



## PRESS RELEASE No 65/25

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Advocate General's Opinions in Cases C-696/23 P | Pumpyanskiy v Council, C-704/23 P | Khudaverdyan v Council, C-711/23 P | Rashnikov v Council, C-35/24 P | Mazepin v Council and C-111/24 P | Khan v Council

### **Freezing of funds: AG Medina considers the criterion for the inclusion of leading businesspersons on the restrictive measures lists, following the invasion of Ukraine by the Russian Federation, to be lawful**

*Listing criterion (g)<sup>1</sup> does not require the Council to demonstrate any specific conduct of the listed person, in particular in terms of influence over the Russian Government, or to establish any link with its regime*

In March 2022, the Council of the European Union adopted restrictive measures listing several prominent Russian or Russia-linked businesspersons on EU sanctions lists. These measures were based on Council acts adopted in 2014 and amended in February 2022, following the invasion of Ukraine by the armed forces of the Russian Federation. Following their listing in 2022, five businesspersons<sup>2</sup> brought actions before the General Court seeking annulment of the Council measures, which included their name on the lists annexed to it. They challenged the legality of the sanctions, arguing that their inclusion was unjustified.

The Council, on similar grounds for each case, argued that the listed persons held senior or ownership roles in strategic sectors of the Russian economy. It also claimed that those sectors provided substantial source of revenue to the Russian government, which is responsible for the annexation of Crimea and the destabilisation of Ukraine. In 2023, the General Court dismissed<sup>3</sup> each of the actions. Messrs Pumpyanskiy, Khudaverdyan, Rashnikov, Mazepin and Khan lodged separate appeals before the Court of Justice against those five judgments.

**In today's Opinions, Advocate General Laila Medina proposes that the Court of Justice dismiss the appeals insofar as they seek to challenge the General Court's interpretation of listing criterion (g) and its assessment as to the validity and appropriateness of that criterion.**

In all five Opinions, the Advocate General outlines that the term 'leading businesspersons' contained in that criterion should be interpreted as referring to the importance of the businessperson concerned in the economic sector in which he or she is involved and within which he or she is capable of exerting an influence. That term does not require the demonstration by the Council of any influence by the person concerned over the Government of the Russian Federation, or a link between that person and the regime of that country.

Relying on the reasoning put forward by the General Court, **AG Medina observes that there is a rational relationship between the targeting of leading businesspersons involved in economic sectors providing a substantial source of revenue to the Russian government and the objective of the restrictive measures.** After all, the imposition of restrictive measures to leading businesspersons makes it more difficult for them to carry out their activities, which is capable of harming Russia's economy and, therefore, contributes to increasing the costs of the military aggression against Ukraine. That is the case **even in the absence** of specific influential conduct on the part of the listed person with respect to the Russian Government. Furthermore, AG Medina recalls that the adoption

of the restrictive measures is intended to exert pressure on the Government of the Russian Federation to put an end to aggression of Russia in Ukraine by reducing the financial resources available.

As regards the term ‘involved in economic sectors providing a substantial source of revenue’, also contained in criterion (g), AG Medina considers that the most accurate interpretation of those terms is that the source of revenue must be an economic sector and not an individual businessperson, inasmuch as that provision links the word ‘revenue’ to a national government as the beneficiary thereof. In addition, if the Council had intended the substantial source of revenue to come from a leading businessperson, the expression ‘involved in economic sectors’ would have been superfluous since all businesspersons are, by definition, involved, directly or indirectly, in an economic sector.

AG Medina is of the view that listing criterion (g) should not be declared unlawful, given that the restrictive measures adopted against leading businesspersons are not manifestly inappropriate in relation to their objectives, taking as well into account the context in which those measures were adopted and the particular gravity of the situation.

Concerning Mr. Khan’s appeal, AG Medina considers that the General Court did not err in law by not examining whether his listing by the Council under criterion (d) <sup>4</sup> was well-founded. **The General Court was entitled to conclude that, where one of the criteria justifying the listing of a person is found to be justified, namely criterion (g), there is no need to further examine the reasons underpinning an alternative listing criterion as the basis for the same Council’s decision.**

AG Medina did not express any opinion as regards the remainder of the grounds of appeals submitted by the appellants.

**NOTE:** The Advocate General’s Opinion is not binding on the Court of Justice. It is the role of the Advocates General to propose to the Court, in complete independence, a legal solution to the cases for which they are responsible. The Judges of the Court are now beginning their deliberations in this case. Judgment will be given at a later date.

**NOTE:** An appeal, on a point or points of law only, may be brought before the Court of Justice against a judgment or order of the General Court. In principle, the appeal does not have suspensive effect. If the appeal is admissible and well founded, the Court of Justice sets aside the judgment of the General Court. Where the state of the proceedings so permits, the Court of Justice may itself give final judgment in the case; otherwise, it refers the case back to the General Court, which is bound by the decision given by the Court of Justice on the appeal.

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The full texts of the Opinions ([C-696/23 P](#), [C-704/23 P](#), [C-711/23 P](#), [C-35/24 P](#) and [C-111/24 P](#)) are published on the CURIA website on the day of delivery.

Press contact: Jacques René Zammit ☎ (+352) 4303 3355.

Pictures of the delivery of the Opinion are available from ‘[Europe by Satellite](#)’ ☎ (+32) 2 2964106.

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<sup>1</sup> See Article 2(1)(g) of Council [Decision 2014/145/CFSP](#) of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, in its version as amended by Council [Decision \(CFSP\) 2022/329](#) of 25 February 2022 (‘Decision 2014/145, as amended’). The criterion relates to leading businesspersons or legal persons, entities or bodies engaged in economic sectors that provide a substantial source of revenue to the Government of the Russian Federation.

<sup>2</sup> Namely, Dmitry Arkadievich Mazepin, Dmitry Alexandrovich Pumpyskiy, Tigran Khudaverdyan, Viktor Filippovich Rashnikov and German Khan.

<sup>3</sup> Judgments of the General Court of 6 September 2023, *Pumpyanskiy v Council*, [T-270/22](#) (see also Press Release [No 132/23](#)); of 6 September 2023, *Khudaverdyan v Council*, [T-335/22](#); of 13 September 2023, *Rashnikov v Council*, [T-305/22](#); of 8 November 2023, *Mazepin v Council*, [T-282/22](#) (see also Press Release [No 166/23](#)) and of 29 November 2023, *Khan v Council*, [T-333/22](#).

<sup>4</sup> Article 2(1)(d) of Decision 2014/145, as amended. The criterion contained therein targets i.a. persons supporting, materially or financially, or benefitting from Russian decision-makers responsible for the annexation of Crimea or the destabilisation of Ukraine