

# How Russian oligarchs sue over sanctions

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The sanctions imposed by the EU, UK and Canada following Russia's invasion of Ukraine are being challenged by Russian oligarchs, their companies and others using a mechanism written into investment treaties known as ISDS. For instance:

- Sanctioned Russian oligarch Mikhail Fridman is suing Luxembourg for \$16bn for freezing his assets and is also suing the UK for a so-far unknown amount
- Several Russian investors are initiating claims against Belgium over the freezing of Russian-held assets at Euroclear
- A holding company in Luxembourg, which is part of Fridman's business empire, is suing Ukraine over the removal of a Russian-linked bank from Ukraine's banking sector

In view of the increasing weaponisation of investment treaties to weaken sanctions policy, it is paramount that all countries adopt effective measures to neutralise ISDS risks.

This fact sheet outlines the issue. For a full analysis and detailed recommendations see [Frozen assets, hot claims: how Russian oligarchs and other investors sue over sanctions](#).

## What is ISDS?

The investor-state dispute settlement (ISDS) system lets foreign investors (often large corporations or ultra-rich individuals) sue governments outside of the national legal system over democratically-agreed policies or laws that they think will affect their profits. Cases are heard in secretive tribunals and often involve payouts of hundreds of millions or billions of dollars - usually far higher than would be the case in national courts.

The ISDS system is included in trade or investment agreements between countries. It is highly controversial and several countries have begun to move away from the system, including in Europe.

## The rise of ISDS cases against sanctions

While ISDS cases have long been contentious, their use to challenge national security policy has until recently been unusual. However there has been a recent spike in their use to challenge sanctions imposed following the Russian invasion of Ukraine.

Our analysis reveals 28 cases and threats of cases overall that are linked to the sanctions against Russia and Belarus, of which 24 are directly targeting the sanctions:

- 11 known cases targeting the sanctions of EU countries, the UK and Canada;
- 13 known cases targeting the sanctions and national security measures of Ukraine;
- 2 further cases targeting sanctions have been threatened against EU countries;
- 2 cases against EU countries by sanctioned individuals and entities on other issues.

Of these 13 cases were filed in 2025 alone, highlighting how investors are increasingly weaponising ISDS as a tool to challenge sanctions and security policy.

## **Paying out billions**

ISDS cases are extremely secretive and in only eleven of the cases is there any public information about the amounts that investors are demanding. However this already adds up to a total of \$62bn claimed. This comes close to the \$70bn of military assistance the EU has provided to Ukraine since 2022.

The true figure is very likely to be significantly higher given that there is no information on the remaining cases.

## **Chilling effect**

The experience and threats of possible ISDS claims are already significantly limiting the policy options to support Ukraine. This has been evident in the debate in the EU over use of immobilised Russian assets held by the Belgian-based depository Euroclear to support Ukraine. Belgium has blocked the use of the funds, explicitly referring to legal risks under its investment treaty with Russia when justifying the refusal.

There continue to be open questions about the use of Euroclear funds. However it is apparent that the uncertainty caused by ISDS risks has already had a paralysing effect on the EU decision making process.

## **Investment treaties**

Many countries have investment treaties with Russia and Belarus that include ISDS. Despite the war in Ukraine, these have not been cancelled. These treaties are now being used to bring cases challenging sanctions. In December 2025 the EU President, von der Leyen, suggested that EU countries should cancel their investment treaties with Russia.

Ukraine has cancelled its treaty with Russia, but it also has investment treaties with most EU countries, Switzerland and the UK, several of which are being used by Russian oligarchs and others to challenge Ukraine's national security measures, often via holding companies and similar corporate structures.

Cancelling these treaties would prevent new claims. This is especially so if done in a way that negates the 'sunset clauses', which allow ISDS provisions to continue for time beyond the end of a treaty.

For Ukraine to cancel its treaties with other European countries would not be cutting ties with Europe because, if Ukraine in future joins the EU, it will need to cancel them anyway as such treaties are illegal inside the Union.

At present, the EU is seeking to limit ISDS risks within the sanctions regime itself. While these are interesting measures, they have significant limitations. Cancellation of investment treaties remains the only safe path to reducing the risk of ISDS cases.

## **What needs to happen?**

In the short term:

- All countries should cancel their investment treaties with Russia and Belarus to phase out Russian investors' claims.
- EU countries, the UK, Switzerland and Ukraine must urgently cancel the investment treaties between them. A single joint termination treaty could simultaneously end all the treaties at once and address the sunset clauses.

In the longer term countries should remove ISDS from all existing treaties and stop signing new treaties with any form of ISDS.