



Press and Information

Court of Justice of the European Union
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Judgment in Case C-732/18 P
PAO Rosneft Oil Company and Others v Council

The Court of Justice upholds the judgment of the General Court dismissing an action brought against the restrictive measures imposed on Russian oil companies that are members of the Rosneft group in the context of the Ukraine crisis

The measures have been duly justified and are suitable for putting pressure on Russia because of its role in that crisis

On and after 31 July 2014, the Council adopted restrictive measures in relation, inter alia, to the oil sector in Russia in response to the actions taken by Russia to destabilise the situation in Ukraine. Those measures include, in particular, prohibitions on the export of certain sensitive products and technologies to that sector and restrictions on the access of certain operators in that sector to the EU capital market. The aim of the measures is to increase the costs of the actions taken by Russia against Ukraine's sovereignty and to promote a peaceful settlement of the crisis.

A number of Russian companies that are members of the Rosneft group ('Rosneft') specialising in the oil and gas sectors brought an action before the General Court of the European Union for annulment of the measures referred to above. By judgment of 13 September 2018,¹ the General Court dismissed that action.

The companies concerned brought an appeal against the judgment of the General Court before the Court of Justice.

By its judgment today, the Court of Justice **dismisses the companies' appeal in its entirety.**

As a preliminary point, the Court rejects the Council's arguments concerning the inadmissibility of certain grounds of appeal because of the authority of *res judicata* attached to the Court's *Rosneft* judgment of 28 March 2017.² According to the Court, even if a judgment delivered in preliminary ruling proceedings might be relied on in support of an objection of inadmissibility, the present case is not between the same parties as those involved in the case that gave rise to that judgment. It cannot therefore be held that the conditions governing recognition that the authority of *res judicata* attaches to that judgment are satisfied.

On the substance, the Court confirms, first of all, that the export prohibitions at issue constitute measures of general application, even if, because of the specific characteristics of the sector targeted, the number of actors within that sector may actually be quite limited. Consequently, the General Court was correct to hold that the Council was entitled to confine itself, in stating the reasons for those measures, to setting out the overall situation which led to their adoption, on the one hand, and the general objectives which they were intended to achieve, on the other, and that the Council was not required to state actual or specific reasons for those measures.

As regards the statement of reasons for the restrictions of individual application imposed on the companies concerned with respect to access to the capital market, the Court recalls that Rosneft is a major player in the Russian oil sector, whose share capital is predominantly owned by the Russian State, and that those companies do not dispute that they meet the criteria set by the

¹ Judgment of the General Court of 13 September 2018, *Rosneft and Others v Council* ([T-715/14](#); see also [PR No 132/18](#)).

² Judgment of the Court of Justice of 28 March 2017, *Rosneft* ([C-72/15](#); see also [PR No 34/17](#)).

Council for the application of such targeted measures. Thus, having regard to the overall situation referred to above and the objectives pursued by all of the restrictive measures adopted by the Council, the Court of Justice confirms the General Court's assessment that the companies in question could not reasonably have been unaware of the reasons why the targeted restrictions at issue were imposed on them.

The Court goes on to note that both the export prohibitions and the restrictions on access to the EU capital market clearly contribute to achieving the objective pursued by the Council. Therefore, contrary to the abovementioned companies' contention, the General Court did not err in holding that those measures were not manifestly inappropriate having regard to that objective.

Last, having recalled that the restrictive measures at issue are compatible with the EU-Russia Partnership Agreement,³ the Court finds that the General Court did not make an error in considering that they were also compatible with GATT.⁴ Like the EU-Russia Partnership Agreement, GATT also contains a provision relating to 'security exceptions', which, in circumstances such as those that led to the adoption of the measures at issue, enables the contracting parties to take any measures necessary for the protection of their essential security interests.

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 text](#) of the judgment is published on the CURIA website on the day of delivery.

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³ Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, on the one part, and the Russian Federation of the other part, signed in Corfu on 24 June 1994 and approved on behalf of the European Communities by Council and Commission Decision 97/800/ECSC, EC, Euratom of 30 October 1997 (OJ 1997 L 327, p. 1).

⁴ General Agreement on Tariffs and Trade.