

Sanctions and commodity trading

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The sanctions struck Geneva's commodity trading even more directly than its wealth management. The embargoes on Russian crude oil and petroleum products, the bans on importing Russian coal, steel, gold and other goods, the restrictions on transport, insurance and financing services linked to these goods, and the price cap on Russian oil decided by the G7 forced traders to reorganise their activities.¹

The Federal Council devoted a report of 20 June 2025 to the subject, on the application and control of the sanctions against Russia in the commodities sector.² This report responded to questions from Parliament and the public about the effectiveness of the controls exercised over a sector that press estimates identified as the principal intermediary for Russian oil before the war.

The large Geneva trading houses reduced or ceased their activities linked to Russian oil. Public Eye observed in 2023 that they barely featured among the buyers of Russian oil, their position having been taken over by small, little-known entities, some of them close to the Kremlin and often established in Dubai.³ This reshuffling shifted part of the flows, revenues and risks towards centres that do not apply the sanctions, without the needs of the global market disappearing.

The price cap, an original mechanism, permits the provision of Western services — transport, insurance, financing — for Russian oil sold to third countries, provided the price does not exceed a ceiling set by the G7.⁴ This mechanism, intended to reduce Russian revenues while maintaining global supply, created verification obligations for traders, charterers, insurers and banks. It also gave rise to circumvention, notably through a fleet of vessels operating outside Western services.

1 Notes

1. Sixth package of European Union sanctions adopted by the Federal Council on 10 June 2022, with a progressive embargo on Russian crude oil from December 2022 and subsequently on petroleum products; “La Suisse impose un embargo sur le pétrole russe”, [swissinfo.ch](https://www.swissinfo.ch/fr/la_suisse_impose_un_embargo_sur_le_petrole_russe), 10 June 2022; G7 price cap adopted by Switzerland, see the following note. ↩
2. State Secretariat for Economic Affairs, “FAQ – Sanctions contre la Russie” and “Mesures en lien avec la situation en Ukraine”, [seco.admin.ch](https://seco.admin.ch/seco/fr/home) (accessed September 2026), which mention this report. ↩
3. Public Eye, “Russian oil trade: Dubai pulls out all the stops to edge out Switzerland”, [publiceye.ch](https://www.publiceye.ch/fr/actualites/actualites/2023/11/16/russian-oil-trade-dubai-pulls-out-all-the-stops-to-edge-out-switzerland), 16 November 2023. ↩
4. Cap of USD 60 per barrel set by the Council of the European Union on 3 December 2022 in coordination with the G7 coalition, applicable from 5 December 2022 to Russian crude transported by sea, reviewable every two months and set at least 5% below the average market price (Council of the European Union, press release of 3 December 2022, [consilium.europa.eu](https://www.consilium.europa.eu/fr/press-leases/2022/12/03/g7-price-cap)); caps for petroleum products from 5 February 2023 (State Secretariat for Economic Affairs, “Ukraine : entrée en vigueur des prix-plafond pour les produits pétroliers russes”, February 2023); Switzerland adopted the mechanism in the Ukraine Ordinance. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/geneva-sanctions-and-commodity-trading