



General Court of the European Union

**PRESS RELEASE No 132/18**

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Judgments in Cases T-715/14 Rosneft and Others v Council, T-732/14 Sberbank of Russia v Council, T-734/14 VTB Bank v Council, T-735/14 Gazprom Neft v Council, T-737/14 Vnesheconombank v Council, T-739/14 PSC Prominvestbank v Council, T-798/14 DenizBank v Council, and T-799/14 Gazprom Neft v Council

Press and Information

## **The General Court of the EU upholds restrictive measures adopted by the Council against a number of Russian banks and oil and gas companies in connection with the crisis in Ukraine**

Since 31 July 2014, the Council has, in response to Russia's actions to destabilise the situation in Ukraine, adopted restrictive measures against a number of Russian banks and undertakings which specialise in the oil and gas sector. Those measures impose restrictions on certain financial transactions and on the export of certain sensitive goods and technologies, restrict the access of certain Russian entities to the capital market and prohibit the provision of services required for certain oil transactions. The objective of the measures adopted by the Council is to increase the cost of actions taken by Russia to undermine the sovereignty of Ukraine. A number of undertakings and banks affected by those measures brought actions for their annulment before the General Court of the European Union.

In its judgments today,<sup>1</sup> the General Court finds, first of all, that it has jurisdiction to review the legality of the contested acts and that the actions are admissible, as the entities which brought these actions are directly and individually concerned by the measures in question or, in the case of the export restrictions, are directly concerned by acts that do not entail implementing measures.

As to the substance, the Court rules in particular that **the reasons given by the Council for the contested acts are sufficient** and that the statements of reasons enabled the entities concerned to ascertain the reasons for the restrictive measures affecting them and to challenge them. The Court also points out that the stated **objective** of the contested acts is **to increase the costs of Russia's actions to undermine Ukraine's territorial integrity, sovereignty and independence**, and to promote a peaceful settlement of the crisis. According to the Court, such an objective **is consistent with the objective of maintaining peace and international security**, in accordance with the objectives of the European Union's external action set out in Article 21 TEU. The Court also states that the Council can impose, if it deems it appropriate, restrictions which target undertakings active in specific sectors of the Russian economy in which products, technologies or services imported from the European Union are particularly significant.

The Court goes on to note that the question whether the **restrictive measures at issue are compatible with the EU-Russia Partnership Agreement** has already been settled by the Court of Justice in its *Rosneft* judgment of 28 March 2017.<sup>2</sup> The Court of Justice considered that the adoption of the restrictive measures was necessary for the protection of the essential security interests of the European Union and for maintaining peace and international security, and that an examination of the acts at issue in the light of the EU-Russia Partnership Agreement had disclosed nothing that might affect the validity of those measures. As to the argument alleging breach of the principle of equal treatment and non-arbitrariness, the Court of Justice found that the choice of

<sup>1</sup> In another judgment today in Case [T-515/15](#), the Court upholds the freezing of the funds of the Russian company Almaz-Antay for the period 2016-2017, just as it had upheld the freezing of that company's funds for the period 2015-2016 (see also Press Release No [6/17](#)).

<sup>2</sup> Case [C-72/15](#) Rosneft, see also Press Release No [34/17](#).

targeting undertakings or sectors that are reliant on cutting-edge technology or expertise mainly available in the European Union is consistent with the objective of ensuring the effectiveness of the restrictive measures and ensuring that the effect of those measures is not offset by the importation, into Russia, of substitute products, technologies or services from third countries.

The General Court further points out that, in the context of the **principle of proportionality**, the Court of Justice held that the EU legislature had to be allowed a broad discretion in areas which involve political, economic and social choices on its part, and in which it is called upon to undertake complex assessments. In accordance with the ruling of the Court of Justice, **there is a reasonable relationship between the content of the contested acts and their objective**. The General Court notes that the importance of the objectives pursued is such as to justify the possibility that, for certain operators, which are in no way responsible for the situation which led to the adoption of the sanctions, the consequences may be negative, even significantly so. Therefore, **interference with the freedom to conduct a business and the right to property of the entities concerned cannot be considered to be disproportionate**.

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**NOTE:** An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months of notification of the decision.

**NOTE:** An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to European Union law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

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*The full texts of the judgments ([T-715/14](#), [T-731/14](#), [T-734/14](#), [T-735/14](#), [T-739/14](#), [T-798/14](#) and [T-799/14](#)) is published on the CURIA website on the day of delivery*

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*Pictures of the delivery of the judgment are available from "[Europe by Satellite](#)" ☎ (+32) 2 2964106*