

October 2023

Illuminating the Role of Third-Country Jurisdictions in Sanctions Evasion and Avoidance (SEA)

Dr Liam O'Shea,¹ Olivia Allison,²
Gonzalo Saiz³ and Alexia Anna Hack⁴

1. Royal United Services Institute (RUSI)
2. Independent Researcher
3. Royal United Services Institute (RUSI)
4. Royal United Services Institute (RUSI)

All correspondence to: liamo@rusi.org

Acknowledgements

The authors would like to thank Cathy Haenlein and Tom Keatinge for their comments on earlier versions of this paper.

Suggested citation

Allison, O., Hack, A. A., O'Shea, L. and Saiz, G. (2023). *Illuminating the Role of Third-Country Jurisdictions in Sanctions Evasion and Avoidance (SEA)*. SOC ACE Research Paper No 21. Birmingham, UK: University of Birmingham.

About the authors

Dr Liam O'Shea is a RUSI Senior Research Fellow and expert on comparative politics and politics in the former Soviet Union (FSU). He is a former adviser in the Foreign, Commonwealth & Development Office (FCDO).

Olivia Allison is an expert on financial investigations and politics and finance in Russia, Ukraine and Central Asia. She is a former partner at KPMG Ukraine, where she led the forensic practice.

Gonzalo Saiz is a Research Analyst at the Centre for Financial Crime and Security Studies at RUSI, focusing on sanctions and counter threat finance.

Alexia Anna Hack is a researcher focusing on policing, security, and violence through a gender perspective. She also has experience in researching violence in the context of borders and international security apparatuses.

About SOC ACE

The Serious Organised Crime & Anti-Corruption Evidence (SOC ACE) research programme aims to help 'unlock the black box of political will' for tackling serious organised crime, illicit finance and transnational corruption through research that informs politically feasible, technically sound interventions and strategies. Funded by the UK's Foreign, Commonwealth & Development Office (FCDO), SOC ACE is a new component in the Anti-Corruption Evidence (ACE) research programme, alongside Global Integrity ACE and SOAS ACE. SOC ACE is managed by the University of Birmingham, working in collaboration with a number of leading research organisations and through consultation and engagement with key stakeholders.

SOC ACE is funded by the UK Foreign, Commonwealth & Development Office. The views expressed here do not necessarily reflect the UK Government's official policies.

© Crown Copyright 2023.

Find out more

www.socace-research.org.uk



Follow us on X: [@SOCACE_research](https://twitter.com/SOCACE_research)



Follow us on LinkedIn: www.linkedin.com/company/socace-research

SOC ACE | University of Birmingham | Birmingham | B15 2TT | United Kingdom



UNIVERSITY OF
BIRMINGHAM

Contents

Acronyms and abbreviations	4
Summary	5
1. Introduction	7
1.1. Definitions	8
2. Methodology	10
2.1. Limitations	12
3. The role of third countries in SEA: A review of existing evidence	14
3.1. SEA in relation to Russia’s invasion of Ukraine	16
4. Analysis: Sanctions evasion and avoidance in third countries in relation to sanctions imposed on Russia	18
4.1. Setting up and using corporate structures to avoid sanctions	18
4.2. Evading and avoiding restrictions on the movement of finance and capital	20
4.3. Trading in military and dual-use goods	24
4.4. Trading in other sanctioned goods, including those allegedly stolen from occupied territories of Ukraine	26
4.5. Oil smuggling	27
4.6. Geopolitical alignment and sanctions evasion and avoidance	29
5. Conclusions and policy implications	32
5.1. Future research	35
Bibliography	37

Acronyms and abbreviations

CIS	Commonwealth of Independent States
CISFTA	Commonwealth of Independent States Free Trade Area
CSTO	Collective Security Treaty Organization
EEU	Eurasian Economic Union
EU	European Union
EEUFTA	Eurasian Economic Union Free Trade Agreement
FATF	Financial Action Task Force
FSU	Former Soviet Union
OFAC	Office of Foreign Assets Control of the U.S. Department of the Treasury
RUSI	Royal United Services Institute
SCO	Shanghai Cooperation Organisation
SEA	Sanctions evasion and avoidance
SWIFT	Society for Worldwide Interbank Financial Telecommunication
UN	United Nations

Summary

Sanctions are widely regarded as an important tool to exert influence internationally but there is limited understanding of the impact of sanctions evasion or avoidance (SEA) and the role of third countries in SEA specifically. Without this understanding, it is difficult to tackle key loopholes which allow the avoidance and evasion of sanctions, including those imposed on Russia since the invasion of Ukraine.

This paper concentrates on the role of third countries in sanctions evasion and avoidance. It defines third countries as those which are neither 'senders' nor 'targets' of sanctions regimes. The paper offers a scoping study exploring the role of thirteen third countries¹ in SEA relating to sanctions imposed on Russia since the invasion of Ukraine. The study is based on a review of the academic literature, as well as analysis of data from media reports, blogs, forums and other open-source information and trade and shipping data, pertaining to the period from February 2022 to February 2023.

Our research highlights a correlation between a third country's support for or opposition to a sanctions regime and the extent of its geopolitical alignment with senders or targets. It also shows that involvement in SEA is more likely where a third country is economically dependent on the target country, has trade and commercial capacities to engage in SEA and has interests in doing so. The analysis also identifies more specific, causal factors of SEA by identifying and comparing specific types of SEA, by industry and sector. In particular, we find that the following factors, most of which relate to trade and commercial capacity, increase the extent of a third country's potential involvement in SEA:

- ease of setting up anonymous or nominee corporate structures and access to professional advisory services in the third country;
- access to financial services, including banks, payment systems and cryptocurrency, in the third country;
- transshipment capacity of the third country, namely the extent to which it acts as an intermediate point, where the destination or origin of sanctioned or dual-use goods can be obscured;
- logistics capability in the third country and access to logistics infrastructure used in transshipment or shipment of sanctioned goods (that is, knowledge of and integration into global customs and trade infrastructure);
- ability of target country citizens to easily move and engage in economic activity in the third country; and
- level of ability of sanctions-sending states to regulate or enforce sanctions in a particular sector or industry.

¹ Armenia, Cyprus, Czechia, Georgia, Indonesia, Kazakhstan, Malta, Saudi Arabia, Serbia, South Africa, Spain, Türkiye and the UAE.

To put it more succinctly, a third country's involvement in SEA is more likely where it has trade and commercial capacity to engage in SEA in the professional advisory, financial services, shipping and logistics sectors, all of which provide substantive opportunities to engage in SEA. In these cases, there is likely to be a significant role for a range of private commercial actors within these sectors with economic interests in engaging in SEA. This suggests that policymakers interested in countering SEA should prioritise countries with economies dependent on the above sectors and focus on measures which would encourage or precipitate better regulation and policing of these sectors. More broadly, our analysis indicates that analysing the role of third countries in SEA by industry sector, not just by country, may help to identify more specific countermeasures tailored to particular industries. Overall, understanding the role of these factors, and the specific nuances and features of particular types of SEA, enables more focused follow-on analysis and, potentially, better targeted policy responses.

1. Introduction

The use of sanctions as a foreign policy tool has been widely studied in a range of contexts, with a wide literature covering questions of impact, effectiveness and the evolution of the purposes of sanctions issuance over time. The dynamics of sanctions evasion or avoidance (SEA), and the role of third countries in SEA specifically in the wake of Russia's invasion of Ukraine, are less well examined.

This paper marks a preliminary effort to fill this gap. Its specific aim is to examine the role of third countries either in upholding sanctions or in facilitating SEA – and to identify the resultant policy implications. This contribution is much needed, with analysis of the role of third countries in SEA largely absent from the academic literature. In the main sanctions literature, third countries' involvement is mainly reduced to geopolitical factors (including their level of support for sender or target countries as allies) (G. Hufbauer et al., 1990). A smaller sub-literature on sanctions-busting provides a number of more nuanced suggestions that economic factors have an important influence on SEA, and that a third country's role in SEA is more likely where it is economically dependent on the target country and/or has trade and commercial capacities to engage in SEA (Early, 2011; Kaempfer & Lowenberg, 1999). This literature also suggests that SEA can be driven by private actors (individuals/companies), even when a country's political leadership is aligned with sender countries (Early, 2009). There are, however, limitations with the sanctions-busting literature. It consists of few studies, meaning that we have limited evidence and information to draw from. Attributing SEA to trade and commercial capacity and interests remains a broad endeavour, lacking granularity on specific drivers of SEA or how policymakers in sanctions-sending countries might counteract these drivers. Without this, it is difficult to devise effective policy countermeasures, aside from very 'broad brush' measures to undermine such capacities.

Mindful of these gaps, the paper details the results of a scoping study conducted to explore the role of third countries in facilitating SEA following Russia's invasion of Ukraine, and to assess the corresponding policy implications. Specific research questions examined are as follows:

- How have flows of Russian financial and human capital and patterns of SEA changed since February 2022 and which jurisdictions have emerged as key to facilitating or countering SEA?
- What factors facilitate and/or support the countering of SEA in third countries?
- Are there particular types of individuals/organisations, including within Russian diasporas or connected to them, that facilitate SEA and what methodologies do they use?
- What policy measures can the UK and the wider international community use to counter SEA in third-country jurisdictions, and which types of individuals/organisations should be targeted?

In addressing these research questions, our approach seeks to examine human capital and financial flows in 13 case study countries since the Russian invasion of Ukraine, and patterns of SEA in particular economic sectors, including professional advisory and financial services, shipping and logistics. In examining patterns of SEA by industry, we provide more detail on the forms SEA can take and the factors that affect it. We consider a number of different types of SEA, including: setting up/using corporate structures to avoid sanctions; evading and avoiding restrictions on the movement of finance and capital; supplying/trading in military and potential dual-use goods; trading in other sanctioned goods, including those allegedly stolen from Ukraine, such as grain, wood and coal; and oil smuggling.

In doing so, this study seeks to provide a conceptual framework that adds value to research on sanctions, SEA and the role of third countries and that may help to guide better policy. By identifying categories of SEA in which third countries play a role, we aim to provide a framework for other analysts and researchers to use and build from. This is done with the expectation that SEA involving third countries could be better understood and countered, through deeper examinations of the different types and sectors involved in relevant SEA activity, and the factors which affect this, rather than by country comparison alone. In this way, close analysis of the incentives, risks and opportunities for involvement by the private sector and political actors linked to that sector may offer a stronger basis to devise more targeted and effective SEA countermeasures.

1.1. Definitions

The paper adopts a broad definition of sanctions, which are understood to refer to measures to (i) coerce or change behaviour; (ii) constrain access to resources needed to engage in certain activities; or (iii) signal and stigmatise (Ruys, 2017). It focuses on SEA in relation to sanctions imposed on Russia by the US, EU and other Western powers, which include sectoral sanctions and export controls, as well as asset freezes targeting individual entities. Sanctions evasion is understood as activity which transgresses the legal framework of a sender country or a third country which is upholding a sanctions regime. Sanctions avoidance, by contrast, is understood as activity that is still legal according to whichever jurisdiction is the frame of reference. For simplicity's sake, we use the term 'SEA' to cover both evasion and avoidance. In doing so, we frame SEA primarily in terms of sender countries' definitions, but in encompassing avoidance we recognise that the activity may not actually be illegal.

Third countries are often considered to encompass all states besides the target and primary sender (Early, 2009). In this paper, we use the term to refer to countries mainly sitting between sanctions imposed by 'senders' – whether Western countries or multilateral institutions (such as the UN and the EU) – and Russia as the 'target'. Our cases, however, include some EU countries, which are part of multilateral sending regimes. This inclusion was made for two reasons. First, the various Western sanctions regimes align with each other but not completely. A country can be a 'sender' of one regime but not another. Second, individual EU member states vary in how they enforce

and legislate sanctions. Thus *de jure* they may be sender countries but *de facto* at least part of their behaviour may be similar to that of third countries.²

² We also deliberately excluded countries such as Iran and Belarus which, though they can be considered third countries in relation to sanctions imposed on Russia, are subjects of wide-reaching sanctions regimes themselves, bringing them closer to Russia as the 'target' country.

2. Methodology

The research for this paper was conducted between December 2022 and March 2023. The methodology had two main components: an in-depth review of the existing literature and analysis of data from media reports, blogs, forums and other open-source information and trade and shipping data. We supplemented this with a validation exercise via interviews with experts on SEA. Using these methods, the project involved an iterative process to design and refine a conceptual framework through which to view the role of third countries in SEA in the wake of Russia's invasion of Ukraine.

The team began with a targeted literature review of English-language sources using Google Scholar and EBSCO searches to identify provisional answers to the project's research questions, that could then be tested empirically against other sources of data. These sources included research conducted by academia, think tanks, governments and multilateral organisations, as well as credible media organisations. To ensure the successful collection of literature on SEA and the role of third countries, multiple combinations of different keywords were employed. As well as using labels such as 'sanctions' or 'sanctions evasion', a wide array of variations were used, including 'sanctions circumvention', 'sanctions violations', 'sanctions avoidance', 'third countries' and 'third parties', among many others. The search also included terms identified throughout the review such as 'sanctions busting' and so-called "black knights", which are widespread in this specific literature. In light of the relatively limited size of the body of work explicitly focused on the role of third countries in SEA, the team then expanded the review to cover areas where the broader research on sanctions considers SEA, with consideration of some of the factors likely to affect the role of third countries. The geographic scope of the review was broad, given that a number of studies are quantitative, covering a large number of cases, although it also covered work focused on individual case studies.

Following this, the team gathered and analysed data from media reports, blogs, forums and other open-source information and trade and shipping data in relation to 13 countries. The country cases were chosen based on their different geopolitical and economic alignments and economies, whilst still having substantial Russian presence or linkages (in diaspora and/or financial terms). They were grouped into four sets:

- 1 Former Soviet countries with borders and/or logistical links to Russia (Georgia, Armenia and Kazakhstan).
- 2 EU states with Russian diasporas, either long-standing or those that have grown into large diasporas since the end of the Cold War (Cyprus, Czechia, Malta and Spain).
- 3 Middle Eastern economic hubs to which Russian citizens are reported to have relocated after February 2022 (Saudi Arabia, Türkiye and UAE).
- 4 Other countries reported to have experienced an increase in inward Russian migration, indicating potential financial flows (Indonesia, Serbia and South Africa).

In assessing experience in these countries, information was obtained through data capture and analysis from the following publicly available sources:

- 1 Media reports concerning SEA and Russian-originated human and financial capital flows involving our sample countries in Russian, Ukrainian, and English. These media searches were conducted using specific searches on terms relating to SEA in news aggregator databases. The searches covered large newspapers and news agencies in the thirteen jurisdictions, as well as in Russia, Ukraine, the US and Europe; investigative and analytical websites such as Investigate Europe, the Organized Crime and Corruption Reporting Project, and Re: Russia (re-russia.net); and sanctions-focused websites such as Opensanctions.org and the Ukrainian site War and Sanctions.
- 2 Blogs, online forums, Telegram channels and social media content on potential SEA activity published in Russian, Ukrainian and English. In particular, we sought to identify sites providing advice to Russian citizens abroad on transferring funds through banks and/or cryptocurrency wallets.
- 3 Trade and economic structure data from Bloomberg's Trade Flow, UN COMTRADE, IMF Direction of Trade Statistics and the World Bank's World Development Indicators relating to case study countries' imports from and exports to Russia, as well as reports from RUSI and Silverado Policy Accelerator, which provide aggregate analyses of trade statistics for certain jurisdictions.
- 4 National statistics for the 13 jurisdictions under review; specifically, publicly available migration statistics and data on new companies incorporated by Russian nationals.
- 5 US, EU and UK government announcements concerning sanctions enforcement and new sanctions designations, as well as other advisory information, such as communications from the U.S. Department of Treasury and U.S. Department of State regarding potential SEA methodologies.
- 6 National corporate registries and corporate information aggregation databases, on a limited basis, in order to corroborate reports concerning the ownership of companies alleged to have participated in SEA.
- 7 Maritime and ship ownership data from Eikon, on a limited basis, in order to corroborate reports concerning trade-related SEA.

In analysing information from these sources, the team sought to identify and differentiate individual types of SEA, the sectors involved and, where possible, the types of entities involved in this activity. The team also sought to identify reports concerning any changes to migratory or financial relationships between the 13 jurisdictions in the year following Russia's invasion of Ukraine (specifically, 24 February 2022 until the end of February 2023). In order to do so, for each jurisdiction, the team compiled and analysed data and public reporting from the above sources according to a number of key themes as follows:

- 1 **Migration patterns:** Visa regulations for Russian citizens and numbers of Russian citizens reported in the country before and after the February 2022 invasion of Ukraine.
- 2 **Profiles of Russian migrants:** Industries and/or occupations in which Russian migrants work, as well as high-net-worth Russian individuals who have moved to or acquired assets in the jurisdiction in question following February 2022.

- 3 **Russian-owned businesses:** Russian-owned businesses, including companies that had moved headquarters or operations to the jurisdiction after February 2022, and statistics on businesses registered by Russian nationals.
- 4 **Financial connections to the Russian banking system:** Connections to the Russian payment system Mir, presence of Russian-owned banks, and marketing of cryptocurrency or rouble cash-conversion services to Russian audiences.
- 5 **Trade relationships:** Statistics on trade with Russia, reports and other analyses of trade statistics.
- 6 **Sanctions evasion:** Media reports in Ukrainian, Russian or English concerning types of sanctions evasion involving the jurisdiction.

This process led to the identification of dozens of examples of publicly reported SEA, which we then categorised into types of SEA, analysing the range of parties involved (public or private), as well as the factors enabling the SEA.

Finally, the team undertook a validation exercise, which involved interviews with experts on SEA to fact check findings. Interviewees were identified through their written publications and the team's existing networks. To prioritise informant safety, we kept identities anonymous, where requested to, and managed the data process to ensure anonymity.

2.1. Limitations

The project was a scoping study which limited the extent of the data which could be gathered and our methodology.

The project was conducted over a three-month period, restricting the amount of data and information the team was able to gather and analyse. We therefore limited the review period to cover SEA in third countries for the first year following the invasion of Ukraine. The analysis is based on one set of sanctions (targeted sanctions against Russia) and experience in 13 case study countries. Our literature review indicates that conclusions could pertain to other sanctions regimes and third countries, but this would need to be tested.

Though comprehensive, our methodology was subject to important limitations. Notably, within the existing literature there are inconsistencies around how sanctions and SEA are defined and measured and few existing frameworks to draw on to explain factors which affect SEA. Thus, the team was required to develop its own framework (as explained in more detail in Chapter 5).

Beyond this, analysis was largely restricted to categorising and analysing existing publicly available data and reports, as there was insufficient time to conduct field research or collect new data independently. SEA is inherently secretive, often requiring significant investigative capability to uncover. Investigations into SEA are also often led by sending countries' intelligence and law enforcement bodies, which require time to gather the relevant information, and information often comes to light years after the actual SEA took place. Other investigations occur in the private sector, particularly in the

banking sector, and information on potential SEA activity uncovered in this way may never become public. National data examined in this study – for example on migration and corporate ownership – also varies widely, limiting our ability to make accurate quantitative comparisons across the jurisdictions.

Despite these caveats, this paper provides an initial framework to better understand the role of SEA in third countries and addresses gaps in the literature, which we discuss in the next section.

3. The role of third countries in SEA: A review of existing evidence

The academic literature on targeted sanctions is large and has undergone numerous phases of scholarly debate. Its main strand has focused almost exclusively on answering the question: are sanctions successful in achieving the goals of the countries that impose them? The impact of SEA, and specifically the role of third countries, in this question has often been overlooked. Our review of the wider scholarship does, however, identify a number of factors relevant to SEA.

Literature on sanctions can broadly be categorised into three identifiable periods (Jones & Portela, 2020; Peksen, 2019). Initial research developed in the 1970s comprised mainly qualitative case study-based analyses of the former Rhodesia, Cuba and South Africa (Doxey, 1980; Galtung, 1967; Wallenstein, 1968). In the second phase, from the mid-1980s to the late 1990s, the field was dominated by quantitative research covering a larger number of cases (G. Hufbauer et al., 1990; Pape, 1997, 1998). Finally, a more critical phase saw the emergence of a more nuanced approach questioning the very definition of success and seeking to identify the factors affecting the effectiveness of sanctions (Jones & Portela, 2020). However, a major weakness of the overall sanctions literature is that analyses have often been conducted in relative isolation from each other, with limited comparison across them (Özdamar & Shahin, 2021). This also applies to a small but important sub-field focused on sanctions-busting, which is particularly relevant to SEA.

In general, the literature has focused predominantly on examining the effectiveness of sender countries' sanctions against target countries, rather than on the role of third countries. Thus, it provides limited guidance on why a third country may or may not participate in SEA. Research diverges mainly on the factors to which effectiveness is attributed. This includes some evidence that sanctions are more likely to achieve their intended policy objectives when they inflict major economic damage on the target economy (Drury, 1998; G. C. Hufbauer, 2007); when they are used in line with less ambitious policy goals (Ang & Peksen, 2007; G. C. Hufbauer, 2007; Lindsay, 1986); when deployed against democracies rather than dictatorships (Kaempfer et al., 2004; Lektzian & Souva, 2007; Peksen, 2016); and when they are supported by multilateral coalitions rather than imposed by a single country or an ad hoc coalition (Bapat & Morgan, 2009; Drezner, 2000, 2003; Early & Spice, 2015; Martin, 1994).

In this context, this review of the wider literature finds that SEA is rarely considered among the wide array of factors affecting the effectiveness of sanctions. Yet, some of the broader sanctions literature touches on SEA, with some findings of relevance to this paper's focus on third countries. For example, some research suggests that third country involvement will depend on how sanctions affect third country domestic economies, on the third country regime type, on the type of sanctions imposed (focused or broad) and on the degree of international pressure imposed on a third country. But the evidence is not strong, nor does it provide detail on these factors or why there may be variation across third countries.

Although the broader literature has often ignored or oversimplified the role of third countries, a much smaller literature on sanctions-busting provides more detailed indications on why third countries either support sanctions or engage in SEA (Early, 2009, 2011; Golub, 2020; G. Hufbauer et al., 1990; Kaempfer & Lowenberg, 1999; Lektzian & Souva, 2007). Initial research in this area attributed the motivations of “black knights” – actors engaged in sanctions-busting including in third countries – to strategic geopolitical factors (G. Hufbauer et al., 1990). For example, Hufbauer et al. explain the USSR’s trade with Cuba as politically motivated to undermine US sanctions imposed during the Cold War. Opposing this position, however, Bryan Early’s work has been at the forefront of presenting a more nuanced perspective on third country involvement, indicating that economic rather than geopolitical factors may be more important in driving SEA.

For Early, geopolitical factors cannot alone explain third country involvement in SEA. In the Cuba example, Canada, Mexico, France and Spain also traded with Cuba but these countries were more closely aligned geopolitically to the US than to Cuba or the USSR (Early, 2011). Early found that it may be more viable for third countries with larger economies to participate in SEA because they can absorb surplus exports from the target country and are better able to adjust their production more easily and meet the increased demands of the target (Early, 2009). Existing close economic ties can also mean that upholding sanctions imposes high costs on third country governments and commercial entities and also presents incentives and opportunities to evade and avoid them (Barry & Kleinberg, 2015). A country which is economically dependent on the target state, for example, may have limited scope to implement sanctions (Barry & Kleinberg, 2015). Similarly, countries close to the target in a weaker and more vulnerable financial state may fear economic disruption should they abstain from trade with the target (Golub, 2020).

The sanctions-busting literature also broadly indicates that the nature of a third country’s economy and especially its trade and commercial interests can further affect its likely engagement in SEA. Countries which are more embedded and engaged in international trade flows are more likely to possess well-developed transportation infrastructures and commercial networks, and marketplaces with logistical and brokerage sectors which offer sanctions-busting opportunities (Early, 2009). As such, third countries may provide economic, in addition to political, advantages to firms registered in the jurisdiction that can further facilitate SEA (Early, 2009). These are not limited to legitimate economic spheres. SEA opportunities may be enhanced where a country shelters private companies with links to shadow markets, and tolerates various trade methods such as the re-flagging and the disguising of vessels (Biersteker et al., 2013, p. 51). Extensive commercial ties may also favour engagement in SEA, where social and economic groups have vested financial interests in continuing trade with the target economy and actively lobby against sanctions implementation (Barry & Kleinberg, 2015).

Early and other authors who focus on economic factors to explain third country involvement also present an approach that is less state-centric than that seen in earlier research, focusing on the role of commercial and other actors in third countries. Harsher sanctions imposed against a target can make trade more profitable for a third party, presenting commercial opportunities (Kaempfer & Lowenberg, 1999). For Early, the

capability of profit-driven firms to engage in SEA, combined with their number, size and interest in doing so, offers important insights into third party involvement in SEA (Early, 2009). Such actors can have a noticeable impact on sanctions effectiveness, whereas “black knights” alone are not deemed likely to have an impact. In contrast, Letzkian and Souva (2007) concluded that the mere presence of a single “black knight” diminishes the likelihood of a target state capitulating (Letzkian & Souva, 2007).

Overall, the existing literature helps to identify a number of broad factors that may explain why a third country engages in or facilitates SEA. These can be grouped into three categories. First, a third country’s geopolitical alignment has been shown to affect its role in SEA (although geopolitics alone cannot explain substantive observed variation in third countries’ behaviour). Second, a third country with a substantive degree of economic dependency is held to have more incentives to engage in SEA because upholding sanctions imposes substantive economic and political costs. Third, a third country’s trade and commercial capacity and interests are held to play a role, increasing the opportunities for a third country to engage in SEA.

There are, however, important limitations to existing research on third country involvement in SEA. Overall, this literature remains small, offering limited data, analysis and cases to draw from. There is also a lack of clear definitions, and of agreed comparative frameworks that seek to explain causal factors affecting SEA. Thus, although we have aimed to summarise factors identified in the literature, the focus remains very broad and nuance is lacking. Trade and commercial capacity and interests vary by sector, for example – a factor not accounted for in the existing literature. There is also little empirical research comparing or weighting the above factors. This means that we have limited existing evidence to explain why some more geopolitically aligned countries engage in SEA and others do not. Research around policies to discourage sanctions-busting and help improve the effectiveness of sanctions also remains limited (Peksen, 2019). In effect, we do not know the circumstances in which one factor is more important than another. Without a more nuanced analysis, it is difficult to design effective policy. Economic dependency may, for example, indicate to a policymaker where sanctions are less likely to be enforced. But we have little information and granularity to identify to what extent, and how successfully, SEA activity will take place, and under what conditions.

3.1. SEA in relation to Russia’s invasion of Ukraine

Very little academic literature exists on SEA in relation to the Russian invasion of Ukraine in February 2022, which is to be expected given academic production timescales. In the next chapter, we draw on findings from the ‘grey literature’, but this largely pertains to specific examples of SEA – which helped the team to develop its framework and more specific analysis of particular forms of SEA – rather than providing more systematic analyses of forms and causes.

As part of our literature review, we did, however, examine research on changes to financial and human flows since the Russian invasion. On financial capital flows, albeit outside the formal academic literature, there have been analyses of the capital outflows and drop in foreign direct investment, following investors’ withdrawal from Russia after

February 2022 (Simola, 2022). However, these aggregate capital flows do not reflect or describe third country involvement in SEA. There is also no published, publicly available data on financial and banking outflows from Russia to third countries that could be used to measure SEA. Such data is maintained by central banks and other individual banks, which do not release this data into the public domain, prohibiting systematic analysis.

Previous efforts to analyse demographic changes that could be relevant to SEA are similarly limited. The invasion, and especially Russia's declaration of a partial mobilisation of military reserves in September 2022, precipitated new and higher volume emigration flows from Russia. Russian intelligence services published statistics showing that four million Russians had left the country in the first quarter of 2022, but this included those who had left temporarily for business or tourism (The Moscow Times, 2022). In contrast, a February 2023 Washington Post article estimated that at least 500,000 and perhaps one million Russians had emigrated (Ebel & Ilyushina, 2023). Data sources across the 13 countries vary widely, making comparison difficult and national statistics are not consistently available.

There is more comparable data on trade flows since the invasion but also with important caveats (and with limited previous effort made to assess the relevance to third country involvement in SEA). Russia's trade balance increased drastically to US\$227 billion in 2023, probably attributable to increased prices of gas and oil products and the drop in Russia's imports (Reuters, 2023). While Russia has stopped publishing trade data, many analysts have examined Russia's trading partners' data. The European think tank Bruegel documented a large fall in Russian exports of non-mineral fuel goods, particularly to sanctions-sending countries such as the EU, UK and US (Darvas & Martins, 2023). Meanwhile, Russia's imports from other countries fell by 50% initially, then later recovered somewhat (though not to pre-February 2022 levels) (Darvas & Martins, 2023). Trading patterns have also shifted markedly. Bruegel has identified that Russia's trade with China is roughly at the same level as before the invasion, while its trade with other countries including Türkiye, Kazakhstan, Georgia and Armenia (as well as other former Soviet Union countries) has increased dramatically (Alperovitch et al., 2023). Yet none of these sources alone presents a clear picture of the role of third countries in SEA in relation to sanctions on Russia after February 2022.

The comparable data that does exist indicates that the war and subsequent sanctions have had an impact in terms of human flows and across various global sectors including commodity markets (especially food and energy), logistic networks, supply chains, foreign direct investment, and other specific sectors (Ruta, 2022). There is, however, limited available data and research on financial and human flows at a macro level. Focusing on particular types of SEA through third countries allows for more focused and granular analysis of data and sources and is provided in the next section, in an effort to target the gaps identified above.

4. Analysis: Sanctions evasion and avoidance in third countries in relation to sanctions imposed on Russia

In this section, we present the findings of our analysis of the major types of SEA identified across our third country case studies, following the invasion of Ukraine. Rather than primarily analysing an individual country's general role in sanctions enforcement or SEA, the sectoral approach adopted allows for the identification of more detailed patterns, nuances and potential causes of SEA.

In gathering and analysing data from media reports, blogs, forums and other open-source information and trade and shipping data in relation to the 13 case study countries, we were able to identify a range of examples of publicly reported SEA. Across all case studies, we compared and contrasted the examples of SEA identified, which fell into five broad categories.³ These were identified as:

- 1 setting up and using corporate structures to avoid sanctions;
- 2 evading and avoiding restrictions on the movement of finance and capital;
- 3 trading in military and potential dual-use goods;
- 4 trading in other sanctioned goods, including those allegedly stolen from Ukraine, such as grain, wood and coal; and
- 5 oil smuggling.

Each of these five categories of SEA in third countries is considered in turn over the remainder of this chapter, concluding with a discussion of the intersections with the role of geopolitical alignment of the third country.

4.1. Setting up and using corporate structures to avoid sanctions

Company incorporation and corporate structures can be used in a range of forms of SEA. Because of this, a range of Russian entities engaged in corporate formation, tax, accountancy, management consultancy and PR services have been subject to EU, UK and US sanctions. SEA through corporate structures is largely enabled by the ease of establishing such structures in a range of third countries, and the inability of sanctions-sending states to effectively enforce relevant sanctions.

³ These categories cannot be considered in isolation and there is crossover between them, but they represent relatively distinct forms.

In a number of country case studies, a rapid growth in company formation, especially those linked to citizens of the target country, may indicate higher rates of use of corporate structures in SEA. Although data concerning companies incorporated by Russian nationals was not available in all jurisdictions under review, our research identified the following examples of this:

- 1 Türkiye: There were 50% more new incorporated foreign-owned companies identified in 2022 than in 2021, with 1,363 new businesses set up by Russian citizens in 2022 (The Union of Chambers and Commodity Exchanges of Türkiye, 2023). Of these, more than 750 were general trading companies (often used in transshipment and dual-use goods due to their lack of specific business activity) and more than 100 were in the information and culture sector (which includes the IT sector, a category that also includes numerous dual-use and sanctioned goods).
- 2 Kazakhstan: Around 4,000 new Russian-owned companies were registered in the first nine months of 2022, compared with a pre-2022 total of only around 11,000 companies. This indicates that almost 25% of the country's Russian-owned companies had been set up in the first part of 2022 (Osipova & Vasilkova, 2022). A similarly significant increase in the formation of other foreign-owned companies was also reported (for which there is no evidence of Russian connections, but it is possible that some may be beneficially owned by Russians through other jurisdictions). Numerous Russian companies have also relocated to Kazakhstan, including companies with registered activities covering sanctioned and dual-use goods and services (Haidar, 2022).
- 3 Georgia: Over 6,400 new Russian-owned companies have been registered between March and July 2022, seven times higher than the same period in 2021 (DW.com, 2022; Interpressnews.ge, 2022; Transparency International - Georgia, 2022).
- 4 UAE: 500 companies were registered by Russian citizens in the first month after the full-scale invasion, according to an International Free Zone Authority source (Selizarova, 2022).
- 5 Serbia: By September 2022, more than 1,000 new Russian-owned companies had reportedly been registered since the full-scale invasion, many in the technology and communications sector (Latypova, 2022).

SEA through corporate structures is also enabled where concentrations of professional and corporate services personnel – such as accountants, lawyers, financial advisers – exist to provide valuable know-how and capability in this area. Cyprus and the UAE are hubs for the provision of such services, including for Russian-origin clients. For example, as noted in a November 2022 report for The Financial Times, three partners in PWC's Cypriot office left PWC to set up their own practice, which received at least 50% of its work from Russian-origin clients. The Cypriot-registered firm reported that it 'does not voluntarily observe sanctions imposed by countries such as Australia and Canada' and that the "majority" [of the firm's clients] were not the subject of sanctions by the EU, US or UK' – implying that at least *some* may have been subject to those sanctions (O'Dwyer, 2022). The UAE has seen a significant influx of Russian-origin professional services staff since the invasion of Ukraine, transferred from Russia by international banks, consulting companies and law firms (Clarke, 2022; Booth, 2022; Booth & Sim, 2022; R. Jones, 2022). Numerous sanctioned Russian companies and companies owned by sanctioned

individuals are also reportedly moving their European operations to the UAE (Almeida et al., 2022; Gauthier-Villars & Baczyńska, 2022; Faucon & Jones, 2022).⁴

These jurisdictions also have amenable residency requirements, often available for a price. It is difficult to obtain Emirati citizenship, but the UAE has an investment scheme allowing permanent residency in exchange for AED10 million (approximately US\$2.7 million). Prior to the invasion, Cyprus had a large Russian diaspora (around 6% of the population) and, although Malta's was smaller, both countries had schemes effectively enabling Russians to acquire citizenship in exchange for investments. Many of the other countries studied for this paper – including Kazakhstan, Armenia, Georgia, Serbia, South Africa and Türkiye – allow visa-free travel for Russian citizens, at least for a period of several months. Reliable data on long-term residency permits granted to Russian nationals after February 2022 could not be identified in most of the countries under review.

Ineffective regulation, or regulation which is not enforced, also increases the likelihood of corporate structures in third countries being used for SEA. Many of the third countries examined in this paper disclose little information on company directors and beneficial ownership. Even where information is publicly available, it is often not vetted, and many owners and directors of companies are nominees. This problem is not restricted to third countries. In November 2022, the European Court of Justice ruled that the public availability of beneficial ownership information for EU companies violates fundamental privacy and personal data protection rights. This led to many EU company registries going offline, a move criticised by anti-corruption groups (Kohonen, 2022; Transparency International, 2022; Martini, 2022).

4.2. Evading and avoiding restrictions on the movement of finance and capital

Like company incorporation, financial services can be used in SEA. Relevant financial transactions may include trading in Russian currency reserves, with Russian banks, and enabling Russian persons and entities to transfer and deposit funds overseas, raising investment and buying or selling assets. Global access to financial services is the key factor enabling SEA in this sector – including banks still connected to the global SWIFT payment system,⁵ as well as most Russian banks' continued ability to use other payment systems, online transfer sites and cryptocurrency.

We did not find evidence of banks directly violating sanctions (for example, by transferring funds on behalf of sanctioned entities). Instead, our analysis focuses on publicly available information on SEA through other financial services, particularly online payment systems and digital currency. This does not mean that other forms,

⁴ Litasco SA, Solaris Commodities, Suek AG, Gazprom Neft PJSC, Rosneft PJSC, and EuroChem Group AG; interview with expert in Russian finance, February 2023; interview with expert in Russian IT businesses, January 2023.

⁵ SWIFT is the main secure transfer-order method financial institutions used to request payments from other institutions.

including SEA facilitated by banks, do not exist, but that data is currently not available, probably due to banking secrecy laws and a lack of public payment data.

Online payment systems

Our analysis of online forums used by Russian citizens and residents indicates that various payment systems have been used to transfer money out of Russian banks that are either sanctioned or cut off from the SWIFT payment system. This suggests that even in a sector more effectively regulated by sanctions-sending countries than the other sectors in this report, potential SEA activity is widespread. Online payment processing companies and international funds transfer systems represent two additional methods used. Companies such as Paypal, Western Union and Stripe have ceased to operate in Russia (Paresh, 2022; Stripe, 2023; Western Union Russia, 2023). However, social media and company websites accessed during the review period indicated that other systems continue to operate, including Unistream, Korona Pay (also known in Russian as Zolotaya Korona) and Contact (Zhilyaev, 2022). Korona Pay's website, and user discussion forums we reviewed, indicate that they continue to support transactions between Russian account holders and certain EU countries and to the UK. The websites state that Russian account holders can only send roubles, and can only receive other currencies, but the mechanisms for the transfer are unclear.⁶ Many of the countries reviewed for this paper are among those that can receive transfers through these systems, including Kazakhstan, Türkiye, Cyprus and Serbia.

Russian citizens also have some ability to open accounts remotely with non-Russian banks that have access to SWIFT. For example, one company, TravelAsk, advertises a service for Russia-based customers that allows them to order a MasterCard or Visa payment card through an online process, with minimal identity/anti-money laundering checks and for a small fee (around US\$300–350) (TravelAsk, 2023). TravelAsk does not state which bank issues the cards, but other articles identified it as the Belarusian bank Zepter Bank JSC, which remains connected to the SWIFT network (NEWS.ru, 2023; Zepterbank.by, 2023a). In the answer to the question 'is the bank threatened by sanctions?', TravelAsk states that it is extremely unlikely because the bank is owned by Swiss and German shareholders (Zepterbank.by, 2023b, 2023a). This highlights the potential risk of SEA through bank cards issued with minimal compliance checks.

Mir payment system

The Russian government created the Mir payment system in 2014 to replace international payment card systems like Visa and Mastercard, which, alongside American Express, ceased operations in Russia in March 2022.⁷ Mir began issuing cards in 2015, but with limited success (Mironline.ru, 2023a): in 2016 the Russian press reported that only 8,000 cards had been issued (regnum.ru, 2023). By February 2023,

⁶ The KoronaPay website states that its system allows transfers from Russia to the following countries: Cyprus, Tajikistan, Uzbekistan, Azerbaijan, Kyrgyz Republic, Türkiye, Moldova, Kazakhstan, Vietnam, Belarus, Israel, Republic of Korea, and Serbia. (See also: Zhilyaev (2022).)

⁷ Crimean banks, and some Russian banks, had been removed from these systems due to sanctions imposed in 2014.

the Mir website claimed that 150 million cards had been issued, which made up 30% of Russia's overall payment system (Mironline.ru, 2023b, 2023a).

Russia's ability to use the Mir payment system internationally appears to be limited.⁸ In 2021, ten other countries accepted Mir cards, according to a Russian news report, and three other countries including the UAE were reportedly testing the potential to use the system (TASS, 2021). Throughout 2022, Russian media persistently reported that Mir planned to expand its reach to new countries (such as Cuba, Thailand, Iran and Venezuela), but no final agreements have been announced. Of the countries within the scope of this paper,⁹ only Armenia and Kazakhstan accept Mir payment cards.¹⁰

Cryptocurrency

Digital currencies may also be used to transfer money across jurisdictions and in SEA (US Financial Crimes Enforcement Network, 2022). For this reason, it is likely that the Russian state has increased its use of and investment in the cryptocurrency sector (Chainalysis, 2023). A 2022 Russian government study found that more than 17 million Russian citizens (around 12% of the total Russian population) owned over US\$214 billion in cryptocurrency (Pismennaya, 2022). US, EU and UK regulators have issued statements to note that sanctions on financial transactions extend to cryptocurrency. In October 2022, the EU banned the provision of new crypto-asset wallets, accounts or custody services to Russian persons and residents (aside from those with an EU or Swiss residence permit or citizenship) (EU - European Council, 2022; Hood & Tauwhare, 2023).

Although difficult to quantify, within this paper's case studies, SEA through cryptocurrency appears to be primarily carried out by individuals or private entities. We identified multiple websites advertising crypto-to-cash transactions, which allow the exchange of roubles for cryptocurrency and then local cash in various countries, particularly the UAE and Türkiye. In Türkiye, Nakit Coins advertises such services in Turkish, English and, from late 2022, Russian (NakitCoins, 2023). Many of the company's Google Maps reviews are in Russian, and its average rating there is 5.0 (out of 5.0) (from 745 reviews) (NakitCoins, 2022; Google, 2023). We identified similar operations in EU countries that were not in our sample, such as Poland.¹¹ Similar services were advertised in the UAE (Dubai Crypto Estate, 2023; Pallapay, 2023) and Indonesia (Serafin, 2022). We did not identify media reporting or forum discussions about other similar services in our other country cases, although many of these businesses are low profile and/or relatively new.

⁸ Interviews confirmed that Russian-issued bank cards do not work abroad, even those that offer Visa or Mastercard services (interview with expert on Russian emigrants in the Middle East, February 2023).

⁹ Other countries outside the scope of this report that reportedly accept Mir payment cards are: Vietnam, Uzbekistan (although the Mir payment system was suspended indefinitely as of the date of this report), Tajikistan, South Korea, Belarus and the self-proclaimed Republic of Abkhazia.

¹⁰ See Gogov.ru (2023); Yandex.ru, (2023).

¹¹ One of the largest Polish companies for cash exchange of cryptocurrency is FlyingAtom, which has 12 offices in different regions of Poland. It requires passports for transactions above EUR 1,000, but not for lower value transfers. (See FlyingAtom (2023); ForkLog (2022).)

Enablers of SEA related to financial services

The availability and accessibility of financial services to citizens and entities from the target country, and other actors involved in SEA, is a key enabler of SEA in this sector.

Whereas many Russian banks have been sanctioned and/or cut off from SWIFT, sanctions can be circumvented via: the Mir system's remaining international links; other Russian and Belarusian banks still connected to SWIFT; online payment systems providing international transfers; and cryptocurrency. These options provide access to the international market for Russian citizens and entities. We found most evidence of their use by individuals and small commercial entities. We did not find evidence of their usage for large-scale or for state-sponsored forms of SEA. The available evidence is, however, limited and we cannot preclude the use of these services either as a component of large-scale SEA, which often involves a multitude of smaller transactions, or as a form of SEA by state actors.

We found little evidence of involvement by banks themselves in financial services-related SEA. This is the area where larger-scale transactions are more likely to be found, but there is a lack of public transparency and visibility of banking transactions. Such information is mainly made available through enforcement actions by sanctions-sending countries, which is unlikely to happen in the short term.

At the same time, however, sanctions-sending countries have expressed concern about SEA through the banking sector, with reference to general risks concerning banks and countries in which the Russian Mir payment system operates, and specifically with reference to the UAE banking sector.

The Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury previously issued a statement announcing that institutions using Mir would be subject to US financial sanctions due to the system's potential for enabling SEA, and imposed sanctions against the director of the company that operates Mir (Office of Foreign Assets Control, 2022). Shortly afterwards, and following pressure from the EU, Mir operations ceased in several countries, including in Türkiye, where five banks had previously accepted Mir cards (Fleming et al., 2022; D. Jones, 2022). This highlights the significant role of action by financial regulators in sanctions-sending countries in driving third country approaches to countering financial services-related SEA.

The example of the UAE, however, demonstrates the limit of that regulatory reach. For years, the UAE has been urged by UK, US and EU regulators to take action to address financial crime risks. In March 2022, the Financial Action Task Force added the UAE to its list of jurisdictions subject to increased monitoring, known as its 'grey' list, noting that it was a jurisdiction 'with strategic deficiencies' in its regimes to counter money laundering, terrorist financing and proliferation financing (FATF, 2022; Guyer, 2022). Despite this, the UAE granted a banking license to the Russia-based MTS Bank in February 2023, after which MTS (alongside numerous other Russian banks) was sanctioned.¹²

¹² Interview with Ahmed Alqarout, expert in Middle East political economy, 27 February 2023.

4.3. Trading in military and dual-use goods

A large number of dual-use goods, weapons components and military equipment reportedly continues to enter the Russian market for use in the war. This type of SEA is the first of three analysed in this report relating specifically to trade (alongside trade in other sanctioned goods and oil smuggling, as examined below). In third countries, these types of SEA share a reliance on global trade and logistics networks and often involve use of multiple agents and intermediaries to obscure the sender and/or end user of the goods. Nonetheless, we have addressed each type – military and dual-use goods, other sanctioned goods, and oil smuggling – separately, because they involve different sanctions restrictions, types of movement and logistics channels.

Across all three areas, transshipment and logistics capacity and the inability of sanctions-sending states to regulate the logistics sector are the most direct enablers of trade SEA in third countries, as well as ease of setting up anonymous corporate structures and access to financial services. Sectoral analysis such as that provided here can inform clearer policy routes to potential mitigation of these forms of trade-related SEA.

Military supply chains and trade in potential dual-use goods

A range of sources refer to commercial entities in the case study countries that are active in military supply chains. The following examples highlight the breadth and variety of these military supply chain networks and/or the misuse of logistical and transshipment capacity within these countries:

- 1 Armenia and Cyprus: In March 2023, the U.S. Department of Justice arrested two US citizens in the US, alleging that they had arranged the transshipment of aviation-related electronic goods to Russia via Armenia and Cyprus without a licence (U.S. Department of State, 2023).
- 2 Cyprus: In February 2023, OFAC sanctioned three Cyprus-based arms dealers and several Cypriot companies for supplying ‘high-technology devices’ to Russian and Belarusian defence companies after February 2022. Other company personnel were also sanctioned at the same time, as were entities in Israel, Latvia, Singapore and elsewhere (Psaledakis, 2023; U.S. Department of the Treasury, 2023).
- 3 Malta: In April 2022, OFAC added 21 entities and 13 individuals to its Russia-related sanctions list, including three companies from Malta and a Maltese citizen of Russian origin. OFAC claimed that they had engaged in Russian intelligence activities on behalf of the so-called Serniya network (sanctioned under the previous (post-2014) sanctions regime), which helped supply dual-use goods to Russian end users (U.S. Department of the Treasury, 2022c).
- 4 Kazakhstan: In May 2022, Ukrainian media cited Ukrainian intelligence in printing accusations that Kazakhstan had helped the Russian military factory Ulianovskiy Mekhanicheskii Zavod JSC to receive German components to produce air defence systems (Гал-інфо, 2022).
- 5 South Africa: In December 2022, a sanctioned Russian naval cargo ship, the *Lady R*, was sighted in Simon’s Town harbour, accompanied by guards whilst offloading and loading unspecified items (O’Regan, 2022a; Steinhäuser, 2023). The *Lady R* is one of

numerous ships owned by MG-FLOT, previously known as Transmorflot LLC, which the US accused in May 2022 of having transported Russian arms and weapons (U.S. State Department, 2022). The South African Ministry of Defence later said that the shipment was an 'old order' made before the COVID-19 pandemic, but it did not provide details about the nature of the goods in the shipment (O'Regan, 2022b; Steinhauer, 2023).

In addition to supplies of military components, there is evidence of Russian government- and military-affiliated supply companies engaged in shipping computer chips and semiconductors to Russia. A December 2022 RUSI investigation found that large volumes of 'export-controlled components' from US companies and elsewhere had been sent to the manufacturer of the Orlan-10 drone in St. Petersburg and that many chips used in Iranian- and Russian-made drones appear to be US-made (Byrne et al., 2023). Our review also identified reports warning of the risk of superconductors and computer chips in domestic and household goods being shipped to Russia for use in military equipment. In May 2022, U.S. Secretary of Commerce Gina Raimondo cited Ukrainian reports that Russia was using computer chips from dishwashers and refrigerators in military equipment (Whalen, 2022). A January 2023 Silverado Policy Accelerator report, as well as other media sources, also highlight a significant increase in trade in smartphones and domestic and household goods that may be used in a similar way (Byrne et al., 2023; Alperovitch et al., 2023).

Despite these warnings, experts consulted for this paper were sceptical of the possibility that the procurement of semiconductors is the main driver behind the transshipment of household goods, with some experts noting that other countries continue to supply semiconductors to Russia and that Russia probably had a stockpile of such goods before the invasion.

Trade in military and potential dual-use goods: enabling factors

Transshipment and logistics capabilities in third countries are important factors facilitating the trade in sanctioned military and potential dual-use goods. It is no coincidence that many of the examples above occurred in countries with significant shipping industries, including Türkiye, the UAE, Malta, South Africa and Cyprus. Countries close to Russia, and with substantive ground transportation capabilities, also provide opportunities for this type of SEA. In a January 2023 New York Times article, Georgia was described as a 'convenient logistics conduit' between Russia and 'the outside world', in particular for goods passing between Türkiye and Russia (The New York Times, 2023). The article cited a November 2022 TBC Capital report, which stated that cargo transit in Georgia, travelling from Türkiye to Russia, had tripled in the first six months of 2022, compared with the previous year (Kvakhadze et al., 2022).

The ease of setting up anonymous and nominee corporate structures, and access to financial services, are further important enablers. A December 2022 Reuters and RUSI special report noted that several newly incorporated Turkish companies had sent large volumes of semiconductors from US and other manufacturers to Russian companies (Gauthier-Villars et al., 2022).

Restrictions on the supply of and trade in sanctioned military and potential dual-use goods can also be limited, with sanctions-sending countries limited in their ability to regulate the industry. Meanwhile, there are a large number of companies and individuals involved in the trade – including shipping companies, their owners, physical ships, agents and intermediaries – and many are physically located and registered in third countries. Tracing the trade in semiconductors, for example, is difficult, with batches sold to distributors and agents around the world, who sell them onwards, to the point that the Director of the Technology Policy Program at the Washington-based Center for Strategic and International Studies has likened the trade to the drug trade because of the use of numerous ‘middlemen’, the volume of money laundering involved, and the industry’s “black market distribution network” (Lee, 2022).

4.4. Trading in other sanctioned goods, including those allegedly stolen from occupied territories of Ukraine

Our analysis identified sources covering trade in sanctioned goods from Russia and goods allegedly stolen from occupied Ukrainian territories. This trade operates similarly to that in military and dual-use goods, only in the reverse direction: trade from Russia enters global markets through middlemen and intermediaries and through ports and logistics networks that are difficult for sanctions-sending countries to control. Complex corporate structures and methods enable this trade, obscuring the origins of goods, and likely financial services links (although we gained little visibility of this through our research).

The Russian origins of sanctioned goods have been obscured by intermediaries in some third countries, particularly those neighbouring Russia. For example, a December 2022 Organized Crime and Corruption Reporting Project (OCCRP) investigation identified that, following an EU ban on imports of Belarusian and Russian wood, Kazakh and Kyrgyz exports of wood products increased significantly, with these destined particularly for Lithuania, Latvia, Poland, Germany and Denmark. Lithuanian officials have since stated that some of this wood originated from Russia and/or Belarus but had been falsely marked as originating from Central Asia to evade sanctions (OCCRP, 2022).

In other forms of SEA, the origin of goods emanating from occupied Ukrainian territories needs obscuring. For example, various media sources have reported on a Kazakhstan-owned ship, the *Zhibek Zholy*,¹³ which was held by Turkish customs authorities following allegations that it had been involved in shipping stolen Ukrainian grain (PolskieRadio.pl, 2022). In this case, the Kazakh ship represented logistics capacity, whilst the Turkish port where it was destined provided both transshipment and further logistics capacity. The ship is owned by Temir Zholy, the Kazakh state-owned railway company, and is reportedly operated by Green-Line LLC, a Russian company. Turkish authorities

¹³ IMO registration number 9598880. Shipping records indicate this ship is owned by KTZ Express Shipping LLC (Kazakhstan company number 140540005859).

released the ship several days later (Obozrevatel News, 2022) and available shipping data indicate that it returned to Russia's Kavkaz port area in August 2022.¹⁴

There are other reported cases where ships linked with Russian companies have been allowed to dock, and presumably trade, in Turkish and other countries' ports, including the following:¹⁵

- 1 The Russian bulk carrier *Matros Pozynich*¹⁶ was reported to be involved in transporting illegal grain between late April and mid-June 2022 from Sevastopol to the Syrian port of Latakia. In May 2022, the ship also attempted to enter the Egyptian port of Alexandria and the Lebanese port of Beirut, but both ports turned it away following Ukrainian warnings (Lister & Fylyppov, 2022). Subsequent photographs record the ship again leaving Sevastopol Bay in August 2022 (with its transponder turned off to avoid vessel-tracking) (Irina, 2022). The ship arrived at Iskenderun port in Türkiye two weeks later, on 16 August 2022 (Irina, 2022). No further information could be identified regarding the onward sale or transit of the grain.
- 2 The *Mikhail Nenashev*¹⁷ was reported to be transporting grain from Sevastopol to Türkiye in April 2022 (Yaresko, 2022; Spicer & Levinson, 2022). Satellite images also identified the ship in Sevastopol in mid-June (also with its transponder turned off), before arriving in late June 2022 in the Turkish city of Dörtyol, reportedly docking at the pier of a Turkish subsidiary of the Russian Magnitogorskiy Metallurgicheskii Kombinat JSC (MMK), owned by a sanctioned Russian businessman (Biesecker et al., 2022; Forbes.ru, 2023; Ministry of Foreign Affairs (Ukraine), 2023b, 2023a; MMK Metalurji, 2023).

Key enablers of SEA involving trade in sanctioned and allegedly stolen goods include the logistical and transshipment capacities of third countries, which can be used either to obscure the origin of sanctioned goods or to allow goods to transit through ports or other logistics networks. As with the other types of SEA discussed above, access to professional and financial services is also an enabling factor.

4.5. Oil smuggling

The final category of SEA identified relates to illicit trading in oil and oil products, which remains an area of strategic importance to the Russian state, given its economic dependence on energy exports. A number of tactics are used, including disabling or manipulating the tracking systems on vessels; altering vessels' identification; falsifying cargo and vessel documents; ship-to-ship transfers of illicit or embargoed cargoes; disguising the origin of or destination of goods; shipping under false flags and flag hopping; and setting up corporate structures for use in SEA (Office of Foreign Assets Control, 2020).

¹⁴ Data from Thompson Reuters Eikon.

¹⁵ This research draws on a non-public research report prepared for Professor Jason Sharman of Cambridge University, which the author shared for the purpose of this review.

¹⁶ The ship's International Maritime Organization unique ship identifier, or IMO ID, is 9573816.

¹⁷ IMO ID 9515539.

As with the other trade-related SEA types, obscuring the origin of goods is a key component of oil smuggling. In February 2023, Global Witness reported that Türkiye, which had increased its imports of Russian crude oil by 50% in 2022, potentially refined and/or shipped Russian-origin crude oil and other products, potentially obscuring their origin. The report claimed that these goods may later have entered the European market and that international oil companies Shell and Vitol allegedly imported these goods from 'Turkish refineries known to import Russian oil' although it is not clear how much was derived from Russian sources and nor was it alleged that the Western oil companies breached sanctions (Lawson, 2023).

Another main enabler of oil smuggling is logistical and transshipment capacity, which in oil smuggling primarily relates to the maritime industry. Here, ships from third countries may provide logistical capacity in support of oil-smuggling operations. For example, the U.S. Department of the Treasury reported that several oil tankers previously owned by the Russian state-owned shipping company Sovcomflot had been sold to companies based in the UAE, as well as in Singapore and possibly China (Costas & Faucon, 2022). Even where countries are politically aligned with sanctions-sending countries, shipping capacity contributes to potential SEA. As of May 2022, for example, almost half of oil exports from Russian ports were enabled by vessels connected to Greece, Malta and Cyprus (Demarco, 2022). These three countries reportedly doubled the volumes of Russian oil they transported by May 2022, compared with before the invasion (Tan, 2022) due to oil tanker freight rates tripling after February 2022 (Kay, 2022).

Similarly, in September 2022 the investigative reporting website Investigate Europe highlighted instances in which the profits of European shipping companies had increased with the growing pressure on Russian oil (Investigate Europe, 2022). A February 2023 report by the NGO Crude Accountability tracked crude oil from Russian Black Sea ports to European and other ports in sanctions-sending countries (Crude Accountability, 2023). Three of the ships named in the report had Maltese flags, and were tracked at ports and anchorages in several other countries, including Georgia, Spain and Türkiye (among numerous other EU countries, as well as the US and Ukraine) (Crude Accountability, 2023). Similarly, in December 2022, Global Fishing Watch identified a Russian ship that it assessed to be falsifying its location near Cyprus and Malta (Bergman, 2022). The Financial Times reported that this was likely to be a potential attempt at illegal oil transportation to evade international oil price caps and EU sanctions on oil shipping (Cook et al., 2022b).

Oil smuggling is also facilitated by ease of access to professional and financial services. For example, although relating to sanctions on Iran, in May 2022, the US sanctioned a UAE-based company for involvement in oil smuggling (U.S. Department of the Treasury, 2022b) and in November 2022, sanctioned other entities allegedly using UAE-based storage for Iranian oil (U.S. Department of the Treasury, 2022a). Previous experience of oil smuggling, and previous successful utilisation of logistical, commercial and financial services for this activity, appears to increase the likelihood of a third country's involvement in smuggling relating to other sets of sanctions. For example, reports have focused on Iranian, UAE and Venezuelan collaboration with Russia in oil smuggling SEA. A December 2022 Financial Times report cited shipping experts, who said that Russia was likely to have a 'shadow fleet' of at least 100 ships, through which it sought to evade international sanctions, including ships that had previously serviced Iran and Venezuela

(Cook et al., 2022a). The *FT* later reported in February 2023 that at least 16 ships were part of the ‘ghost’ network that had exported Iranian oil in breach of US sanctions (Cook & Sheppard, 2023). There have not yet been reports of similar Russian oil-smuggling enforcement actions by OFAC or other agencies, although this is probably due to the time required to investigate such matters.

Oil smuggling, like other trade-related SEA involving third countries, is difficult to control because the industry involves many parties outside sanctions-sending states. An August 2022 report by maritime data company Windward found that deceptive shipping practices have increased significantly in the North and South Atlantic, in international waters difficult to police (Windward, 2022). Smuggling is probably enabled by the ease in establishing opaque corporate structures and by access to financial services, although there is little current information on this aspect. Amid analyses of how Russia has sought or is seeking to evade sanctions and price caps, the tightening of controls over the insurance industry has emerged as a potential lever to limit oil smuggling. EU, UK and US sanctions ban insurance and reinsurance of Russian oil products that violate EU bans and/or G7 price caps (Hood & Tauwhare, 2023). As a result, international insurance companies have curtailed their coverage of Russian oil tankers (Cohn, 2022). Much of the insurance industry is concentrated in sanctions-sending countries, but where actors in third countries require insurance for shipments, this can also indirectly help to counter related forms of SEA. For example, from December 2022, Türkiye announced that it would require proof of insurance for oil tankers to pass through its straits (Ersoy et al., 2022).

4.6. Geopolitical alignment and sanctions evasion and avoidance

As the above analysis demonstrates, there are numerous factors, beyond geopolitical alignment, that affect whether or not a third country engages in SEA. The relative weight of these factors – including the third country’s geopolitical alignment – has not previously been explored. In terms of geopolitical alignment itself, it is clear that countries aligned more closely with sender countries generally have more interest in supporting a sanctions regime than those that are less closely aligned (or than those that are closely aligned with the target state). Similarly, countries which are economically dependent on each other are broadly, although not always, more likely to have stronger geopolitical ties to each other. However, we have also identified examples in which countries are geopolitically aligned but the third country has engaged in, or at least not clamped down on, SEA that runs contrary to this alignment, where the third country has the trade and commercial capability to enable SEA and economic interests in doing so.

Below, we compare alignment with involvement in SEA in broad terms. Alignment has multiple elements, some of which are subjective, as a country’s formal position may differ from its actual position. In relation to sanctions imposed on Russia, we assess geopolitical alignment according to a country’s membership of international organisations, engagement in military-technical cooperation, public statements on sanctions and voting record on key UN resolutions relating to the war on Ukraine. These factors give an overarching impression of alignment, as articulated in Table 1.

Table 1: Indicators of third country political alignment with Russia

Country	Military-technical cooperation with Russia	Membership of international organisations	Existence of free trade agreements	Public statements on sanctions	Voting on UN RES 2014	Voting on UN RES 2022
Armenia	Yes	CIS, EEU, CSTO, SCO(P)	CISFTA	Against	Against	Abstained
Cyprus	No	No	No	Sender but reluctant	In favour	In favour
Czechia	No	No	No	In favour	In favour	In favour
Georgia	No	No	Bilateral	Vowed not to allow SEA	In favour	In favour
Indonesia	Yes	No	Under discussion	Discreetly against	In favour	In favour
Kazakhstan	Yes	CIS, SCO, EEU, CSTO	CISFTA	Vowed not to allow SEA	Abstained	Abstained
Malta	No	No	No	Sender but reluctant	In favour	In favour
Saudi Arabia	Yes	SCO(P)	No	Against	In favour	In favour
Serbia	Yes	No	EEUFTA	Vowed not to allow SEA	N/A	In favour
South Africa	Yes	No	No	Against	Abstained	Abstained
Spain	No	No	No	In favour	In favour	In favour
Türkiye	No	SCO(P)	No	Against	In favour	In favour
UAE	No	No	Under discussion	Against	N/A	In favour

Geopolitical alignment partly explains some third countries' involvement in or facilitation of SEA. Among our 13 case studies, Czechia and Spain, both EU members, are closest to the 'sender' side of the spectrum (being part of the EU sending regime), and we found both limited evidence of SEA involving these countries and some evidence of each country's government actively enforcing relevant sanctions regimes. Armenia and South Africa both have military cooperation agreements with Russia and did not vote in favour of UN resolutions condemning the invasion of Ukraine. We found evidence to suggest that the domestic environments in both countries have facilitated delivery of military supplies to Russia.

But geopolitical alignment is multifaceted. We found evidence of SEA in Kazakhstan, for example, which the US government has named as a country commonly used for transshipments (FinCEN, 2022b). Kazakhstan engages in economic cooperation with Russia and abstained on UN resolutions condemning the invasion of Ukraine. But its ministers have publicly stated that the country would not help Russia to evade sanctions, and the Russian invasion of Ukraine has raised tensions regarding Kazakhstan's own Russian minority population (Al Jazeera, 2022). In another example, although the country seeks to join the EU, Serbia has historically broadly aligned with Russia, hosts thousands of Russian companies, and has seen large inflows of Russians since the invasion. Despite this, it has also publicly committed not to allow Russia to bypass EU and other sanctions (Reuters, 2022).

Patterns of economic dependency also have a marked impact on involvement in SEA. These are often intertwined with geopolitical alignment. Specifically, countries which

share political and historical ties and are in close geographical proximity are more likely to have large economic inter-dependencies. These may make it difficult for a third country to clamp down on SEA, because it risks harming its own economy. Our analysis unsurprisingly found evidence of likely SEA across the case countries in our sample which were formerly part of the Soviet Union. In 2020, trade with Russia comprised 25% of Armenia's foreign trade (World Bank – World Integrated Trade Solution, 2023a) and 10% of Kazakhstan's (World Bank – World Integrated Trade Solution, 2023c). It also comprised 13% of Georgia's foreign trade (World Bank – World Integrated Trade Solution, 2023b), which may explain the fact that, although Georgia is more closely aligned to Western countries than Armenia or Kazakhstan, we still identified prominent forms of SEA there. In all three countries, existing economic and trade relationships helped to facilitate an increase in trade with Russia after the invasion. Each country also saw an increase in the number of businesses registered by Russian citizens after the invasion. While only a limited proportion of this activity will relate to SEA, our analysis also identified these countries as likely transshipment hubs and, in the cases of Armenia and Kazakhstan, as playing host to activity relating to relevant military supply chains.

Yet economic dependency cannot explain involvement in SEA in all cases. For example, in cases where there is no strong geopolitical alignment or economic dependency, we identified SEA as taking place on the basis of trade and commercial capability and interests. None of the other countries in our sample had such a significant economic relationship with Russia as the three countries cited above (Serbia's trade with Russia is closest of the remaining third countries, comprising about 5% of its trade) (World Bank – World Integrated Trade Solution, 2023d). Yet there is evidence of SEA activity in the UAE and Türkiye, neither of which is strongly aligned with Russia nor has an economic dependency on it. In both countries, SEA appears mainly to be driven by individuals and private companies exploiting economic opportunities, and political authorities facilitating an environment in which this can occur. Türkiye's and the UAE's trade with Russia increased dramatically following the invasion. Similarly, in Cyprus and Malta, SEA is largely driven by individuals and private companies and, despite each country's membership of the EU, by political authorities' reluctance or ineffectiveness in clamping down on SEA. The most likely explanation for this is that, despite geopolitical pressures, domestic political actors have calculated that they would lose more and gain less by proactively countering SEA activity by domestic commercial actors.

5. Conclusions and policy implications

This paper has sought to provide an indicative framework to better understand the role of third countries in SEA in the wake of Russia's invasion of Ukraine. Its findings support parts of the existing literature on sanctions-busting which indicate that economic factors are a key driver of SEA and that SEA is often driven more by private actors (individuals and companies) than by state actors. Our analysis also finds that SEA is more likely where a number of other factors are present, mostly related to a country's commercial and trade capability and interests. In this section, we summarise our main findings and provide observations that may offer useful insights for policy discussions and future areas for research, as follows.

SEA appears to be determined by economic factors as much as, if not more than, geopolitical factors

Our research suggests that SEA is determined as much if not more by economic than geopolitical factors. Geopolitical alignment is important in determining a country's overall orientation in relation to a sanctions regime. It is difficult to tease out the influence of geopolitical alignment from economic dependency as the two are often intertwined. In the case of sanctions on Russia in the wake of the invasion of Ukraine, we nevertheless broadly found that countries that are more aligned to senders upheld sanctions regimes more strongly, and those aligned to targets are more likely to be involved in or facilitate SEA.

However, geopolitical alignment cannot explain all forms and levels of SEA activity in third countries. SEA is more likely where a country is economically dependent on a target country, for example, to some extent, in the case of Georgia. Although somewhat obvious, this has important policy implications. Third countries with an economic dependency on the target country are less likely to be able and willing to ensure that sanctions that affect its key economic relationships are enforced. This highlights the importance of understanding the political economy dimensions of a third country's role in SEA.

Types of SEA in a third country are strongly influenced by its commercial and trade capacity and interests

The variation identified across third countries indicates that factors other than geopolitical alignment and economic dependency play an important role in engagement in SEA in third countries. For example, economic dependency on the target country cannot explain SEA in third countries where such dependencies are largely absent (such as in the UAE or Türkiye). Our research finds that where a third country has substantive trade and commercial capacity, and is well linked into the global economy, there are substantive opportunities for SEA. Where this commercial capacity exists in combination with the absence of any firm political direction to uphold a sanctions regime, SEA is more likely to occur.

The particular form of this trade and commercial capacity is also important. Beyond broader geopolitical and economic factors, we found that the following factors increase the likelihood of SEA in third countries:

- 1 ease of setting up anonymous or nominee corporate structures and access to professional advisory services in the third country;
- 2 access to financial services, including banks, payment systems and cryptocurrency, in the third country;
- 3 transshipment capacity of the third country, namely the extent to which it acts as an intermediate point, where the destination or origin of sanctioned or dual-use goods can be obscured;
- 4 logistics capability in the third country and access to logistics infrastructure used in transshipment or shipment of sanctioned goods (that is, knowledge of and integration into global customs and trade infrastructure);
- 5 ability of target country citizens to easily move and engage in economic activity in the third country; and
- 6 level of ability of sanctions-sending states to regulate or enforce sanctions in a particular sector or industry.

These factors provide more granularity than is currently present in the existing literature on the role of third countries in SEA. Specifically, our analysis suggests that SEA is more likely where there is capacity to engage in SEA, and an interest doing so, in relation to professional advisory and financial services and shipping and logistics operations. It also confirms that a range of non-state actors are likely to be active in SEA, particularly in these sectors. This suggests that, to be effective, policy responses to SEA need to have a broader focus than on state actors and may also need to prioritise those countries with economies that are heavily dependent on these sectors.

A sectoral approach such as that adopted in this paper can help to identify areas for improved responses to SEA by highlighting the need to target regulation and policing of individual industry sectors. SEA is less possible where there is effective regulation. Western countries' powerful influence over regulation of the international financial systems is one side of the response. However, in areas such as shipping and logistics, trade is diffuse, and much relevant infrastructure is physically outside, and beyond the regulatory remit, of sanctions-sending states. As the bans on the insurance of Russian oil products demonstrate, there may be ways to incentivise tighter regulation of the diffuse actors in the sector, so that the industry better polices itself. In this example, the reduction in the number of insurance companies willing to provide insurance for Russian oil tankers has reduced transshipment capacity available for use in SEA activity.

It may also be possible to counter SEA by leveraging a third country's interest in applying regulatory frameworks that are not directly related to sanctions, but which, if applied, may tighten controls, reduce risk and, indirectly, restrict SEA in relevant sectors. For example, the UAE has chosen not to implement allied sanctions on Russia but its 'grey-listing' by the Financial Action Task Force (FATF) incentivises it to introduce anti-money laundering reforms as part of its response. This, together with a focus on addressing concerns over correspondent banking risk, may, in turn, restrict

financial access for high-risk clients such as those associated with sanctions (Middle East Business Intelligence, 2022). Such direct and indirect effects, including the potential to leverage third country interests in areas not directly related to sanctions, should be considered as part of efforts to strengthen the response to SEA.

SEA is more likely where target country citizens have easy access, ability to move and engage in economic activity in a third country

SEA is more likely in contexts where target country citizens can easily move and engage in economic activity. This factor does not necessarily correlate with high levels of trade and commercial capacity in a third country. Locations which offer relatively easy access for target country citizens, even if temporary, can offer greater opportunities for SEA. Of our case studies, because of their geographical proximity and affordability, and some historical ties, Türkiye and the former Soviet republics offer opportunities to Russians relatively low on the socioeconomic spectrum (but still high enough to be able to leave Russia). The UAE, on the other hand, provides opportunities for residency and economic engagement, but individuals need to bring more substantive wealth to the country.

A tentative conclusion stemming from this finding is that where a third country offers greater ease of access to target country citizens (for example, where it is more geopolitically aligned, physically close to and economically dependent on the target country), there may be a high volume of lower value SEA. Higher value SEA, by contrast, is more likely to be dependent on a country's trade and commercial capacity and interests. Further research is needed to assess the existing evidence in relation to this specific distinction.

A logical policy response would be to focus more attention on high-net-worth individuals in third country jurisdictions, particularly in those where greater wealth is required to access residency and opportunities for economic engagement. Yet this is unlikely to be effective in isolation. The role of key operators in SEA – from middle management positions in sanctioned entities, to legal and professional advisers and trade intermediaries – highlights the need to target actors beyond high-net-worth individuals. Effective measures to counter SEA in third countries will require efforts to improve transparency and policing across a broad SEA sectoral risk area. This includes enhancing anti-money laundering controls, improving transparency (for example, the quality of data in and access to beneficial ownership registries), and strengthening responses to abuse of legal structures for SEA (FATF, 2023).

Sectoral and supply chain analysis of SEA has considerable potential as an effective way to identify risks and opportunities to counter SEA

Existing efforts to understand and counter SEA in third countries may be supported by deeper examinations of the different types of SEA activity and sectors in which this takes place, and the factors that affect this. Indeed, in the case of any given third country, the design of effective SEA countermeasures requires a close analysis of the incentives, risks and opportunities facing both the private sector and any political actors linked to that sector (including the political and personal economic interests of kleptocratic elites). This is true for broader and for more operational analysis.

When not underpinned by sectoral analyses, our understanding of SEA risks in third countries lacks the level of granularity that lends itself to effective policy responses. Reviewing major forms of SEA by sector, across jurisdictions, may identify more common causal and enabling factors and help to identify specific sectoral risks, informing more focused options in terms of policy responses. For example, a general analysis of SEA in relation to one country might reveal information on, or rumours of, SEA via a certain method. But it is unlikely to reveal all of the relevant elements or actors involved in this type of SEA, the commonalities across countries, or the weak points in an SEA network potentially spanning multiple jurisdictions. Such research also requires specialist skills; generalist researchers are unlikely to have the skillsets, knowledge or connections to acquire this information, at least quickly. In this project, the team combined generalist with specific research experience relating to asset tracing and other relevant areas. Engaging such researchers in analysis designed to provide sectoral insights (for example, across the private sector) is likely to be a more efficient, practical and quicker method of providing the granular information that policymakers need to effectively counter SEA in third countries.

5.1. Future research

This study provides indications of areas in which future research is needed to better understand the role of third countries in SEA.

While this scoping study has led to potentially important findings, a deeper comparative project could elucidate more nuanced findings. This might include in-depth research into an increased number and diversity of SEA types, a greater number of third countries, and an examination of different sets of sanctions (including for example those against Iran or North Korea). As with all comparative research, there are pros and cons with examining a broader set of cases in less detail versus a narrower set in more detail. More focused work on a limited number of case studies may also help to provide a degree of further granularity to explain variation in SEA. As indicated above, we believe that there is merit in using type of SEA as the initial unit of analysis.

Although we have provided an initial framework, there is further work to do to develop comparative conceptual frameworks, with clear definitions of sanctions, SEA, third countries and indicative factors to explain the impact of activity in third countries on SEA. For example, we identified three broader factors which affect a third country's involvement in SEA: geopolitical alignment, economic dependency, and trade and commercial capacity and interests. These should be further tested and researchers may want to examine other factors that our initial review did not cover (such as regime type). A further issue concerns a lack of clear means of measurement of SEA. This will probably always be a challenge but more effective ways of estimating the scale of SEA would help to improve understanding of its causes and enablers. Nor did our scoping study examine, in depth, the effectiveness of existing policy, which would add a further useful research dimension.

Perhaps the most important area to address is the need to develop a better understanding of the relationship between all of these factors, including broad factors and those which are more specific (such as those mostly pertaining to trade and

commercial capacity and interests). Again, this paper has set out some initial findings, but these require further development and testing. For example, we have limited information as to the circumstances in which trade/commercial capacity and interests might trump geopolitical alignment and vice versa. There is also little analysis of how the relationship between factors changes over time. An especially pertinent question, in this context, concerns the circumstances in which a weakly aligned third country could be incentivised to constrain its own trade and commercial environment to restrict SEA. What would cause a third country to tackle enablers across its trade/commercial sector? Similarly, what would happen if the factors identified here as increasing the likelihood of SEA were themselves to change? And how far might a third country's role in SEA be altered in a multipolar compared with a unipolar or bipolar geopolitical environment? There are important gaps in our collective understanding of the role of third countries in SEA, and these have implications for policy. In seeking to address these remaining gaps, this paper sets out a framework which we hope further research can build on.

Bibliography

- Al Jazeera. (2022, March 28). *Kazakhstan does not want to be behind new Iron Curtain: Official*. <https://www.aljazeera.com/news/2022/3/28/kazakhstan-doesnt-want-to-be-behind-iron-curtain-minister>
- Almeida, I., Bartenstein, B., Hunter, A., & Ratcliffe, B. (2022, June 22). *Russian commodities traders replace Switzerland with Dubai*. Al Jazeera. <https://www.aljazeera.com/economy/2022/6/22/russian-commodities-traders-replace-switzerland-with-dubai>
- Alperovitch, D., David, A., Reid, M., Stewart, S. (2023). *Russia shifting import sources amid U.S. and allied export restrictions*. Silverado Policy Accelerator. <https://www.silverado.org/news/report-russia-shifting-import-sources-amid-u-s-and-allied-export-restrictions>
- Ang, A. U.-J., & Peksen, D. (2007). When do economic sanctions work? Asymmetric perceptions, issue salience, and outcomes. *Political Research Quarterly*, 60(1), 135–145. <https://doi.org/10.1177/1065912906298632>
- Biesecker, M., Dupuy, B., & El Deeb, S. (2022, October 3). *Russia smuggling Ukrainian grain to help pay for Putin's war*. AP News. <https://apnews.com/article/russia-ukraine-putin-business-lebanon-syria-87c3b6fea3f4c326003123b21aa78099>
- Bapat, N. A., & Morgan, T. C. (2009). Multilateral versus unilateral sanctions reconsidered: A test using new data. *International Studies Quarterly*, 53(4), 1075–1094. <https://doi.org/10.1111/j.1468-2478.2009.00569.x>
- Barry, C. M., & Kleinberg, K. B. (2015). Profiting from sanctions: Economic coercion and US foreign direct investment in third-party states. *International Organization*, 69(4), 881–912. <https://doi.org/10.1017/S002081831500017X>
- Bergman, B. (2022, December 7). *Russian tanker falsifies AIS data, hides likely activity around Malta and Cyprus*. SkyTruth. <https://skytruth.org/2022/12/russian-tanker-falsifies-ais-data-hides-likely-activity-around-malta-and-cyprus/>
- Biersteker, T., Eckert, S., Hudakova, Z., & Tourinho, M. (2013). *The effectiveness of United Nations targeted sanctions. Findings from the targeted sanctions consortium (TSC)*. Geneva Graduate Institute.
- Booth, J. (2022, July 20). *Allen & Overy launches Dubai hub for ex-Russia staff*. Financial News. <https://www.fnlondon.com/articles/allen-overy-russia-dubai-linklaters-hsf-20220720>
- Booth, J., & Sim, B. (2022, August 26). *Linklaters relocates some Russia staff to London and Dubai*. Financial News. <https://www.fnlondon.com/articles/linklaters-relocates-some-russia-staff-to-london-and-dubai-20220318>
- Byrne, Jack, Watling, J., Bronk, J., Somerville, G., Byrne, Joe, Crawford, J., & Baker, J. (2023). *The Orlan complex: Tracking the supply chains of Russia's most successful UAV*. Royal United Services Institute. <https://rusi.org/explore-our-research/publications/special-resources/orlan-complex-tracking-supply-chains-russias-most-successful-uav>
- Chainalysis. (2023, January 12). 2023 Crypto crime trends: Illicit cryptocurrency volumes reach all-time highs amid surge in sanctions designations and hacking. <https://blog.chainalysis.com/reports/2023-crypto-crime-report-introduction/>
- Clarke, P. (2022, March 22). *JPMorgan, Bank of America advance pay to Russia staff as more firms pull out*. Financial News. <https://www.fnlondon.com/articles/wall-street-banks-advance-pay-to-russia-staff-as-more-firms-pull-out-20220322>

- Cohn, C., Obayashi, Y., Saul, J., & Verma, N. (2022, May 25). *Russian oil's Achilles' heel: Insurance*. Reuters. <https://www.reuters.com/markets/commodities/russian-oils-achilles-heel-insurance-2022-05-25/>
- Cook, C., Ivanova, P., & Sheppard, D. (2022a, December 2). Russia assembles 'shadow fleet' of tankers to help blunt oil sanctions. *Financial Times*. <https://www.ft.com/content/cdef936b-852e-43d8-ae55-33bcbbb82eb6>
- Cook, C., Ivanova, P. & Sheppard, D. (2022b, December 7). How a Russian oil tanker tried to conceal its location. *Financial Times*. <https://www.ft.com/content/90dcc9b7-3371-411e-9d80-a2be0b4c10ca>
- Cook, C. & Sheppard, D. (2023, February 7). Iran's 'ghost fleet' switches into Russian oil. *Financial Times*. <https://www.ft.com/content/955389bf-d01b-4acb-bd15-b764425a8a18>
- Costas, P., & Faucon, B. (2022, May 12). Russian tanker giant in deals to sell ships amid Western sanctions. *Wall Street Journal*. <https://www.wsj.com/articles/sovcomflot-reaches-deals-to-sell-tankers-amid-western-sanctions-11652375436>
- Crude Accountability. (2023, February 6). *The maritime shipping industry: Opaque, extremely lucrative, and a tool of choice for sanctioned governments and their facilitators* [Press release]. <https://crudeaccountability.org/the-maritime-shipping-industry-opaque-extremely-lucrative-and-a-tool-of-choice-for-sanctioned-governments-and-their-facilitators/>
- Darvas, Z., & Martins, C. (2022). *The impact of the Ukraine crisis on international trade*. <https://www.bruegel.org/working-paper/impact-ukraine-crisis-international-trade>
- Demarco, J. (2022, June 6). *Analysis shows Malta shipping firms rapidly increased Russian oil shipments since start of war*. The Shift. <https://theshiftnews.com/2022/06/06/analysis-shows-malta-shipping-firms-rapidly-increased-russian-oil-shipments-since-start-of-war/>
- Doxey, M. (1980). Economic sanctions: Benefits and costs. *The World Today*, 36(12), 484-489.
- Drezner, D. W. (2000). Bargaining, enforcement, and multilateral sanctions: When is cooperation counterproductive? *International Organization*, 54(1), 73-102. <https://doi.org/10.1162/002081800551127>
- Drezner, D. W. (2003). The hidden hand of economic coercion. *International Organization*, 57(3), 643-659.
- Drury, A. C. (1998). Revisiting economic sanctions reconsidered. *Journal of Peace Research*, 35(4), 497-509.
- Dubai Crypto Estate. (2023). *Обмен криптовалютой в Дубае*. <https://dubaicryptoestate.com/obmen-cryptovalut-v-dubae>
- DW.com. (2022, September 15). *Зачем россияне массово регистрируют бизнес в Грузии*. <https://www.dw.com/ru/zacem-rossiane-massovo-registriruut-biznes-v-gruzii/a-63118519>
- Early, B. R. (2009). Sleeping with your friends' enemies: An explanation of sanctions-busting trade. *International Studies Quarterly*, 53(1), 49-71. <https://doi.org/10.1111/j.1468-2478.2008.01523.x>
- Early, B. R. (2011). Unmasking the black knights: Sanctions busters and their effects on the success of economic sanctions. *Foreign Policy Analysis*, 7(4), 381-402. <https://doi.org/10.1111/j.1743-8594.2011.00143.x>
- Early, B. R., & Spice, R. (2015). Economic sanctions, international institutions, and sanctions busters: When does institutionalized cooperation help sanctioning efforts? *Foreign Policy Analysis*, 11(3), 339-360. <https://doi.org/10.1111/fpa.12038>
- Ebel, F., & Ilyushina, M. (2023, February 13). Russians abandon wartime Russia in historic exodus. *Washington Post*. <https://www.washingtonpost.com/world/2023/02/13/russia-diaspora-war-ukraine/>

- Ersoy, E., Longley, A., & Yilmaz, U. (2022, November 17). *Turkey to demand oil tankers have proof of insurance, adding teeth to Russia sanctions*. *Insurance Journal*.
<https://www.insurancejournal.com/news/international/2022/11/17/695489.htm>
- EU - European Council. (2022, October 6). *EU adopts its latest package of sanctions against Russia over the illegal annexation of Ukraine's Donetsk, Luhansk, Zaporizhzhia and Kherson regions* [Press release].
<https://www.consilium.europa.eu/en/press/press-releases/2022/10/06/eu-adopts-its-latest-package-of-sanctions-against-russia-over-the-illegal-annexation-of-ukraine-s-donetsk-luhansk-zaporizhzhia-and-kherson-regions/>
- FATF. (2022, March). *Jurisdictions under increased monitoring – March 2022*. <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-march-2022.html>
- FATF. (2023, March 10). *Guidance on beneficial ownership of legal persons*. <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Legal-Persons.html>
- Faucon, B., & Jones, R. (2022, June 1). *Russian cash and trade drawn to Dubai by low taxes, no sanctions*. *Wall Street Journal*. <https://www.wsj.com/articles/russian-cash-and-trade-drawn-to-dubai-by-low-taxes-no-sanctions-11654092808>
- FinCEN. (2022a, March 7). *FinCEN advises increased vigilance for potential Russian sanctions evasion attempts*. <https://www.fincen.gov/sites/default/files/2022-03/FinCEN%20Alert%20Russian%20Sanctions%20Evasion%20FINAL%20508.pdf>
- FinCEN. (2022b, June 28). *FinCEN and the U.S. Department of Commerce's Bureau of Industry and Security urge increased vigilance for potential Russian and Belarusian export control evasion attempts*.
<https://www.fincen.gov/news/news-releases/fincen-and-us-department-commerces-bureau-industry-and-security-urge-increased>
- Fleming H., Foy, H., Pitel, L., & Politi, J. (2022, September 15). *US and EU step up pressure on Turkey over Russia sanctions*. *Financial Times*. <https://www.ft.com/content/95243a73-22c8-447e-bbae-a10a206d7e9e>
- FlyingAtom. (2023). *Exchange BTC - Bitcoin exchange network*. <https://flyingatom.com/en/exchange-bitcoin/>
- Forbes.ru. (2023). *Виктор Рашников – подробная информация о людях и компаниях*.
<https://www.forbes.ru/profile/viktor-rashnikov>
- ForkLog. (2022, April 6). *Как обналичить криптовалюту в Варшаве: Три простых способа*.
<https://forklog.com/exclusive/kak-obnalichit-kriptovalyutu-v-varshave-tri-prostyh-sposoba>
- Galtung, J. (1967). *On the effects of international economic sanctions, with examples from the case of Rhodesia*. *World Politics*, 19(3), 378–416. <https://doi.org/10.2307/2009785>
- Gauthier-Villars, D., & Baczynska, G. (2022, June 1). *EXCLUSIVE How a Russian billionaire shielded assets from European sanctions*. *Reuters*. <https://www.reuters.com/world/europe/exclusive-how-russian-billionaire-melnichenko-shielded-assets-european-sanctions-2022-05-27/>
- Gauthier-Villars, D., Stecklow, S., & Tamman, M. (2022, December 13). *The supply chain that keeps tech flowing to Russia*. *Reuters*. <https://www.reuters.com/investigates/special-report/ukraine-crisis-russia-tech-middlemen/>
- Gogov.ru. (2023). *Карта МИР в Южной Корее работает или нет в 2023 году*. <https://gogov.ru/mir-card-abroad/yuzhnaya-koreya>
- Golub, J. (2020). *Improving analyses of sanctions busting*. *Peace economics, peace science and public policy*, 26(2). <https://doi.org/10.1515/peps-2019-0043>

- Google. (2023). *NakitCoins Taksim Merkez · Gümüşsuyu, İnönü Cd. 47A, 34437 Beyoğlu/İstanbul, Турция*. NakitCoins Taksim Merkez · Gümüşsuyu, İnönü Cd. 47A, 34437 Beyoğlu/İstanbul, Турция. <https://www.google.com/maps/place/NakitCoins+Taksim+Merkez/@41.036224,28.989383,17z/data=!4m7!3m6!1s0x14cab77ae982f1ef:0x97bd71e8d1ee7472!8m2!3d41.0361754!4d28.9894411!9m1!1b1>
- Guyer, J. (2022, August 9). *Where in the world are Russians going to avoid sanctions?* Vox. <https://www.vox.com/world/23283965/russia-sanctions-united-arab-emirates-dubai-emirates-finance-money-yachts>
- Haidar, A. (2022, September 7). Kazakhstan to welcome 44 foreign companies relocating from Russia. *The Astana Times*. <https://astanatimes.com/2022/09/kazakhstan-to-welcome-44-foreign-companies-relocating-from-russia/>
- Hood, A., & Tauwhare, R. (2023, July 3). *New UK, EU and US sanctions on Russia*. Fieldfisher. <https://www.fieldfisher.com/en/services/international-trade/trade-sanctions-blog/new-uk-eu-and-us-sanctions-on-russia>
- Hufbauer, G. C. (2007). *Economic sanctions reconsidered* (3rd ed.). Peterson Institute for International Economics. <http://www.mylibrary.com?id=112514>
- Hufbauer, G., Elliot, K., Oegg, B., & Schott, J. (1990). *Economic sanctions reconsidered* (2nd ed.). Institute for International Economics. <https://www.piie.com/bookstore/economic-sanctions-reconsidered-3rd-edition-paper>
- Interpressnews.ge. (2022, August 30). *В Грузии за 5 месяцев зарегистрировано 7459 российских бизнесов и известна сфера деятельности лишь 4 из них*. <https://www.interpressnews.ge/ru/article/146096-v-gruzii-za-5-mesiatsev-zaregistrirovano-7459-rossiiskikh-biznesov-i-izvestna-sfera-deyatelnosti-lish-4-iz-nikh/>
- Investigate Europe. (2022, September 29). *Fuelling war – how European ships keep Russia’s economy afloat*. <https://www.investigate-europe.eu/en/2022/fuelling-war/>
- Irina, T. (2022, August 16). *MATROS POZYNICH: Спроба доставити в Туреччину зерно з окупованого Криму*. Myrotvorets News. <https://myrotvorets.news/matros-pozynich-sproba-dostavyty-v-turechchynu-zern/>
- Jones, D. (2022, September 28). *Turkish banks cut Russia banking ties under US pressure*. VOA News. <https://www.voanews.com/a/turkish-banks-cut-russia-banking-ties-under-us-pressure-/6767061.html>
- Jones, L., & Portela, C. (2020). Evaluating the success of international sanctions: A new research agenda. *Revista CIDOB d’Afers Internacionals*, 125, 39-60.
- Jones, R. (2022, April 14). Google, JPMorgan, other U.S. firms flee Russia for Dubai. *Wall Street Journal*. <https://www.wsj.com/articles/dubai-sees-influx-of-staff-from-u-s-companies-leaving-russia-11649935549>
- Kaempfer, W. H., & Lowenberg, A. D. (1999). Unilateral versus multilateral international sanctions: A public choice perspective. *International Studies Quarterly*, 43(1), 37-58. <https://doi.org/10.1111/0020-8833.00110>
- Kaempfer, W. H., Lowenberg, A. D., & Mertens, W. (2004). International economic sanctions against a dictator. *Economics & Politics*, 16(1), 29–51. <https://doi.org/10.1111/j.1468-0343.2004.00130.x>
- Kay, G. (2022, April 11). *Rates for oil tankers have tripled since Russia invaded Ukraine – and the few owners willing to brave the Black Sea can make \$200,000 a day*. Business Insider. <https://www.businessinsider.com/oil-tankers-rates-skyrocket-russia-ukraine-invasion-black-sea-2022-3>
- Kvakhadze, I., Maisuradze, R., Mzhavanadze, G., Tsintsabadze, M., & Tvaliashvili, A. (2022). *Transport and logistics sector report*. TBC Capital. <https://tbccapital.ge/static/file/202211183817-transportation-and-logistics-sector-report-november.2022.pdf>

- Kohonen, M. (2022, December 12). *European Court of Justice ruling on beneficial ownership, a major blow to the fight against environmental crimes*. Financial Transparency Coalition. <https://financialtransparency.org/european-court-justice-ruling-beneficial-ownership-major-blow-fight-environmental-crimes/>
- Latypova, L. (2022, September 6). From Yandex to RT: Russia expands presence in Serbia amid Ukraine war. *The Moscow Times*. <https://www.themoscowtimes.com/2022/09/06/from-yandex-to-rt-russia-expands-presence-in-serbia-amid-ukraine-war-a78638>
- Lawson, A. (2023, February 19). Shell and Vitol accused of prolonging Ukraine war with sanctions 'loophole'. *The Guardian*. <https://www.theguardian.com/business/2023/feb/19/shell-and-vitol-accused-of-prolonging-ukraine-war-with-sanctions-loophole>
- Lee, J. (2022, April 1). *The chip challenge: Keeping Western semiconductors out of Russian weapons*. Reuters. <https://www.reuters.com/technology/chip-challenge-keeping-western-semiconductors-out-russian-weapons-2022-04-01/>
- Lektzian, D., & Souva, M. (2007). An institutional theory of sanctions onset and success. *Journal of Conflict Resolution*, 51(6), 848–871. <https://doi.org/10.1177/0022002707306811>
- Lindsay, J. M. (1986). Trade sanctions as policy instruments: A re-examination. *International Studies Quarterly*, 30(2), 153–173. <https://doi.org/10.2307/2600674>
- Lister, T., & Fylyppov, S. (2022, May 12). *Russian ships carrying stolen Ukrainian grain turned away from Mediterranean ports – but not all of them*. CNN. <https://www.cnn.com/2022/05/12/europe/russia-ship-stolen-ukraine-grain-intl-cmd/index.html>
- Martin, L. L. (1994). *Coercive cooperation: Explaining multilateral economic sanctions* (Reprint edition). Princeton University Press.
- Martini, M. (2022, November 25). *Why are EU public registers going offline, and what's next for corporate transparency?* Transparency International. <https://www.transparency.org/en/blog/cjeu-ruling-eu-public-beneficial-ownership-registers-what-next-for-corporate-transparency>
- Middle East Business Intelligence. (2022, April 26). *UAE grey listing brings regulatory shift*. <https://www.meed.com/uae-fatf-listing-brings-regulatory-shift>
- Ministry of Foreign Affairs (Ukraine). (2023a). *MMK METALURJI SANAYI TICARET VE LIMAN ISLETMECILIGI ANONIM SIRKETI | Война и санкції*. <https://sanctions.nazk.gov.ua/ru/sanction-company/6328/>
- Ministry of Foreign Affairs (Ukraine). (2023b). *ПАШИКОВ Віктор Пулипович – Біографія, досьє, активи / Війна і санкції*. <https://sanctions.nazk.gov.ua/sanction-person/820/>
- Mironline.ru. (2023a). *О компании АО "НСПК"*. <https://mironline.ru/nspk/>
- Mironline.ru. (2023b). *Платежная карта «Мир»*. <https://mironline.ru/>
- MMK Metalurji. (2023). <https://mmkturkey.com.tr/management-team>
- NakitCoins. (2022, May 18). *NakitCoins old site*. <https://web.archive.org/web/20220518030109/https://nakitcoins.com/en>
- NakitCoins. (2023). <https://nakitcoins.com/en>
- NEWS.ru. (2023, March 16). *Как оформить карты иностранных банков в России удаленно: Цены и риски*. <https://news.ru/dengi/kak-oformit-karty-inostrannyh-bankov-v-rossii-udalенno-ceny-i-riski/>
- Obozrevatel News. (2022, July 7). *Турция отпустила российское судно "Жибек Жолы" с краденным в Украине зерном: МИД вызвал посла*. <https://news.obozrevatel.com/economics/analytics-and-forecasts/turtsiya-otputila-rossijskoe-sudno-zhibek-zholyi-s-kradennym-v-ukraine-zernom-mid.htm>

- OCCRP. (2022, December 20). *Traders are sneaking banned Russian and Belarusian wood into the EU by pretending it's from Central Asia*. <https://www.occrp.org/en/investigations/traders-are-sneaking-banned-russian-and-belarusian-wood-into-the-eu-by-pretending-its-from-central-asia>
- O'Dwyer, M. (2022, November 8). Accountants in Cyprus break from PwC to retain Russia-linked clients. *Financial Times*. <https://www.ft.com/content/4a646c94-8ea0-4bc8-83b0-0d6ab8ccefca>
- Office of Foreign Assets Control. (2020, May 14). *Guidance to address illicit shipping and sanctions evasion practices*. U.S. Department of the Treasury. <https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20200514>
- Office of Foreign Assets Control. (2022, September 15). *Russian harmful foreign activities sanctions, FAQ 1082*. U.S. Department of the Treasury. <https://home.treasury.gov/policy-issues/financial-sanctions/faqs/1082>
- O'Regan, V. (2022a, December 9). Ships in the night: Russian vessel slips out of Simon's Town with still no official explanation. *Daily Maverick*. <https://www.dailymaverick.co.za/article/2022-12-09-mystery-russian-ship-leaves-simons-town-still-no-official-explanation/>
- O'Regan, V. (2022b, December 22). Shipping lanes: Lady R's cargo was an 'old order' for ammunition, Modise says, but remains tight-lipped on details. *Daily Maverick*. <https://www.dailymaverick.co.za/article/2022-12-22-lady-rs-cargo-was-an-old-order-for-ammunition-modise-says/>
- Osipova, I., & Vasilkova, A. (2022, September 22). *Российские компании продолжают релокацию в Центральную Азию*. Kursiv. <https://kz.kursiv.media/2022-09-22/rossijskie-kompanii-prodolzhajut-relokaciju-v-centralnuju-aziju/>
- Özdamar, Ö., & Shahin, E. (2021). Consequences of economic sanctions: The state of the art and paths forward. *International Studies Review*, 23(4), 1646-1671. <https://doi.org/10.1093/isr/viab029>
- Pallapay. (2023). *Продать USDT в Дубае Получить Наличные или Перевод Наличных на банковский счёт*. <https://www.pallapay.com/ru/sell-usdt-in-dubai>
- Pape, R. A. (1997). Why economic sanctions do not work. *International Security*, 22(2), 90-136. <https://doi.org/10.2307/2539368>
- Pape, R. A. (1998). Why economic sanctions still do not work. *International Security*, 23(1), 66-77. <https://doi.org/10.2307/2539263>
- Paresh, D. (2022, February 5). *PayPal shuts down its services in Russia citing Ukraine aggression*. Reuters. <https://www.reuters.com/business/paypal-shuts-down-its-services-russia-citing-ukraine-aggression-2022-03-05/>
- Peksen, D. (2016). Economic sanctions and official ethnic discrimination in target countries, 1950-2003. *Defence and Peace Economics*, 27(4), 480-502. <https://doi.org/10.1080/10242694.2014.920219>
- Peksen, D. (2019). When do imposed economic sanctions work? A critical review of the sanctions effectiveness literature. *Defence and Peace Economics*, 30(6), 635-647. <https://doi.org/10.1080/10242694.2019.1625250>
- Pismennaya, E. (2022, February 1). Russia values local crypto market at \$200 billion as rules near. *BNN Bloomberg*. <https://www.bnnbloomberg.ca/russia-values-local-crypto-market-at-200-billion-as-rules-near-1.1716501>
- PolskieRadio.pl. (2022, July 4). *Турция задержала российское судно с ворованным украинским зерном – Русская редакция – Polskieradio.pl*. <https://www.polskieradio.pl/397/9770/Artykul/2993324,%D0%A2%D1%83%D1%80%D1%86%D0%B8%D1%8F-%D0%B7%D0%B0%D0%B4%D0%B5%D1%80%D0%B6%D0%B0%D0%BB%D0%B0-%D1%80%D0%BE%D1%81%D1%81%D0%B8%D0%B9%D1%81%D0%BA%D0%BE%D0%B5-%D1%81%D1%83%D0%B4%D0%BD%D0%BE-%D1%81->

[%D0%B2%D0%BE%D1%80%D0%BE%D0%B2%D0%B0%D0%BD%D1%8B%D0%BC-%D1%83%D0%BA%D1%80%D0%B0%D0%B8%D0%BD%D1%81%D0%BA%D0%B8%D0%BC-%D0%B7%D0%B5%D1%80%D0%BD%D0%BE%D0%BC](#)

Psaledakis, D. (2023, February 2). *U.S. targets global sanctions evasion network supporting Russia*. Reuters. <https://www.reuters.com/world/us/us-targets-global-sanctions-evasion-network-supporting-russia-2023-02-01/>

regnum.ru. (2023). *Платежную карту «Мир» приобрели восемь тысяч клиентов во всей России*. ИА REGNUM. <https://regnum.ru/article/2126207.html>

Reuters. (2022, December 2). *No one can bypass EU sanctions against Russia through Serbia, Vucic says*. <https://www.reuters.com/world/europe/no-one-can-bypass-eu-sanctions-against-russia-through-serbia-vucic-says-2022-12-02/>

Reuters. (2023, January 17). *Russia posts record current account surplus of \$227 bln in 2022*. <https://www.reuters.com/world/europe/russias-current-account-surplus-almost-doubled-2022-central-bank-2023-01-17/>

Ruta, M. (ed.). (2022). *The impact of the war in Ukraine on global trade and investment*. Open Knowledge Repository. <http://hdl.handle.net/10986/37359>

Ruys, T. (2017). *Sanctions, retorsions and countermeasures: Concepts and international legal framework*. In L. van der Hendrick (Ed.) *Research Handbook on UN Sanctions and International Law*. Edward Elgar Publishing.

Selizarova, V. (2022, April 14). *За «бешеными деньгами»: Кто поехал в Эмираты и почему многие там не задержатся*. Forbes.ru. <https://www.forbes.ru/svoi-biznes/462255-za-besenyimi-den-gami-kto-poehal-v-emiraty-i-pocemu-mnogie-tam-ne-zaderzatsa>

Serafin, T. (2022, March 18). *Is seizing the yachts and mansions of Russian oligarchs enough? No*. Al Jazeera. <https://www.aljazeera.com/economy/2022/3/18/is-seizing-the-yachts-mansions-of-russian-oligarchs-enough-no>

Simola, H. (2022). *Can Russia reorient its trade and financial flows?* (BOFIT Policy Briefs No. 7/2022). Bank of Finland Institute for Emerging Economies (BOFIT). <https://econpapers.repec.org/paper/zbwbofitb/72022.htm>

Spicer, J., & Levinson, R. (2022, July 6). *EXCLUSIVE Kyiv asks Turkey to probe three more Russian ships it alleges transported stolen grain*. Reuters. <https://www.reuters.com/world/europe/exclusive-kyiv-asks-turkey-probe-three-more-russian-ships-it-alleges-transported-2022-07-05/>

Steinhauser, G. (2023, January 9). *Russian ship's secretive South Africa stop prompts U.S. questions*. *Wall Street Journal*. <https://www.wsj.com/articles/russian-ships-secretive-south-africa-stop-prompts-u-s-questions-11673265353>

Stripe. (2023). *Impact of sanctions on Russia and Belarus*. <https://support.stripe.com/questions/impact-of-sanctions-on-russia-and-belarus>

Tan, H. (2022, June 8). *The EU's 3 biggest shipping countries have doubled Russian oil shipments since the invasion of Ukraine, and it's undermining attempts to hurt Putin*. Markets Insider. <https://markets.businessinsider.com/news/commodities/europe-greece-cyprus-malta-shipping-double-russian-oil-cargos-sanctions-2022-6>

TASS. (2021, March 2). *Russia tests transactions with Mir payment cards in UAE*. <https://tass.com/economy/1261729>

The Moscow Times. (2022, May 6). *Nearly 4m Russians left Russia in early 2022 – FSB*. <https://www.themoscowtimes.com/2022/05/06/nearly-4m-russians-left-russia-in-early-2022-fsb-a77603>

The New York Times. (2023, January 13). *How Western goods reach Russia: A long line of trucks through Georgia*. <https://www.nytimes.com/2023/01/13/world/europe/georgia-russia-cargo-border.html>

The Union of Chambers and Commodity Exchanges of Türkiye. (2023, January 20). *In the year 2022 the number of newly established companies increased by 27.8% with respect to the previous year*. <https://www.tobb.org.tr/Sayfalar/Eng/Detay.php?rid=12909&lst=Haberler>

Transparency International. (2022, November 22). *EU Court of Justice delivers blow to beneficial ownership*. Transparency.Org. <https://www.transparency.org/en/press/eu-court-of-justice-delivers-blow-to-beneficial-ownership-transparency>

Transparency International - Georgia. (2022, August 3). *Georgia's economic dependence on Russia: Impact of the Russia-Ukraine war*. საქართველოს გამჭვირვალობა - საქართველო. <https://transparency.ge/en/post/georgias-economic-dependence-russia-impact-russia-ukraine-war>

TravelAsk. (2023). *Открытие банковской карты онлайн*. <https://cards.travelask.ru>

U.S. Department of the Treasury. (2022a, November 3). *Treasury sanctions oil shipping network supporting IRGC-QF and Hizballah* [Press release]. <https://home.treasury.gov/news/press-releases/jy1076>

U.S. Department of the Treasury. (2022b, May 25). *Treasury targets oil smuggling network generating hundreds of millions of dollars for Qods Force and Hizballah* [Press release]. <https://home.treasury.gov/news/press-releases/jy0799>

U.S. Department of the Treasury. (2022c, March 31). *Treasury targets sanctions evasion networks and Russian technology companies enabling Putin's war* [Press release]. <https://home.treasury.gov/news/press-releases/jy0692>

U.S. Department of the Treasury. (2023, February 1). *Treasury targets global sanctions evasion network supporting Russia's military-industrial complex* [Press release]. <https://home.treasury.gov/news/press-releases/jy1241>

U.S. Department of State. (2022, May 8). *State Department actions to promote accountability and impose costs on the Russian government for Putin's aggression against Ukraine* [Fact sheet]. <https://www.state.gov/state-department-actions-to-promote-accountability-and-impose-costs-on-the-russian-government-for-putins-aggression-against-ukraine/>

U.S. Department of State. (2023, March 2). *Two US citizens arrested for illegally exporting technology to Russia* [Press release]. <https://www.justice.gov/opa/pr/two-us-citizens-arrested-illegally-exporting-technology-russia>

Wallensteen, P. (1968). Characteristics of economic sanctions. *Journal of Peace Research*, 5(3), 248–267. <https://doi.org/10.1177/002234336800500303>

Western Union Russia. (2023). *International Money Transfer*. Western Union Money Transfer. <https://www.westernunion.com/ru/en/home.html>

Whalen, J. (2022, May 12). *Sanctions forcing Russia to use appliance parts in military gear, U.S. says*. *Washington Post*. <https://www.washingtonpost.com/technology/2022/05/11/russia-sanctions-effect-military/>

Windward. (2022, August 25). *High sea Russian oil transfers are far from the only smuggling method...* <https://windward.ai/blog/high-sea-russian-oil-transfers-are-far-from-the-only-smuggling-method/>

World Bank - World Integrated Trade Solution. (2023a). *Armenia Trade Summary | WITS Data*. <https://wits.worldbank.org/CountryProfile/en/Country/ARM/Year/LTST/Summary>

World Bank - World Integrated Trade Solution. (2023b). *Georgia Trade Summary | WITS Data*. <https://wits.worldbank.org/CountryProfile/en/Country/GEO/Year/LTST/Summary>

World Bank - World Integrated Trade Solution. (2023c). *Kazakhstan Trade Summary | WITS Data*. <https://wits.worldbank.org/CountryProfile/en/Country/KAZ/Year/LTST/Summary>

World Bank - World Integrated Trade Solution. (2023d). *Serbia, FR(Serbia/Montenegro) Trade Summary 2019 | WITS Data*. <https://wits.worldbank.org/CountryProfile/en/Country/SER/Year/2019/Summary>

Yandex.ru. (2023). *Карта «Мир» за границей: Где работает и как снять деньги – Яндекс Путешествия*. <https://travel.yandex.ru/journal/countries-where-mir-bank-cards-accepted/>

Yaresko, K. (2022, April 18). *“Михаил Ненашев”: Судно, пов’язане з підсанкційною “ОСК”, планує доставити зерно з окупованого Севастополя в Туреччину*. Myrotvorets News. <https://myrotvorets.news/mykhayl-nenashev-sudno-poviazane-z-pids/>

Zepterbank.by. (2023a). *International Money Transfers S.W.I.F.T.* <http://en.zepterbank.by/personal/services/swift/>

Zepterbank.by. (2023b). *Раскрытие информации*. <https://www.zepterbank.by/bank/about/information/>

Zhilyaev, A. (2022, October 3). *Как перевести деньги в Грузию из России в 2022 году: 8 способов*. BanksToday. <https://bankstoday.net/last-articles/kak-perevesti-dengi-v-gruziyu-iz-rossii>

Гал-інфо. (2022, May 3). *Новини Світу: Як Вірменія допомагає фашистській росії обходити санкції*. <https://galinfo.com.ua/news/yak-vmeniya-dopomagaie-fashystskiy-rossii-obhodyty-sanktsii-384964.html?print>