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Answer given by Mr Dombrovskis
on behalf of the European Commission
(12.3.2026)

On 3 December 2025 (COM(2025) 3502 final), to address Ukraine's urgent financing needs, the Commission proposed funding a 'Reparations Loan' to Ukraine by borrowing from financial institutions cash balances that accumulate because transactions regarding the assets and reserves of the Central Bank of Russia are prohibited. Russian assets would be untouched by this operation as these cash balances are not the property of the Central Bank of Russia and are not protected by sovereign immunity. The legislative proposals included in the Reparations Loan package contained measures to protect EU taxpayers, including the right to reduce liabilities towards the Central Bank of Russia in case of successful investor-State dispute settlement proceedings.

In its conclusions of 18 December 2025, the European Council agreed to address Ukraine's urgent financing needs for 2026-2027 via a EUR 90 billion loan funded by EU borrowing on capital markets. Ukraine will repay this loan only after receiving reparations from Russia for the damages caused. The EU also reserves its right to make use of Russian immobilised cash balances to repay Ukraine support loan in full accordance with international and EU law. It also called on the Council and the European Parliament to continue working on the technical and legal aspects of the instruments establishing a 'Reparations Loan' to Ukraine based on the cash balances associated with Russia's immobilised assets.

As co-legislators further examine the technical and legal aspects, the Commission will continue exploring steps to protect EU citizens and companies against the risk of Russian retaliation in relation to EU sanctions and the proposed Reparations Loan.