaboration between authorities and manufacturers to enhance KYC standards and ensure verification of end users. Regular meetings between government representatives and key businesses to analyse and address gaps in sanctions enforcement.

¹⁵ Trap Aggressor, "[Lisin's steel: why the supplier of raw materials for Russian weapons is still not sanctioned](#)"

China: A Critical Link in Circumventing Sanctions Against Russia

China has become the leading industrial equipment and technology supplier for Russia's military-industrial complex. It provides up to 80–90% of CNC machine imports and 70–80% of microelectronics imports, key to weapons production.

Western companies manufacture a significant portion of this equipment at Chinese factories or import it to Russia through re-export schemes involving hundreds of companies. Western sanctions often do not cover Chinese suppliers, creating a significant challenge for the effectiveness of restrictive measures.



Conclusion

The measures proposed by Ukrainian civil society are intended to strengthen sanctions pressure, complicate sanctions evasion, and reduce Russia's economic and technological capacity to wage war against Ukraine. Only coordinated actions by the international community can achieve these goals and ensure the long-term effectiveness of sanctions policy. The Public Council on Sanctions suggests focusing coalition efforts on the following priorities.

The need to adapt sanctions policies as Russia constantly adjusts to new restrictions makes improving sanctions mechanisms critically important for ensuring their effectiveness. Current challenges related to sanctions evasion require flexibility and coordinated efforts from coalition countries.

Expansion of coordination and international cooperation. Synchronisation of sanctions lists, improved information sharing, and joint investigations into violations will enhance compliance with sanctions.

Counteraction to sanctions evasion must become a priority. This includes identifying and eliminating schemes for bypassing sanctions, such as illegal supplies of critical components and equipment through “third countries” and the shadow fleet.

Focus on critical sectors, particularly enforcing sanctions in energy, transportation logistics, the military-industrial complex, and technology industries, is essential to depriving Russia of strategic resources that sustain its economic and military resilience.

Promoting business transparency and accountability through introducing transparency standards such as KYC, reporting by companies with Russian capital, creating databases of suspicious entities, and improving information sharing will provide a foundation for adequate control.

Modernising monitoring mechanisms using modern technologies, such as macroeconomic data analytics and algorithms for detecting high-risk transactions, will prevent violations and enable rapid responses to potential threats.

Strengthening legal and institutional frameworks by expanding the powers of law enforcement agencies and establishing clear procedures for addressing sanctions regime violations will ensure more effective implementation of sanctions policies.

Strategic renewal of sanctions policies. Sanctions remain one of the most effective tools of influence. However, to achieve maximum impact, they must be continuously updated to account for new threats, technologies, and changes in the global economy.