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Judgment of the General Court in Case T-193/23 | MegaFon v Council

## War in Ukraine: the General Court confirms the restrictive measures adopted against the Russian mobile telephone operator MegaFon

The inclusion and maintenance of that company's name on the lists of entities subject to the restrictive measures were well founded

MegaFon, a public joint stock company established in Moscow (Russia), is one of the principal mobile telephone and telecommunications operators in Russia.

In February 2023, taking the view that MegaFon provides direct support to Russia's military and industrial complex in its war of aggression against Ukraine, the Council <sup>1</sup> included that company on the list of entities subject to the restrictive measures adopted by the European Union. Those measures prohibit European operators from, inter alia, selling, supplying, transferring or exporting dual-use goods and technology to MegaFon, and from providing it with technical or financial assistance in connection with such goods and technology.

In July 2023 <sup>2</sup> and in January 2024, <sup>3</sup> the Council decided to extend the restrictive measures against that company.

MegaFon brought an action before the General Court of the European Union seeking annulment of those acts adopted by the Council in so far as they include and maintain its name on the list of Russian entities subject to restrictive measures. According to that company, those acts fail to state reasons, are vitiated by an error of assessment, and infringe its rights of defence and the principle of proportionality.

## The General Court dismisses that action in its entirety.

It states that the Council did in fact set out **the actual and specific reasons** why it decided to apply restrictive measures to MegaFon. Those measures are intended to prevent a major player in the mobile telephone sector in Russia from acquiring certain goods and technology that could be used to support Russian aggression against Ukraine, including by supplying telecommunications services to the Russian army.

The General Court also rejects MegaFon's arguments relating to the infringement of its rights of defence. It notes in particular that the **Council was under no obligation to hear MegaFon before including it on the aforementioned list**. Such a step would have precluded the element of surprise that ensures the effectiveness of inclusion on the list. Furthermore, since the extension of the restrictive measures was based on the same grounds, the Council had no obligation to inform MegaFon of its intention to maintain the latter's name on the list.

In addition, the General Court states that **the Council did not make an error of assessment** by including and maintaining MegaFon on the lists at issue.

Last, although the measures at issue limit MegaFon's freedom to conduct a business and affect its reputation, **they do not constitute a disproportionate and intolerable interference**. In particular, the General Court observes that they satisfy an objective of fundamental public interest for the international community. Those measures are

necessary and appropriate in order for that objective to be pursued effectively.

**NOTE:** An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to EU law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

**NOTE:** An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months and ten days of notification of the decision.

Unofficial document for media use, not binding on the General Court.

The <u>full text and, as the case may be, the abstract</u> of the judgment is published on the CURIA website on the day of delivery.

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Images of the delivery of the judgment are available on 'Europe by Satellite' ⊘ (+32) 2 2964106.

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<sup>&</sup>lt;sup>1</sup> Council Decision (CFSP) 2023/434 of 25 February 2023 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine; Council Regulation (EU) 2023/427 of 25 February 2023 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.

<sup>&</sup>lt;sup>2</sup> Council Decision (CFSP) 2023/1517 of 20 July 2023 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.

<sup>&</sup>lt;sup>3</sup> Council Decision (CFSP) 2024/422 of 29 January 2024 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.