

(English version)

**Question for written answer E-002449/25
to the Commission
Nicola Procaccini (ECR), Giovanni Crosetto (ECR), Denis Nesci (ECR)
(18 June 2025)**

Subject: Sidestepping of sanctions against Russia by means of a financial institution in Kyrgyzstan

A number of European media outlets have reported that the financial institution Capital Bank of Central Asia has facilitated Russia's circumvention of EU sanctions. The bank allegedly made it possible to make payments for weapons and dual-use goods to Chinese suppliers, undermining the restrictive measures imposed by the EU in response to the Russian aggression in Ukraine and obstructing peace efforts.

In the light of European commitments to ensuring that sanctions are applied properly and preventing their circumvention:

1. What specific steps is the Commission taking to identify and address sanctions circumvention cases involving financial institutions such as the Capital Bank of Central Asia in Kyrgyzstan and other third countries, in particular with regard to arms and dual-use goods?
2. What cooperation mechanisms or frameworks have been established with Kyrgyzstan and other third countries and their financial authorities to prevent the use of their banking systems for sanctions circumvention, in particular in relation to payments to suppliers in countries such as China?
3. Is the Commission planning any improvements to existing anti-circumvention measures, such as broadening targeted sanctions, stepping up due diligence requirements or imposing restrictions on the Capital Bank of Central Asia in Kyrgyzstan and other entities of that kind in third countries identified as high-risk for the facilitation of those activities?

Submitted: 18.6.2025

**Answer given by Ms Albuquerque on behalf of the European Commission
(11 August 2025)**

Tackling sanctions circumvention is a top priority for the EU. The EU maintains an active dialogue, including with Kyrgyzstan, to tackle circumvention of EU sanctions, asking third countries to cooperate in preventing the re-export of battlefield items in the Common High Priority list (CHP) ⁽¹⁾, list of specific prohibited dual-use goods and advanced technology items critical to the development, production or use of Russian military systems.

The EU Sanctions Envoy travelled to Kyrgyzstan in 2023. He has also met with Kyrgyz authorities during their visits to Brussels. Kyrgyzstan committed to control the re-export of CHP items to Russia.

The Commission continues to monitor the situation regarding third country entities that may contribute to the circumvention of sanctions against Russia. Sanctions have been imposed on several such entities, including two companies from Kyrgyzstan.

In August 2024, Kyrgyzstan introduced two restrictions in its financial sector: (1) decree prohibiting Kyrgyz banks from operating with sanctioned Russian banks; (2) decree prohibiting Kyrgyz banks from processing transactions for goods which do not arrive in the territory of Kyrgyzstan.

Since the 14th sanctions package against Russia ⁽²⁾, the EU has in place a ban for EU banks to use the financial messaging system SPFS ⁽³⁾.

The measure also allows the EU to draw up a list of non-Russian third country banks connected to such system; those banks will be banned from doing business with EU operators.

In addition, the 14th package also introduced a ban on transactions with banks and crypto assets services, in Russia and third countries, that facilitate transactions supporting Russia's defence-industrial base. These measures have been expanded in the recent 18th package. ⁽⁴⁾

⁽¹⁾ https://finance.ec.europa.eu/publications/list-common-high-priority-items_en.

⁽²⁾ https://finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures/sanctions-adopted-following-russias-military-aggression-against-ukraine_en.

⁽³⁾ System for Transfer of Financial Messages, Russian equivalent of the SWIFT financial transfer system

⁽⁴⁾ among others by making it possible to prohibit transactions with listed third country banks and other financial institutions that frustrate the EU sanction measures or support Russia's war of aggression against Ukraine: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202501494.