

Sanctions against third-country intermediaries

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From 2023, the European Union increasingly listed companies in third countries that helped Russia to circumvent the sanctions. Its packages named companies in China and other third states that had supplied Russia with dual-use goods or handled its oil.¹ Switzerland adopted most of these listings, although in October 2025 it declined to follow the listing of two Chinese regional banks. The listings changed the nature of compliance for the traders and industrial companies of Zug. Since it was no longer sufficient to avoid business with Russian parties, every counterparty in a transit country had to be checked against the lists and assessed for the risk of diversion.

The United States went further with its secondary sanctions. From December 2023, foreign banks that facilitated significant transactions for the Russian military-industrial base risked losing access to the American financial system.² Swiss banks, which depend on access to dollar clearing, responded by tightening their controls on trade finance and payments involving Central Asia, the Caucasus and Turkey. Traders in Zug reported that some banks refused to finance even legitimate trade with these regions. The indirect effects of the sanctions on the canton's trading community therefore extended well beyond the business with Russia itself.

1 Notes

1. Germany Trade & Invest, gta.de: the 11th package (23 June 2023) expanded the listing of third-country entities to address circumvention; Federal Council, press release of 29 October 2025, admin.ch: Switzerland did not follow the EU in listing two Chinese regional banks. ↩

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2. Executive Order 14114 of 22 December 2023, "Taking Additional Steps With Respect to the Russian Federation's Harmful Activities", Federal Register, 26 December 2023, [federalregister.gov](https://www.federalregister.gov): authorises sanctions on foreign financial institutions that have conducted or facilitated significant transactions involving Russia's military-industrial base, including a prohibition of US correspondent accounts.



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