

Sanctions: when the law interrupts the flows — overview and summary

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On 28 February 2022, at an extraordinary meeting, the Federal Council decided to adopt the European Union's sanctions against Russia. That decision, announced by the President of the Confederation as a far-reaching measure taken with conviction, placed sanctions law at the centre of the Geneva financial centre's concerns. Its banks managed considerable Russian assets, and its traders handled, according to press estimates, a major share of Russian oil and gas. This chapter describes the Swiss sanctions framework, traces the adoption of the measures against Russia and their successive packages, analyses their effects on wealth management and on commodity trading, examines the circumvention cases and draws the practical consequences for institutions and traders. The parallel with the ordinances of Louis XI, described in Part A, is present on every page: a place of passage lives on flows that a sovereign can interrupt.

1 In five sentences

1. Switzerland applies United Nations sanctions on a mandatory basis and adopts those of the European Union by decision of the Federal Council, on the basis of the Embargo Act, with the State Secretariat for Economic Affairs responsible for implementation.
2. On 28 February 2022, the Federal Council decided to adopt the entirety of the European Union's sanctions against Russia, applied from 4 March, followed by the successive packages up to the nineteenth in February 2026.
3. Assets frozen in Switzerland amounted to CHF 7.4 billion as at 1 April 2025. Geneva banks had to block relationships with sanctioned persons and re-examine their entire Russian clientele.
4. The sanctions forced the large Geneva trading houses to cease their activities linked to Russian oil, which moved to Dubai, and gave rise to

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circumvention cases, including that of a Geneva trader sanctioned by the European Union in 2024.

5. Sanctions compliance requires screening, analysis of ownership and control, analysis of transactions, documented governance and consideration of foreign regimes with extraterritorial reach.

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