

The measures that concern the commodity trade

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

The sanctions against Russia affect the commodity trade in several ways. They prohibit the purchase, import and transport of Russian crude oil and petroleum products, subject to the exceptions for trade that complies with the price cap. They prohibit the purchase and import of Russian gold and of various metals and steel products. They prohibit the provision of financial and technical services to sanctioned Russian entities and freeze the assets of designated persons and companies. And they prohibit the export of a wide range of goods and technologies to Russia.¹

The price cap deserves particular attention. The states of the G7, the European Union and Australia agreed in December 2022 to prohibit the provision of maritime transport, insurance, financing and related services for Russian crude oil sold above a price of 60 dollars a barrel. From February 2023, the prohibition extended to petroleum products sold above 100 dollars a barrel for products traded at a premium to crude, such as diesel, and 45 dollars a barrel for products traded at a discount, such as fuel oil. Switzerland adopted the cap for crude oil in December 2022 and for petroleum products with effect from 15 February 2023.² The European Union later lowered the cap for crude oil and introduced a dynamic mechanism. Its twenty-first package of 23 July 2026 froze the cap at its current level until 14 July 2027.³

The twenty-first European package of July 2026 is of particular importance for the metals traders of Zug, since it prohibits the import of Russian copper, nickel, lead and zinc, with a wind-down period until 25 October 2026 for contracts concluded before 24 July 2026. It also subjects five oil traders to transaction bans and adds further vessels of the shadow fleet to the lists. Since Switzerland adopts such packages by autonomous decision of the Federal Council, typically with some delay, the practitioner must verify at each moment which European measures Switzerland has adopted and with what effect.⁴

1 Notes

1. SECO, "FAQ – Sanktionen gegen Russland": restrictions on crude oil, petroleum products, gold and various metals; exceptions for transactions complying with international price cap arrangements; prohibitions of financial and technical services to sanctioned Russian entities. ↩
2. swissinfo.ch, "Bundesrat beschliesst Preisdeckel für Diesel und Öl aus Russland", 15 February 2023: price cap of \$60 per barrel for crude oil decided in early December 2022; \$100 per barrel for refined products such as diesel, kerosene and gasoline; \$45 per barrel for heating oil and similar products; entry into force on 15 February 2023 at 6 p.m.; prohibition for companies of participating states to transport or insure Russian oil products sold above the thresholds. ↩
3. Source as cited in the printed edition. ↩
4. Source as cited in the printed edition. ↩

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