

Canada announces ‘major’ additional sanctions on Russia

JUNE 30, 2025 5 MIN READ



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On June 17, 2025, the government of Canada announced “its biggest-ever package of vessel and trade-related sanctions” against Russia.

The new sanctions do not fundamentally change the nature of Canada’s Russia sanctions. Rather, through three separate amendments to the *Special Economic Measures (Russia)*

Regulations (the Russia Regulations)^[1] made a few days prior, on June 13, the amendments expand Canada’s existing Russia sanctions by subjecting 116 additional individuals and entities to asset freezes and dealings bans, targeting 201 additional vessels in Russia’s “shadow fleet” and banning services related to those vessels, and imposing an import ban on various “revenue-generating goods” and an export ban on nearly 1,000 additional goods and technologies, including various goods and technologies with non-military applications.

Prohibitions on trade in goods and technologies

By virtue of the addition of nearly 1,000 new items to the list of goods and technologies that may not be supplied, sold, shipped or exported to Russia, or to any person in Russia, and prohibiting the import, purchase or acquisition of hundreds of “revenue-generating goods”, the Russia Regulations now prohibit trade in a much broader range of items with Russia than they did previously. The export prohibitions now apply to various additional goods related to the production of advanced materials or chemical or biological weapons, include goods such as jet fuel that can support Russia’s war effort, and — importantly — now extend to a broad category of “industrial goods” that have non-military applications and range from building materials to chemicals to video game consoles. The expanded import prohibitions now apply to various goods that generate export revenue for Russia (e.g., coal products and metals).

These additional trade prohibitions come into force 30 or 60 days from June 13 (depending on the restriction), to give Canadian businesses time to adjust. The amendments also include “wind-down” provisions that exempt newly added goods subject to existing contracts. These provisions vary by prohibition and exempt certain imports and exports made under contracts entered into at least 60 days before the amendments come into force (as long as the goods are imported/exported within 120 days of the amendments coming into force), as well as certain prohibited imports if the newly prohibited goods were exported from Russia at least 60 days before the amendments come into force.

Additional designations: individuals and entities

The amendments move Surgutneftgas — one of Russia's largest oil and gas companies — into Schedule 1 to the Russia Regulations. This follows similar actions by the U.S. and the U.K. in January, and the EU. in May. The revised listing makes Surgutneftgas subject to the broad asset freeze and dealings ban that applies to approximately 2,300 other individuals and entities listed in Schedule 1, whereas previously it was subject only to restrictions on dealings related to its new debt. Among the other additions to the lists of sanctioned persons in Schedule 1 are three banks, including a Kyrgyz bank already subject to U.S. sanctions.

Vessel sanctions: targeting Russia's 'shadow fleet'

Effective June 13, Canada has designated an additional 201 vessels as part of Russia's "shadow fleet" (i.e., vessels Canada and its allies have determined are involved in sanctions evasion by transporting Russian oil and liquefied natural gas to third countries and transporting military equipment, supplies and other goods for Russia's benefit). The amendments also expand existing prohibitions with respect to listed vessels (i.e., prohibitions on docking the vessels in or passing the vessels through Canada applicable to all Russian ships and listed vessels, subject to limited exceptions) to also ban all services related to all listed vessels.

Expanded reporting channels

The amendments also introduce a new reporting mechanism for possession or control of property owned or controlled by a sanctioned person, enabling Canadians and persons in Canada to report such possession or control to the Royal Canadian Mounted Police (RCMP) (the previous reporting mechanism), or to the Canadian Security Intelligence Service.

Key takeaways

The amendments reflect a further expansion of Canada's Russia sanctions rather than a fundamental change in their form. However, the size and scope of these amendments do signify an intention by the Canadian government, together with its EU and U.K. allies, to continue to use sanctions as a preferred foreign policy tool to counter Russia's war of aggression in Ukraine. In some respects (e.g., the revised Surgutneftgas listing), the amendments bring Canada's policy in line with that of the U.S.; in other respects the amendments surpass current U.S. sanctions. Whether the U.S. will remain aligned with this approach remains uncertain.

While we expect that Canada will continue to struggle with challenges around sanctions enforcement (as discussed in our [previous post](#)) as Canada's sanctions expand, there are practical steps businesses should take to mitigate risk and ensure they are compliant with the amended sanctions. Canadian businesses, and businesses operating in Canada, should review their supply chains and business relationships to identify touchpoints with Russia. Given the expanded scope of goods and technologies now prohibited for export, businesses selling or exporting goods or technologies to Russia should take particular care to confirm these goods and technologies are not now subject to the prohibition. Businesses should also implement or update supplier and customer screening to ensure that newly sanctioned individuals, entities and property of such individuals or entities that they own or control, are promptly identified.

[1] The Russia Regulations were amended pursuant to three Orders in Council: [2025-0516](#), [2025-0517](#), and [2025-0518](#).