

G7 vows to clamp down on Russia's oil sanctions evasion

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Group commits to unspecified measures to enforce price cap on Russian exports in response to Ukraine war



An oil tanker at a port in Novorossiysk. Russia is said to be using a fleet of shadow tankers to skirt sanctions.
Photograph: AP

Finance ministers of the G7 nations vowed on Saturday to step up efforts to prevent Russia from evading sanctions imposed after its invasion of Ukraine.

“We remain committed to taking further initiatives in response to oil price cap violations,” the group said in a statement after a meeting in Washington. Those further steps were not spelled out in detail.

In December 2022, the G7 with the EU and Australia agreed to pressure buyers of Russian oil to not go above a certain price ceiling.

The agreement was intended to limit Russian petroleum sales and revenues

without curbing exports so sharply that it would cause global oil prices to soar.

But some countries, notably China, have continued to import Russian crude oil without observing the price ceiling.

The G7 finance ministers also said they would take additional measures aimed at “increasing the costs to Russia of using the shadow fleet to evade sanctions”.

Officials say Russia has used its fleet of shadow tankers, many of them old, unmarked and poorly maintained, to skirt sanctions by transporting oil without properly declaring their cargo or itineraries.

The tankers sometimes load or transfer their cargo at sea to avoid unwanted attention.

The US and the EU have sanctioned several of these ships and their owners, notably Russia’s government-owned maritime company Sovcomflot.

The G7 ministers said they intended “to intensify our efforts to prevent financial institutions from supporting Russia’s evasion of our sanctions”.

According to the US Office of Foreign Assets Control, Russian financial institutions have developed a network of foreign subsidiaries to facilitate the purchase or sale of sanctioned goods.

Joining the G7 ministers in the meeting Saturday were the heads of the seven countries’ central banks, plus top officials of the International Monetary Fund, the World Bank and the Organisation for Economic Cooperation and Development.

The G7, which groups seven of the world’s most advanced economies, announced on Friday it had reached an agreement to provide a loan of about \$50bn to Ukraine.

The loan will be repaid not by Ukraine but with the interest – roughly \$3bn a year – generated by Russian assets seized and frozen after the war began in February 2022.

