STUDY NOTES · BASIC CONCEPT

All About the Lindsey O. Graham Sanctioning Russia and Iran Act, 2026

International Relations

17 Oct 2026

What is the Graham Act?

The Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 is a United States federal law enacted on 18 September 2026 as Public Law 119-111. It was designed to increase economic pressure on Russia in response to its invasion of Ukraine and to target specified individuals, financial institutions, entities and activities connected with the Russian government.

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The legislation also included significant tariff provisions aimed at countries purchasing Russian energy and countries facilitating the evasion of Russian oil sanctions.

However, on 16 October 2026, President Donald Trump issued an executive order waiving specified sanctions, restrictions and duties under the Act, citing the national interests of the United States. The waiver was issued shortly before the new measures were due to take effect.

The Act is important for India because India is a major buyer of Russian crude oil and maintains extensive trade and strategic ties with the United States.

Central concept: The Graham Act illustrates how a major power can use tariffs and financial sanctions to influence the energy-purchasing decisions of other countries, even when those countries are not directly involved in the conflict that prompted the sanctions.

Who was Lindsey O. Graham?

Lindsey O. Graham was a Republican politician from South Carolina who served in the US Senate and was a prominent advocate of stronger measures against Russia.

The law was named after him because he championed the legislation. The official text describes it as the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026.

The law was enacted after Graham's death, as reported in contemporary coverage. Naming legislation after a politician generally recognises that person's role in advancing the proposal; it does not mean that the individual personally administered or implemented the law.

3. Why was the Act introduced?

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The legislation emerged from the continuing conflict between Russia and Ukraine and efforts to increase the economic costs to Russia of continuing the war.

Its underlying policy objectives included:

1. Increasing pressure on Russia: Restricting the financial and commercial activities of specified Russian officials, institutions and entities.
2. Reducing revenue from energy exports: Discouraging purchases of Russian oil and natural gas by major importing countries.
3. Addressing sanctions evasion: Targeting specified activities by foreign persons and entities that help Russia circumvent restrictions.
4. Increasing the cost of trade: Using US market access as leverage against Russia and certain third countries.
5. Strengthening enforcement: Requiring US officials to monitor relevant trade and sanctions-related activity and report to the President.

The law therefore combined traditional sanctions against specified Russian interests with tariff measures intended to influence the behaviour of other countries.

4. What are the major provisions of the Graham Act?

The Act contains several categories of measures. It is important to distinguish the provisions of the legislation from those actually brought into effect after the President's waiver.

Provision	Main purpose
Sanctions against specified Russian officials and supporters	Target individuals and activities linked to the Russian government
Measures concerning financial institutions	Restrict specified financial relationships and transactions
Measures concerning Russian state-linked entities	Target certain entities owned or controlled by the Russian government
Restrictions on specified financial transfers	Limit designated financial dealings involving Russia
Securities-market restrictions	Restrict certain Russian entities' access to US securities markets
Tariffs on Russian-origin goods	Increase the cost of covered imports into the United States
Tariffs concerning major buyers of Russian energy	Use US market access to discourage specified purchases of Russian crude oil and natural gas
Measures concerning sanctions evasion	Target certain countries or entities facilitating prohibited Russian oil-related activity
Monitoring and reporting	Require US officials to monitor purchases and relevant evasion activities

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These provisions are subject to the detailed definitions, exceptions, implementation requirements and waiver provisions in the Act.

A. Tariffs on Russian-origin goods : The Act and the implementing executive order provided for an increase in the rate of duty on covered goods originating in Russia, subject to statutory exceptions and waivers.

The executive order specified an increase of 500% ad valorem under the relevant provision. This is a stated tariff rate in the order, not a claim that every Russian product necessarily faced a uniform final customs charge irrespective of other rules, exemptions or waivers.

B. Tariffs on major buyers of Russian energy : The order also specified a 100% additional duty on covered goods from the five largest importers of Russian-origin crude oil and natural gas if they knowingly made new purchases on or after 18 October 2026, subject to the law's exceptions and waivers.

A separate provision addressed the five leading facilitators of Russian oil-sanctions evasion. The relevant countries were to be identified through monitoring and reporting by US officials.

Why does this matter? The proposed tariff was not simply a duty on Russian oil itself. It was designed to affect goods entering the US from specified third countries, thereby creating a possible cost for countries that continued purchasing Russian energy.

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5. How does the law's waiver mechanism work?

One of the most important features of the Act is that it gives the President a mechanism to waive specified measures.

Section 115 allows the President to waive the application of specified sanctions, restrictions and duties under the Act, subject to submitting a written certification to Congress that the waiver is in the national interests of the United States, together with a report explaining the basis for the certification.

What happened on 16 October 2026?

The President issued an executive order that:

1. Waived the application of specified duties under Sections 112 and 113 of the Act and the implementing order.
2. Waived specified sanctions and restrictions under Section 102(d).
3. Waived additional listed sanctions provisions under the Act.
4. Required continued monitoring of Russian energy purchases and sanctions-evasion activity.

5. Allowed the waiver to remain in force until the President or designated officials determined that further action was appropriate.
6. The order explicitly stated that the waiver did not affect pre-existing sanctions and other measures imposed under earlier executive orders concerning specified harmful Russian activities.

What does this mean in simple terms?

The law created a framework for imposing additional economic pressure. The President then used the law's own waiver provision to suspend specified new measures.

This is not the same as repealing the Act. Nor does it mean that all sanctions against Russia have disappeared.

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Term	Meaning
Enactment	A bill becomes law
Implementation	The government puts the law's provisions into effect
Waiver	Specified legal requirements are suspended or exempted under an authorised mechanism
Repeal	A law or provision is formally revoked through the applicable legal process
Executive order	A presidential directive issued under constitutional or statutory authority

UPSC takeaway: A law may authorise sanctions while also allowing the executive to waive them under defined conditions. This illustrates the relationship between legislative authority and executive discretion in US foreign policy.

6. Why did Trump waive the measures?

The official explanation was that the waiver was in the national interests of the United States. The executive order did not need to abolish the underlying law to provide relief from the specified measures.

Contemporary reporting connected the decision with concerns over energy prices and the potential economic consequences of new tariffs, particularly amid wider geopolitical tensions affecting oil markets. Reuters reported that the administration's decision came shortly before the new restrictions were due to take effect.

Several economic and strategic considerations help explain why a government might choose to waive such measures:

1. Energy prices: Restrictions on major energy buyers can affect supply chains, oil prices and the cost of fuel.
2. Domestic inflation: Higher energy costs can increase transport, production and distribution costs.
3. Trade relations: Tariffs on major trading partners can create retaliation risks and damage commercial relationships.
4. Diplomatic flexibility: A waiver can preserve room for negotiations with Russia and other countries.
5. Implementation costs: Monitoring and enforcing complex trade restrictions can require significant administrative resources.

These are plausible policy considerations, not proof that every factor independently determined the President's decision.

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7. What is the relationship between the Graham Act and secondary sanctions?

The Graham Act is especially relevant to the concept of secondary sanctions, because its tariff provisions seek to influence third countries' decisions about purchasing Russian energy or facilitating sanctions evasion.

Under conventional primary sanctions, the United States may restrict specified transactions involving US persons, financial institutions or territory. Secondary measures seek to influence foreign parties through potential consequences for their access to the US market or financial system.

The Graham Act's tariff mechanism is not identical to every form of secondary sanction. In particular, a customs duty on goods imported into the US is a trade measure, while a financial sanction may block assets or prohibit specified transactions. The two can be used together but have different legal effects.

Why are secondary measures controversial?

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1. They can influence firms and governments that are not directly involved in the original dispute.
2. They may conflict with the trade or foreign-policy priorities of affected countries.
3. They can raise questions about sovereignty and the extraterritorial reach of national laws.
4. They can encourage companies to reduce exposure to the sanctioning country's market or financial system.
5. They may create compliance costs even for firms that are not themselves the intended target.
6. For India, the issue is particularly important because Indian firms need to assess US legal exposure alongside Indian law, commercial interests and any other applicable sanctions regimes.

8. Implications for India

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India is affected because it imports substantial quantities of crude oil and has become an important buyer of Russian crude while maintaining significant economic and strategic relations with the United States.

A. Energy security : The waiver reduces the immediate risk of the specified additional US tariffs affecting Indian exports because of covered Russian energy purchases. It also preserves flexibility for Indian refiners when evaluating different suppliers.

However, actual purchasing decisions still depend on crude prices, freight, insurance, payment arrangements, sanctions compliance and the availability of alternative supplies.

B. India's exports to the United States : The proposed tariffs could have raised the cost of covered Indian goods entering the US market. Depending on how businesses adjusted, this could have reduced Indian export competitiveness, compressed exporters' margins or increased prices for US importers.

The waiver removes that particular additional tariff risk while it remains in effect. It does not automatically remove unrelated US tariffs or other trade restrictions.

C. India–US relations : The episode illustrates the challenge of balancing bilateral trade relations with differences over Russia policy.

India seeks reliable access to energy at competitive prices, while the United States has pursued measures intended to increase pressure on Russia over the war in Ukraine. A waiver can reduce immediate friction, but it does not resolve the broader policy differences.

D. India–Russia relations : Russia remains an important source of energy and has long-standing defence and diplomatic ties with India. The waiver provides greater immediate flexibility for covered transactions, but future changes in US policy could create renewed uncertainty.

E. Strategic autonomy : The episode reinforces India's interest in retaining independent decision-making in energy and foreign policy. Strategic autonomy, however, requires careful assessment of legal exposure, economic costs and diplomatic consequences.

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9. Broader implications for the global economy

Area	Potential consequence
Global oil markets	Changes in expected demand for Russian crude may affect trade flows and prices
International trade	Tariffs on third-country goods can disrupt established supply chains
Inflation	Higher energy and trade costs may feed into consumer prices
Global financial system	Sanctions can influence payment routes, banks and access to financial services
International relations	Countries may deepen cooperation with alternative markets and partners
Multilateralism	Unilateral measures can create tensions with countries that favour negotiated international rules

The consequences depend on the scope of the restrictions, the response of affected countries and the availability of alternative suppliers and markets.

10. Is the Graham Act a United Nations sanction?

No. The Graham Act is a domestic US federal law, not a United Nations Security Council resolution.

This distinction is important for international relations.

- Unilateral sanctions: Measures imposed by an individual state under its domestic legal framework.
- UN Security Council sanctions: Measures adopted by the Security Council under the UN Charter, including Article 41 where applicable.
- Multilateral sanctions: Measures coordinated by multiple countries or organisations, which may or may not arise from a UN decision.

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A domestic US law can regulate transactions within US jurisdiction and create consequences for foreign parties under its terms. However, it does not automatically become binding international law for every country merely because the US has enacted it.

Questions about the legality of sanctions and their effects on third countries depend on the specific measure, jurisdictional basis, applicable treaties and relevant international law.

11. Limitations and criticisms of the Act

Several concerns arise from the design and application of the legislation.

1. Extraterritorial impact: Third countries may face economic pressure because of their commercial decisions involving Russian energy.

2. Trade retaliation: Countries affected by tariffs may respond with countermeasures or seek alternative markets.

3. Energy-price volatility: Restrictions on major buyers can affect supply chains and may contribute to price uncertainty.

4. Policy unpredictability: The possibility of future waivers or renewed restrictions complicates long-term commercial planning.

5. Compliance costs: Banks, shipping companies, insurers, refiners and exporters may need additional legal and monitoring systems.

6. Questions of effectiveness: The actual impact on Russia depends on whether measures reduce its export revenue, change its behaviour or simply redirect trade.

The waiver itself also raised a policy question: if a law is intended to impose economic costs, how does suspending its key provisions affect the credibility of the threat of future sanctions? The answer depends on the circumstances, the conditions attached to the waiver and whether the measures are subsequently implemented.

12. UPSC Prelims: Important facts to remember

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Fact	Details
Official name	Lindsey O. Graham Sanctioning Russia and Iran Act of 2026
US law number	Public Law 119-111
Enactment date	18 September 2026
Main focus	Sanctions and other measures concerning Russia
Major tariff provisions	Additional duties concerning Russian-origin goods and specified goods from major buyers of Russian energy or facilitators of sanctions evasion
Waiver mechanism	Section 115
Presidential executive order	16 October 2026
Stated justification for waiver	National interests of the United States
Effect of the waiver	Suspended specified measures under the Act; did not repeal the Act or remove all pre-existing Russia-related sanctions
India's interest	Energy security, exports, sanctions compliance and strategic autonomy