

## First-ever court challenge to Russia sanctions designation

The UK has [designated](#) more than 1,600 individuals and 220 entities in an unprecedented roll-out of sanctions following Russia's invasion of Ukraine. Today, for the very first time, the courts are being called on to review the UK government's approach to targeting individuals under the Russia sanctions regime.

### Who is bringing the challenge?

Eugene Markovich Shvidler is a dual British-American citizen who was [designated](#) by the UK on 24 March 2022. The Russian-born businessman was targeted with sanctions as an "involved person" in Russia's invasion based on his ["close business links"](#) to Roman Abramovich. Shvidler, whose net worth is estimated as £1.2 billion, was formerly a non-executive director of Evraz, the former FTSE 100 steel giant which Abramovich part-owned. The UK [considers](#) Shvidler to have been "involved in obtaining a benefit from or supporting the Government of Russia" through his role at Evraz, whose business in the extractives, construction and transport sectors are of strategic significance to Russia.

Shvidler will [argue](#) in court that the government made "significant errors" when assessing his involvement in Evraz and his relationship with Abramovich. The nub of Shvidler's challenge is that he and his family have suffered "serious hardships" following his designation which are "entirely disproportionate" to what he describes as the "vague and non-specific public benefits" supposed to be achieved by sanctions. While the government has broad discretion to impose sanctions, Shvidler claims that the former directors of Evraz have been targeted in a discriminatory manner.

### Why is this case important?

While more than 31 sanctioned persons have asked the government to [review](#) their designation since 2021, Shvidler's case is the first challenge under the Russia sanctions regime to reach the courts. This means the government has internally reviewed his designation but decided he should remain on the sanctions list, so the dispute has been escalated to the courts.

To date, only one other challenge brought under the Sanctions and Anti-Money Laundering Act 2018 has been resolved by the courts. In March 2023, the government comfortably [defended](#) its decision to sanction Belarussian tech company Synesis for providing surveillance software to Lukashenko's regime. The judge [found](#) that the challenge "fell a long way short" of showing the kind of error required to justify the court overturning the government's decision to put the company on the sanctions list.

But Shvidler's challenge will probe the rationale and proportionality of the government's measures more deeply. In particular, the case raises important questions about the balance to be struck between the designee's human rights and the government's foreign policy objectives. The challenge will also throw a spotlight on whether decisions made at speed in the heat of the invasion were made fairly and what kind of behaviour change from oligarchs the government is seeking to secure.

With more potential sanctions challenges in the pipeline, these arguments will be closely watched to see the extent to which courts are willing to weigh in on decisions driven by sensitive foreign policy considerations.

## Comment

Dr Helen Taylor, Senior Legal Researcher at Spotlight on Corruption, said:

*“This challenge will stress test the UK’s approach to sanctions against Russia, putting the process and rationale for targeting these individuals under a judicial microscope. While the government has very broad discretion to impose sanctions, this case will throw light on whether the right people are being targeted to achieve the desired outcomes. This close scrutiny of a designation made in the early days after Putin’s invasion should be welcomed by the government as an important opportunity to take stock about how sanctions decision-making has worked so far, and how to develop a robust sanctions strategy for the future.”*

## Case information

*Shvidler v Secretary of State for Foreign Commonwealth and Development Affairs*

Case number: CO/741/2023

Hearing date: Thursday 20 July 2023

London Administrative Court, King’s Bench Division of the High Court of Justice of England and Wales  
Before Mr Justice Garnham

## Notes to editors

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