

(English version)

**Question for written answer E-002009/24
to the Commission
Adrian-George Axinia (ECR)
(10 October 2024)**

Subject: EU sanctions against Russia and the potential use of former Soviet republics to circumvent these sanctions

In the light of the sanctions imposed on the Russian Federation following its invasion of Ukraine, I would like to inquire about reports indicating that former Soviet republics in the Caucasus are being used to circumvent these sanctions.

Specifically, there are allegations that the control of national management institutions is being leveraged to monopolise key economic sectors.

For instance, in Uzbekistan, it has been reported that Octobank JSC, which is controlled by the National Agency of Perspective Projects, appears to dominate cross-border financial transactions, including money transfers and peer-to-peer payments, potentially sidelining other financial institutions.

In this context:

1. Can the Commission share what measures are being taken to monitor and address potential sanctions evasion through these mechanisms? Has it contacted the Uzbek authorities in relation to potential breaches of the sanctions regime, and if not, does it intend to do so?
2. Is the Commission aware of the situation regarding Octobank JSC and its implications for the integrity of the EU's sanctions regime, and what steps is it considering to ensure that such circumvention efforts do not undermine the effectiveness of the sanctions against the Russian Federation?

Submitted: 10.10.2024

**Answer given by Ms McGuinness on behalf of the European Commission
(22 November 2024)**

The EU has adopted 14 far-reaching sanctions packages in response to Russia's war of aggression against Ukraine. Among the main objectives of these measures is to impair Russia's ability to pursue its war effort by depriving it of revenues and denying it key goods and technology.

Ensuring the full and effective implementation of sanctions as well as tackling their possible circumvention, including through third country jurisdictions, is a matter of priority.

The EU continues to adjust the sanctions frameworks and adopted numerous measures to counter circumvention. Additionally, the EU has intensified outreach to countries at risk of being used as platforms for circumvention.

Since his appointment in December 2022, the EU Sanctions Envoy has engaged in extensive outreach to such high-risk jurisdictions, including in Central Asia and the Caucasus.

To date, the Envoy has visited Uzbekistan twice. These high-level contacts are routinely followed by technical meetings between the Commission and third country authorities.

These exchanges are an important venue for enhancing mutual understanding, sharing information and cooperating on fighting circumvention.

Both political and technical level engagement has borne tangible results, in particular as regards trade in the Common High Priority (CHP) items ⁽¹⁾.

The Commission welcomes any concrete information in the context of sanctions circumvention so it can take action but does not comment on individual cases.

The Commission has also organised capacity-building seminars to further inform third countries, including Uzbekistan, and their economic operators about EU sanctions. In all such actions, the EU cooperates closely with its partners within the G7 and beyond.

⁽¹⁾ https://finance.ec.europa.eu/system/files/2023-09/list-common-high-priority-items_en.pdf