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Russia: evading sanctions



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1. INTRODUCTION

Since the onset of the full-scale invasion of Ukraine in February 2022, the **Russian Federation has faced a series of escalating international sanctions targeting its economy, particularly its lucrative energy sector.**

In response, Moscow has orchestrated **a complex and often opaque maritime logistics network known as the "shadow fleet"**—a loosely connected group of vessels designed to continue exporting Russian oil and related products while evading Western sanctions and regulations.

This shadow fleet has grown into a **significant geopolitical** and environmental concern, drawing the attention of NATO, the European Union, and maritime authorities worldwide.

The shadow fleet is just one angle of the system established by Russian authorities to circumvent sanctions. We will focus on the shadow fleet, in this case, but it must be understood that **there is a huge intricate system of companies and front persons that funnel the requirements of the Russian defence industrial complex.** The shadow fleet is mainly focused on circumventing sanctions related to the energy sector.

This evading system started to be built up and polished since sanctions were imposed **after the invasion of Crimea in 2014.**

2. UNDERSTANDING THE SHADOW FLEET

The term shadow fleet refers to a **group of vessels, often older and operating under flags of convenience**, obscure ownership structures, and minimal insurance oversight, used to **covertly transport Russian crude oil and refined petroleum products.** These ships typically operate with **Automatic Identification Systems (AIS) turned off**, engage in **ship-to-ship transfers** in international waters, and often make use of **deceptive shipping routes.** Some are linked to shell companies or obscure third-party operators that **obscure their connections to Russian entities.**

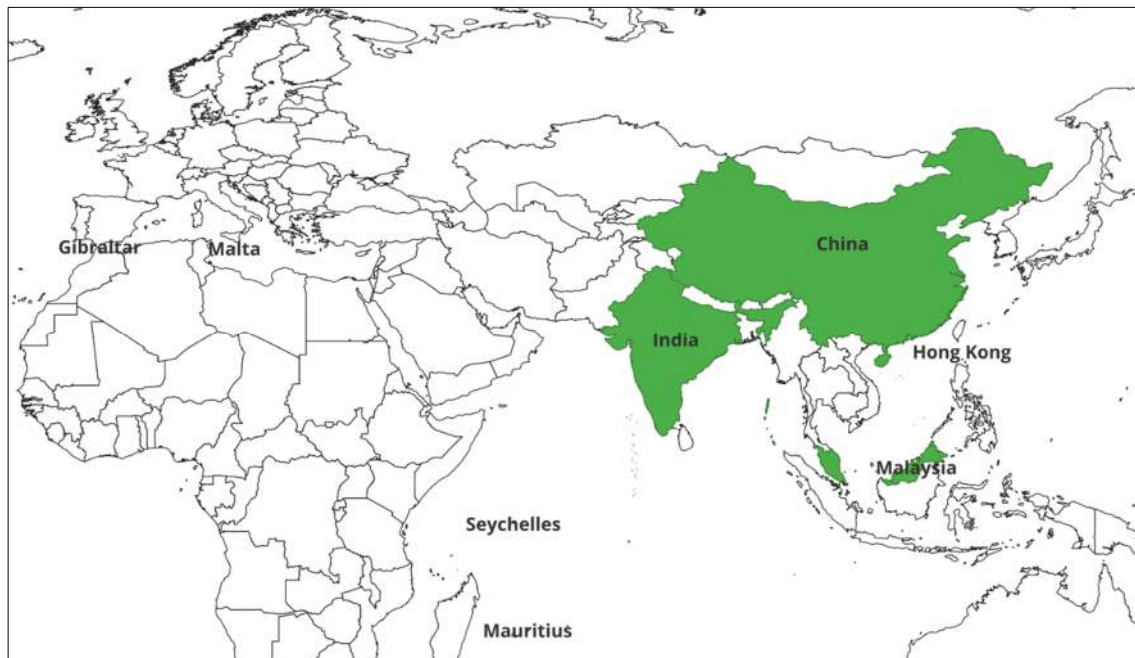
A significant characteristic of this fleet is **the use of aging tankers**—many over 15 years old—that would ordinarily have been retired from service. Instead, these vessels are repurposed for sanction-evading operations, raising concerns about maritime safety and environmental risk and, **more importantly, about the effectiveness of sanctions regime.** Estimates suggest the fleet includes more than **600 vessels globally**, with varying degrees of direct or indirect linkage to Russian oil interests.

2.1 Sanctions and the rise of the fleet

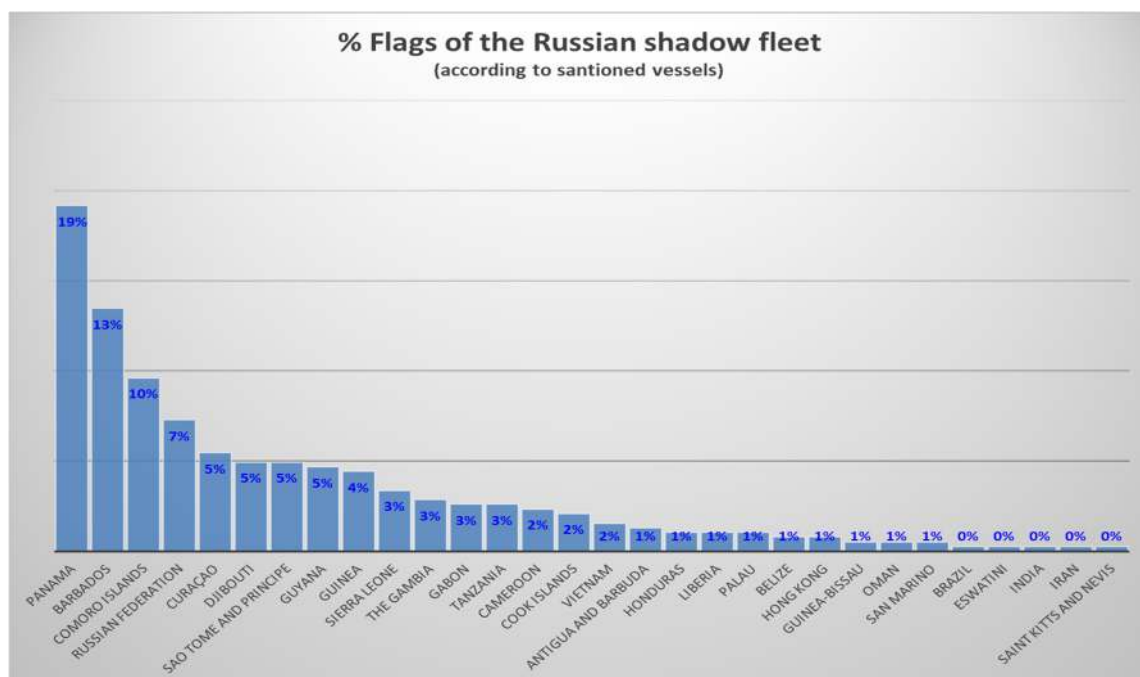
Western sanctions, especially those imposed by the European Union, the United States, and the G7, targeted Russian oil exports by **placing price caps on Russian crude and refined products.** To continue funding its war effort and maintain a key revenue stream, Russia turned to alternative

channels. The shadow fleet emerged as a tool to circumvent these restrictions by **enabling the continued shipment of oil to countries not participating in sanctions.**

The most visited countries by the shadow fleet



Some tankers in the shadow fleet transport oil above the price cap but claim otherwise through **falsified documentation or fraudulent insurance certificates**. Others participate in transshipments (ship-to-ship operations) that **obscure the true origin of the cargo**. For instance, crude oil loaded at Russian ports may be transferred to another vessel mid-sea before reaching its final destination under a different flag and port of origin. There are identified areas where these operations are carried out. One of them is 12 nautical miles off Malta, that is, in international waters.



2.2 Notable incidents

A number of documented incidents since 2022 illustrate the operational hazards and strategic risks posed by the shadow fleet:

- **Eagle S (December 2024):** A Russian oil tanker suspected of damaging the Estlink 2 undersea power cable between Finland and Estonia. The ship was boarded and seized by Finnish authorities.
- **Eventin (January 2025):** A Panama-flagged tanker carrying Russian oil was confiscated by Germany after experiencing engine failure near Rügen Island. It was found to lack valid insurance, raising maritime safety concerns.
- **Grace Ferrum, Seacharm, Koala, and Seajewel (2024-2025):** These vessels experienced onboard explosions or mechanical failures, underlining the risks posed by operating aged ships in covert operations.
- **Ocean 28 (November 2024):** This reefer, suspected of espionage in earlier years, requested emergency assistance near Norway's Nyhamna gas facility, reigniting concerns.

Vezhen (January 2025): The Malta-flagged cargo ship was seized by Swedish authorities, suspected of damaging a key undersea data cable linking Latvia and Sweden. Later, the vessel was released after it was determined that a combination of bad weather conditions and navigational failures were at the core of the incident.

2.3 Geopolitical implications

The use of the shadow fleet has geopolitical ramifications **beyond the scope of sanctions evasion**. The presence of these vessels in European and NATO-member waters **raises concerns over espionage and sabotage**. Vessels suspected of being linked to Russian interests (the case of the Ocean 28 mentioned above) have been found near critical infrastructure such as undersea cables and gas pipelines.



In 2022, the Nord Stream 1 and 2 pipelines were damaged by underwater explosions in the Baltic Sea. Though no definitive evidence has linked the sabotage to any vessel, the event **heightened vigilance among NATO members**. Since then, multiple incidents have prompted further scrutiny of ships operating covertly in the region.

2.4 NATO and EU responses

Recognizing the threat posed by this maritime phenomenon, NATO initiated the **Baltic Sentry operation in 2025 to protect critical underwater infrastructure**. The European Union, meanwhile, has implemented stricter import rules and port inspections for tankers suspected of shadow fleet activities. Additionally, the United Kingdom and other G7 nations imposed new sanctions targeting shipping firms and insurers tied to Russia.

Advanced satellite monitoring, use of maritime domain awareness platforms, and enhanced cooperation among naval forces have become key tools in the effort to contain and disrupt the fleet. Authorities have also cracked down on fraudulent insurance schemes, such as the Estonian firm (**Continental P&I Club**) providing fake certificates to over 20 tankers, which was shut down in late 2023.

2.5 Economic consequences for Russia

While **the shadow fleet has enabled Russia to continue energy exports, it comes at a cost**. The operation and maintenance of this unofficial logistics system require additional investment, and the use of older vessels results in inefficiencies and higher risk premiums. Moreover, **diplomatic fallout and insurance crackdowns have made it harder for Russian oil to reach some markets**.

Despite these obstacles, **Russia has managed to reroute a significant portion of its oil exports** to Asia. India, for example, has become a key importer, refining Russian crude for re-export. However, the long-term viability of such networks is uncertain, especially as Western authorities adapt their enforcement strategies.

3. CONCLUSIONS

The Russian shadow fleet represents a **dynamic and multifaceted challenge at the intersection of international security, environmental stewardship, and economic sanctions enforcement**. By exploiting legal grey zones and regulatory gaps, Russia has managed to **maintain a crucial revenue stream** despite sweeping sanctions. However, this success is not without cost or consequence.

The international community has begun to adapt, deploying more sophisticated surveillance and coordination mechanisms. Yet **the battle between enforcement and evasion continues to evolve**. As geopolitical tensions remain high, and the war in Ukraine persists, the fate of the shadow fleet will serve as a

barometer of the effectiveness of global maritime governance in an era of strategic contestation.

Continued vigilance, international cooperation, and technological innovation will be essential to counter the risks posed by this clandestine maritime network, ensuring the safety of maritime routes and **the integrity of the global sanctions regime**.

This integrity of the sanctions regime is really in dire straits. Iran has been under sanctions for decades and its regime is still in power. And the same is valid for DPRK, or sanctions imposed on Libya. Undoubtedly, **it makes survival for those regimes more difficult** and helps raise discontent and facilitate unrest against nefarious regimes.

If the final goal is toppling nefarious regimes, **sanctions seem not to work in neither the short nor the medium term. And in the long run, other factors come into play making sanctions irrelevant**. To turn this around, sanctions must be effective since the very moment they are enacted, and this is not realistic. So, **sanctions should be understood as a means to express political rejection or disdain, but results should not be expected any time soon**.