

Sanctions against Russia: how Switzerland adopted them

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On 28 February 2022 the Federal Council decided to adopt the European Union's sanctions against Russia in full. The decision placed sanctions law at the centre of compliance work in Geneva, whose banks held substantial Russian assets and whose trading houses handled, according to press estimates, a major share of Russian oil and gas. This article sets out the Swiss legal framework, the successive packages, the freezing of assets, the effect on commodity trading and the questions still open in 2026.

1 The Swiss legal framework

Switzerland applies sanctions on the basis of the Federal Act of 22 March 2002 on the Implementation of International Sanctions (Embargo Act, EmbA), in force since 1 January 2003. This framework statute allows the Federal Council to adopt coercive measures, such as asset freezes, trade restrictions and entry bans, to implement sanctions decided by the United Nations, the OSCE or Switzerland's main trading partners. United Nations sanctions are adopted as a matter of obligation. Measures of the European Union are adopted by decision of the Federal Council, which assesses their compatibility with neutrality and with Swiss interests.

The State Secretariat for Economic Affairs (SECO) implements the measures. It maintains the lists of targeted persons and entities, receives reports of frozen assets, grants exceptional authorisations and pursues breaches together with the criminal authorities. Swiss law differs from European law on certain points, which the Federal Council analysed in a report of 27 November 2024 on the differences between the EU directive on the violation of restrictive measures and Swiss law. United States sanctions add a further layer with extraterritorial reach, which Geneva institutions must take into account whenever they operate in dollars or deal with American counterparties.

2 From February 2022 to the twentieth package

Russia invaded Ukraine on 24 February 2022. The first Swiss measures appeared hesitant, under strong pressure from Washington and Brussels for full alignment. On 28 February the Federal Council decided to adopt the whole of the EU's economic sanctions, including the freezing of assets and measures against the Russian president, as Euronews reported that day. As *economiesuisse* noted on 4 March 2022, the Ukraine ordinance was totally revised that day to apply the EU sanctions of 23 and 25 February from 18:00. The measures banned exports of dual-use goods to Russia, public financing for trade or investment in Russia and transactions with the Central Bank of Russia, while certain Russian banks were excluded from the international interbank messaging network.

Successive EU packages followed. On 10 June 2022 the Federal Council adopted the sixth package, with a phased embargo on Russian crude oil from December 2022 followed by one on petroleum products, as *swissinfo* reported that day. SECO records implementation of the sixteenth package on 14 May 2025, the eighteenth on 29 October 2025 and the nineteenth on 25 February 2026. The twentieth package, implemented on 19 August 2026, added service bans for LNG carriers, icebreakers and LNG terminals in Russia as well as a ban on selling tankers to Russia. It also brought the first use of an anti-circumvention tool, blocking exports of sensitive goods to Kyrgyzstan, and a ban on Russian platforms for crypto-assets and digital assets. According to SECO on the same date, the Swiss list then covered some 2,790 individuals, companies and entities.

3 Assets, deposits and banks

The stakes for Geneva were considerable. Citing Bank for International Settlements statistics, Euronews reported on 28 February 2022 that Swiss banks' liabilities to Russian clients stood at 23 billion dollars in the third quarter of 2021, including 21.4 billion in deposits. The same report cited press estimates that 80 % of the trade in Russian oil and gas was conducted in Switzerland. Russia was nevertheless only Switzerland's twenty-third trading partner, with 4.7 billion francs of goods traded in 2021 according to *economiesuisse* on 4 March 2022.

Frozen assets are the most visible measure. According to SECO, assets frozen in Switzerland under the Russia sanctions amounted to 7.4 billion francs on 1 April 2025, in addition to fourteen properties, vehicles, aircraft, works of art and other items. The figure has fluctuated because assets frozen as a precaution were released once closer examination showed that

they fell outside the freeze. Article 15 of the Ukraine ordinance requires the freezing of assets and economic resources. SECO may exceptionally authorise payments, for instance to prevent hardship, honour existing contracts or comply with a judicial or arbitral decision. Article 20 prohibits accepting deposits of more than 100,000 francs from Russian nationals, residents and entities, subject to exceptions for Swiss nationals and holders of certain residence rights. Banks therefore had to review their entire Russian client base, sanctioned or not.

Freezing is distinct from confiscation. On 15 February 2023 the Federal Council concluded that confiscating frozen private Russian assets without a legal basis would breach the guarantee of property and Switzerland's international commitments. On the assets of the Russian central bank, it confined itself to following the international discussion.

4 Commodity trading and circumvention

For trading houses the decisive measures were the oil embargoes and the G7 price cap. The Council of the European Union fixed the cap at 60 dollars a barrel on 3 December 2022 for seaborne Russian crude, applicable from 5 December 2022, with caps on petroleum products from 5 February 2023. Western transport, insurance and financing services remain available for Russian oil sold to third countries only when the price stays under the cap. Switzerland adopted the mechanism in the Ukraine ordinance, which obliges traders, charterers, insurers and banks to verify prices and document the origin of cargoes. The Federal Council devoted a report of 20 June 2025 to the application and control of the Russia sanctions in the commodity sector.

The large Geneva houses reduced or ended their Russian oil business. Public Eye found on 16 November 2023 that they barely appeared among buyers of Russian oil, their place having been taken by small, little-known entities, some close to the Kremlin and many based in Dubai. The *Tribune de Genève* reported on 19 December 2024 that the EU had sanctioned a Geneva-based trader, accusing his company Paramount Energy & Commodities SA of circumventing the price cap through a Dubai subsidiary. Its Russian business had been moved there in June 2022, shortly before the corresponding Swiss measures took effect. The trader, who also faced sanctions imposed by the United Kingdom, contested the accusations. SECO published an aid to the interpretation of the sanctions on 26 February 2026.

Swiss sanctions policy itself was put to a popular vote set for 27 September 2026. As swissinfo reported on 19 August 2026, the neutrality initiative

seeks in substance to limit Swiss sanctions to those decided by the UN Security Council, which would call the adoption of EU measures against Russia into question. The Federal Council opposes the initiative, as did *economiesuisse* in a paper of 26 June 2026.

5 What to take from it

Two routes into Swiss law. UN sanctions are adopted as a matter of obligation under the Embargo Act, whereas EU measures require a decision of the Federal Council, which has adopted each Russia package since February 2022.

Services are now in scope. The packages have moved from asset freezes and export bans to shipping, insurance, financing, infrastructure and platforms for crypto-assets and digital assets.

Gaps between regimes carry risk. Structures that are lawful under Swiss law can still attract EU, UK or US measures, as the Paramount case of 2024 illustrated.

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