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Newsletter

Russia Sanctions Litigation: Latest Developments

March 11, 2026

Dear Ladies and Gentlemen,

Sanctions against Russia continue to present challenges for courts worldwide. From the controversial Citibank and J.P. Morgan Supreme Court rulings to the high-stakes clash between the Russian Central Bank and Euroclear – Russian courts are increasingly asserting jurisdiction over sanctions-related disputes and grant claims against subsidiaries having no direct involvement into disputed relations.

Recording of the third webinar (September 2025) is here.

Meanwhile, enforcement of Russian judgments abroad is gaining momentum (the UAE, China, India, and South Africa) raising urgent questions about reciprocity and political risks.

Previously, we have discussed Russian procedural laws on exclusive jurisdiction, as well as the development of the case law on joint liability of group companies, and other key trends in litigation in sanctions disputes. Here we would like to share some new insights from the evolving landscape of Russia sanctions litigation.

1 Joint liability of group companies: inconclusive and ambiguous

1.1 Recent Russian case law reveals growing uncertainty in the application of joint liability to Russian subsidiaries of foreign parent companies.

In *Citibank* (May 2025), the Supreme Court set a high threshold for piercing the corporate veil, requiring proof of substantial control or intent to harm Russian creditors. The ruling remained abstract, but it still laid the groundwork for a trend of dismissals of claims against Russian subsidiaries, which indeed started to evolve.

Then, in *J.P. Morgan* (October 2025), the Supreme Court reaffirmed that liability is only possible in exceptional circumstances and demanded detailed evidence of control – such as uniform risk management, accounting standards, and group-wide governance.

Yet, the thaw in Citibank's position seemingly faltered: in some cases courts have returned to the practice of granting claims against Russian subsidiaries, which is seen in (November 2025–February 2026) *TransCapitalBank v Commerzbank, J.P. Morgan; VTB Bank v ING Bank; Vertical' v Societe Generale, Commerzbank; VTB Bank v Nordea Bank*.

1.2 Another lucid example is the series of disputes between Rasperia and Raiffeisenbank. A Russian company, subject to the EU sanctions, sued foreign shareholders of STRABAG for the deprivation of its corporate rights seeking damages equivalent to the value of Rasperia's stake.

Rasperia also named Raiffeisenbank's Russian subsidiary among the defendants despite the subsidiary not being a shareholder of STRABAG. The court eventually awarded over EUR 2 billion and ordered the transfer of STRABAG shares from Rasperia to Russian Raiffeisenbank to prevent unjust enrichment, although the latter never agreed to such a judicial transfer of rights.

In a second case, Rasperia successfully claimed compensation for the reduction of STRABAG's share capital in 2023 and dividends for 2024 though it was declared as deprived of its stake in STRABAG since April 2022. Again, the judgment was enforced against Russian Raiffeisenbank.

1.3 This demonstrates that Russian subsidiaries can still be targeted when a Russian plaintiff needs to enforce a judgment against foreign companies – even when such subsidiaries have

no direct link to the underlying claim and no direct involvement into disputed relations.

2 Russian Central Bank v Euroclear: high-stakes dispute and its implications

In December 2025, Russian Central Bank filed a claim for over RUB 18.2 trillion (approx. USD 230 billion) against Euroclear Bank, in response to the EU's proposed expropriation of Russian assets to fund reparations to Ukraine and the adoption of the Regulation (EU) 2025/2600.

The case, now being considered in camera, is a direct legal countermeasure. If the EU proceeds with its plan on confiscation, Russia may seek enforcement in "friendly" jurisdictions (e.g., CIS or BRICS countries), or the focus may eventually shift to "C"-type accounts – which currently enjoy protection from seizure under presidential decrees. However, the decrees can be revoked and the ban - (selectively) lifted swiftly without any legislative changes.

In any case, the ban on seizing funds from "C"-type accounts remains in place. This preserves funds of foreign companies, among which financial institutions are a predominant group. They can also receive dividends from Russian issuers to "C"-type accounts under dividend claims.

3 Enforcement of Russian judgments abroad: "friendly" and neutral countries

Russian judgments are increasingly recognized and enforced outside Russia in jurisdictions like the UAE, China, and CIS countries which confirm reciprocity. Notably, even judgments in favor of sanctioned Russian persons have been enforced in the UAE and Israel.

Enforcement of sanctions-related judgments remains complex, but even in this field there are peculiar developments. In *Eurochem v Tecnimont* (Bombay High Court, India) where a Russian plaintiff seeks recognition of a judgment rendered under Article 248.1 APC (exclusive sanctions jurisdiction) the Indian court granted *status quo* – a type of interim relief. The outcome of the enforcement case is yet to come out.

In South Africa, Russian judgments have led to asset freezing against Google International – under claims of Russian TV-channels on penalties for Google's refusal to unblock their YouTube channels, and a claim for enforcement of the transaction avoidance granted in Google Russia's bankruptcy proceedings.

Although these are freezing orders, not enforcement decisions, they signal growing international receptiveness to recognition and enforcement of Russian judgments, a topic we investigated earlier in our Guidebook (2025).

Note: please be aware that all information provided in this letter is based on an analysis of publicly available information as well as our understanding and interpretation of legislation and law enforcement practices. Neither ALRUD Law Firm nor the authors of this letter bear any liability for the consequences of any decisions made in reliance upon this information.

Sincerely,
ALRUD Law Firm