

Sanctions as a permanent condition

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After 2022 sanctions compliance became a permanent condition of commodity trading in Lugano. The European Union adopted further packages that affected steel and metals, including restrictions on steel products processed in third countries from Russian iron and steel. Switzerland followed most of these measures through amendments to the ordinance of 4 March 2022, in which Art. 14a governs iron and steel products.¹ A trader in Lugano must therefore screen its counterparties, the origin of the steel it buys, the ownership of the mills that produced the semi-finished input and the vessels and ports used. In September 2023 the National Council adopted a postulate of its foreign affairs committee asking the Federal Council to examine the enforcement of sanctions against Russia in the commodity sector, to identify gaps and to assess additional measures to improve enforcement and monitoring.² Chapter G.II analyses the legal framework, the enforcement practice of SECO and the criminal provisions of the Embargo Act.

The war also accelerated a shift in ownership. The departure of Russian groups and the reorientation of Ukrainian producers reduced the weight of former Soviet capital in the cluster. Chinese ownership of DITH, already established since 2015, and the reported interest of an Abu Dhabi group in acquiring it in 2025 point to a cluster whose owners increasingly come from Asia and the Gulf.³ The connection with Italian industry, through firms such as Trasteel, Duferco's energy business and the many independent steel traders, has remained the stable core.

For the practitioner. Advisers to Lugano trading companies after 2022 should review at least the following points: - Ownership and control: whether any direct or indirect owner, director or significant counterparty is listed under the Swiss ordinance of 4 March 2022 (SR 946.231.176.72) or under EU, UK or US sanctions, and how control is assessed under each regime. - Product origin: whether goods or their inputs originate in Russia

or Belarus, including steel processed in third countries, and what documentary evidence of origin the supplier provides. - Financing: whether the trader's banks have internal policies that are stricter than the law and how they apply to the planned transaction. - Contracts: whether sanctions clauses, force majeure clauses and termination rights allocate the risk of new sanctions during the life of the contract. - Logistics and insurance: whether vessels, ports and insurers are themselves affected by sanctions or by price cap rules. - Reporting: whether frozen assets or contracts must be reported to SECO, and who in the company is responsible for the report.

1 Notes

1. Council Regulation (EU) No 833/2014, Art. 3g(1)(d), as amended by Council Regulation (EU) 2023/2878 of 18 December 2023 (twelfth package), on iron and steel products listed in Annex XVII processed in a third country with iron and steel inputs originating in Russia (from 30 September 2023, extended to further products from 1 April 2024 and 1 October 2028), <https://eur-lex.europa.eu/eli/reg/2023/2878/oj/eng>; Ordinance of 4 March 2022, SR 946.231.176.72, Art. 14a (iron and steel products), <https://www.droit-bilingue.ch/de-fr/9/94/946.231.176.72-14a-24.html>. See Chapter G.II. ↩
2. Plattform J, "Der Nationalrat in Kürze | 21. September 2023", <https://www.plattformj.ch/artikel/213839/>. ↩
3. La Regione, 22 October 2025 (above); Duferco, "Group history" (above). ↩

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