Questions and Answers on the Russian Federation Supreme Court's Review of Russian Counter-Sanctions No. 8/2026 dd. 17 June 2026

(This does not constitute legal advice – an assessment of a specific situation requires an analysis of the relevant information and documents)

14 July 2026

1. Question: Have the legal requirements regarding the minimum amount of monthly payments on loans, credits or dividends in favour of persons from 'unfriendly' countries changed?

Answer: No, formally, the legal requirements – specifically the provisions of Presidential Decree No. 95 of 5 March 2022 (Decree No. 95) – have not changed.

On 17 June 2026, the Supreme Court published a thematic **review** of established case law on the application by arbitration courts of legislation concerning Russian counter-sanctions. This review represents the first attempt to systematise the case law on counter-sanction restrictions and to set a clear direction for it.

This review contains no references to specific court cases, which makes it difficult to apply the approaches outlined to individual cases.

Thus, the review in question (clause 3) also contains no references to specific precedents; however, it can be assumed that it refers to the 'politicised' Raven Russia case, which highlighted the actions of a group of individuals from a single industrial group whose conduct deviated from standard business practice and was aimed at artificially circumventing payment restrictions in favour of 'unfriendly' entities in amounts not exceeding RUB 10 million per month, so that this group of individuals managed to pay out several billion RUB over a period of approximately 3 years. Each such payment from a single Russian individual did not exceed RUB 10 million per month.

2. Question: Do I understand correctly that an LLC with foreign participants, as before, may distribute profits of no more than RUB 10 million per month (gross), excluding profit tax, without any risk?

Answer: Yes, if an LLC periodically transfers profits to a foreign participant in monthly instalments not exceeding RUB 10 million per month, such payments must pass through a Russian bank without additional requirements and without additional, closer controls, provided there is no intention or evidence of artificially circumventing the restrictions.

3. Question: What, then, constitutes the artificial splitting of payments? Would monthly payments of RUB 10 million each from a single debtor to a single foreign creditor be considered an artificial splitting of payments?

The Supreme Court emphasises the primacy of the economic substance of transactions over their formal structure.

Each suspicious situation will be assessed on the basis of a combination of suspicious indicators, in particular the total amount of liabilities and the actual grounds for making the payments.

Indications of artificial splitting of payments may include:

- A group of transactions. Payments are made via several parties over a period of several months; whilst each individual payment does not exceed the limit (and thus formally complies with legal requirements), taken together they are intended to fulfil the same obligation to a foreign creditor from an 'unfriendly' country.

- The formal nature of the payment structure. The splitting is artificial in nature, that is, it is not driven by objective economic reasons or the specific terms of the contract, but is aimed solely at circumventing the restrictions – namely, the limit of RUB 10 million per month.

- Unlawful purpose. The actions were carried out with the intention of circumventing the requirements of Decree No. 95 and avoiding the application of the special settlement procedure. This may take the form of creating the appearance of compliance with the law whilst in fact violating its essence.

4. Question: Is it actually prohibited for a Russian debtor to settle a loan obligation in a single payment, or to distribute profits in favour of an 'unfriendly' party, in an amount exceeding RUB 10 million? For example, can an LLC repay a loan of RUB 300 million in a single payment?

Answer: No, the *one-off and prompt* fulfilment of an obligation in full in an amount exceeding RUB 10 million is not prohibited; however, such fulfilment would not be in the commercial interests of the foreign creditor.

To this end, under Decree No. 95, the debtor is entitled to independently open a Type 'C' account in the name of the foreign creditor with a Russian credit institution. Funds are transferred to this account in RUB, and their subsequent use is regulated by the Russian Central Bank or the Ministry of Finance.

Such fulfilment of the obligation will not be advantageous for the foreign creditor, as the funds will not be credited to their current account, and they will have no actual right to dispose of these funds. Transactions on this account are strictly limited: until the restrictive measures are lifted, only settlements with the Russian budget are effectively permitted. Furthermore, a foreign company may find itself with a Type 'C' account at a Russian 'sanctioned' bank without its consent.

In theory, authorisation from the Government Commission may be obtained to make a large payment to a foreign creditor, provided certain specific conditions are met; however, such successful cases are few.

5. Question: Nevertheless, the news seems worrying. What advice can you offer at this stage to help protect oneself against payment hold-ups and potential issues?

Answer: At present, provided that all parties act in good faith, there appears to be no cause for concern.

We have also contacted major Russian banks with foreign ownership, where our clients hold accounts, to clarify to what extent this review will alter practices or the level of scrutiny applied to payments made to 'unfriendly' parties. At present, all banks have confirmed that their practices will remain unchanged. Banks continue to monitor compliance with the maximum payment threshold of RUB 10 million.

As before, any transactions or operations that deviate from a particular client's usual business practices attract additional scrutiny from banks, but primarily in the context of compliance with anti-money laundering legislation.

In such cases, banks may request additional documents or explanations, or refuse to process a particular payment.

According to the Supreme Court's review, it was the tax office or the Prosecutor General's Office that brought proceedings to have suspicious and unusual transactions of the same nature declared null and void.

We recommend verifying the circumstances of the transaction and assessing planned transactions before they are carried out. For transactions that have already been completed, it is necessary to check that there are documents substantiating their genuine economic purpose. In case of any doubts, legal advice should be sought regarding the specific situation.

6. Question: What steps can be taken to mitigate the risk of claims regarding the splitting of amounts under a loan agreement when repaying interest and the principal to a foreign 'unfriendly' party?

Answer: In order to minimise potential regulatory risks and ensure compliance with legal requirements, we recommend entering into an additional agreement to the loan agreement, setting out a clear payment schedule. This will serve as confirmation of the transparency of the company's operational activities and its compliance with legal requirements.

7. Question: What steps can be taken to mitigate the risk of claims regarding the splitting of dividend payments to a foreign 'unfriendly' person?

Answer: In order to minimise potential regulatory risks and ensure compliance with legal requirements, we recommend that a separate corporate resolution be passed for each monthly payment relating to the distribution of profits or the payment of dividends, where the amount does not exceed RUB 10 million (before tax). This will serve as confirmation of the transparency of the company's operational activities and its compliance with legal requirements.

8. Question: Our Russian company makes regular royalty payments to a foreign 'unfriendly' rights holder. Are there any restrictions on the amount of such payments applicable to the Russian company?

Answer: The provisional procedure for fulfilling obligations to rights holders, established by Decree No. 322 of the President of the Russian Federation, applies to all obligations relating to the use of intellectual property, regardless of the basis on which they arise.

However, the mere fact that a rights holder is registered in an 'unfriendly' country does not in itself constitute an abuse of rights — the restrictions do not apply to foreign rights holders from 'unfriendly' countries who duly fulfil their obligations under contracts with Russian residents and continue to operate within the territory of the Russian Federation.

The burden of proof regarding these circumstances lies with the rights holder.

Evidence may include the existence of valid contracts, records of deliveries, sales of goods on the Russian market, and so on.

9. Question: A loan agreement has been concluded between a Russian company and a foreign counterparty from an 'unfriendly' country. The right to claim under this agreement was transferred to a Russian company by way of an assignment agreement. Can the Russian company fully repay the debt to the Russian company without restriction?

Answer: The assignment by a foreign person of claims to a person not covered by Decree No. 95 is intended to obtain funds in circumvention of the provisions of that decree and is therefore void.