Federal Court of Appeal | Cour d'appel fédérale

Date: 20260423

Dockets: A-152-25 (Lead)
A-153-25

Citation: 2026 FCA 80

CORAM: **MONAGHAN J.A.**
HECKMAN J.A.
ROCHESTER J.A.

BETWEEN:

KATIA FRIDMAN and LAURA FRIDMAN

Appellants

and

CANADA (MINISTER OF FOREIGN AFFAIRS) AND THE ATTORNEY GENERAL OF CANADA

Respondents

Heard at Ottawa, Ontario, on April 16, 2026.

Judgment delivered at Ottawa, Ontario, on April 23, 2026.

REASONS FOR JUDGMENT BY: MONAGHAN J.A.

CONCURRED IN BY: HECKMAN J.A.
ROCHESTER J.A.

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REASONS FOR JUDGMENT

MONAGHAN J.A.

[1] After Russia commenced hostilities against Ukraine, the Governor in Council formed "the opinion that the actions of the Russian Federation constitute a grave breach of international peace and security that has resulted or is likely to result in a serious international crisis": *Special Economic Measures (Russia) Regulations*, SOR/2014-58, preamble [*Russia Regulations*]. This led the Governor in Council to make the *Russia Regulations* restricting and prohibiting persons

in Canada and Canadians outside Canada from engaging in certain activities: *Special Economic Measures Act*, S.C. 1992, c. 17, s. 4.

[2] The *Russia Regulations* permit the Governor in Council to add a person to a sanctions list if the Governor in Council, on the recommendation of the Minister of Foreign Affairs, is satisfied that there are reasonable grounds to believe the person is one described in one of the paragraphs in section 2 of those regulations. Paragraph 2(d) refers to a family member of an associate referred to in paragraph 2(c). Once a person is added to the sanctions list, persons in Canada and Canadians outside Canada are prohibited from engaging in a list of activities in relation to that person.

[3] A person added to the sanctions list may apply to the Minister to have their name removed: *Russia Regulations*, s. 8(1). In such circumstances, the Minister must decide whether there are reasonable grounds to recommend such removal to the Governor in Council: *Russia Regulations*, s. 8(2).

[4] Katia and Laura Fridman, the appellants, were added to the sanctions list on May 27, 2022: *Regulations Amending the Special Economic Measures (Russia) Regulations*, SOR/2022-117 (2022) C. Gaz. II, 2074. They are daughters of Mikhail Maratovich Fridman, himself added to the sanctions list on April 19, 2022, as an "associate" of President Vladimir Putin: *Regulations Amending the Special Economic Measures (Russia) Regulations*, SOR/2022-84 (2022) C. Gaz. II, 1245. Mr. Fridman is a multi-billionaire and the founder and main shareholder of the Alfa Group, which includes Alfa Bank, an entity also on the sanctions

list. The appellants were added to the sanctions list as “family members” of Mr. Fridman, an “associate”.

[5] The appellants applied to have their names removed from the sanctions list, but in each case the Minister decided there were not reasonable grounds to recommend their removal. The Federal Court, through a single set of reasons, dismissed the appellants’ applications for judicial review of the Minister’s decisions. Applying the reasonableness standard of review, the Federal Court found the decisions transparent, intelligible and justified and therefore reasonable: *Fridman v. Canada (Foreign Affairs)*, 2025 FC 493 (*per* Brown, J.) at paras. 67, 134.

[6] The appellants now appeal the Federal Court’s decision. While accepting that the Federal Court correctly chose reasonableness as the standard of review, they challenge the Federal Court’s application of that standard, advancing several arguments.

[7] Applying that same standard, as I must, I would dismiss the appeals: *Northern Regional Health Authority v. Horrocks*, 2021 SCC 42 at paras. 10–12; *Agraira v. Canada (Public Safety and Emergency Preparedness)*, 2013 SCC 36 at paras. 45–47.

[8] I cannot agree with the appellants’ submission that the term “family member” in paragraph 2(d) of the *Russia Regulations* should be interpreted as including any unstated limitations that would restrict it to those “with a sufficient link” to the foreign state’s actions. The text is clear and unambiguous and contains no such limitations. It requires only that the Governor in Council be satisfied there are reasonable grounds to believe the person is a family

member of a person described in another paragraph in section 2 permitting an individual, including an "associate", to be listed. In contrast to paragraphs 2(a) and (a.1) in relation to "a person", paragraph 2(d) does not contain any criteria circumscribing a "family member".

[9] Relatedly, the appellants assert that it is unreasonable not to recommend the removal of their names given the objectives of the *Russia Regulations*. While not suggesting the *Russia Regulations* as a whole are *ultra vires*, the appellants submit that the inclusion of their names on the sanctions list is *ultra vires*. In doing so, they acknowledge that the decision to add the appellants' names to the sanctions list was not the subject of the judicial review, and that only the Minister's decision that there are no reasonable grounds for recommending their names be removed was.

[10] However, the appellants' argument is that the *Special Economics Measures Act* only empowers the Governor in Council to make orders or regulations "in relation to a foreign state". This, they submit, means that a person may be added to the sanctions list under the *Russia Regulations* only if there is a "sufficient link" between that person and the foreign state. They claim no such link exists for them. In their view more is required than being a family member of an associate of Mr. Putin, such as evidence they support the Russian regime, have assisted or are willing to assist their father in evading sanctions, or have some other meaningful connection to Russia suggesting "complicity" with the foreign state.

[11] I am not persuaded.

[12] The stated purpose of the *Special Economic Measures Act* is to permit the Canadian Government "to take economic measures *against certain persons*" in specified circumstances including where "a grave breach of international peace and security has occurred" (emphasis added): *Special Economic Measures Act*, s. 3.1. Section 4, which empowers the Governor in Council to make orders and regulations, echoes the stated purpose in several ways.

[13] The Governor in Council may make orders and regulations only if it is of the opinion that any of the circumstances described in subsection 4(1.1) has occurred: *Special Economic Measures Act*, s. 4(1). Those circumstances are identical to the circumstances identified in section 3.1, describing the purpose of the legislation, albeit with additional context. Once that condition is met, the Governor in Council may make "any orders or regulations *with respect to* the restriction or prohibition of any of the activities referred to in subsection (2) *in relation to a* foreign state that [it] considers necessary" (emphasis added): s. 4(1)(a). Which activities in relation to a foreign state may be restricted or prohibited? The opening phrase of subsection 4(2) tells us: "any of the following activities, whether carried out in or outside Canada, in relation to a foreign state". Subsection 4(2) continues with a long list of activities.

[14] The expressions "with respect to" and "in relation to" are both broad ones. The Supreme Court of Canada has described the expression "in respect of" as one that imports the meaning of "in relation to", and as "probably the widest of any expression intended to convey *some connection* between two related subject matters" (emphasis added): *Nowegijick v. The Queen*, 1983 CanLII 18 (SCC), [1983] 1 S.C.R. 29 at 39. And the same broad interpretation applies to "relating to" or, in this case, "in relation to": *Slattery (Trustee of) v. Slattery*, 1993 CanLII

73 (SCC), [1993] 3 S.C.R. 430 at 445–46. Both broad connecting phrases "suggest that a wide rather than narrow view should be taken" of the Governor in Council's assessment of the regulations that it considers necessary to accomplish the legislation's purposes: *Slattery* at 446.

[15] That Parliament intended a broad scope of authority is reinforced by looking at the persons against whom economic measures may be taken, the "certain persons" referred to in section 3. Beyond a foreign state, measures may be taken against "any person in that foreign state, a national of that foreign state who does not ordinarily reside in Canada or a person outside Canada who is not Canadian": *Special Economic Measures Act*, ss. 4(2)(a), (e.1); see also ss. 4(2)(b), (c), (e), (h), (i) which refer to "that foreign state, any person in that foreign state or a person outside Canada who is not Canadian."

[16] I accept that "in relation to" requires some connection, but I am not persuaded it requires a connection nearly as significant as that the appellants claim is necessary. Given the broad powers conferred on the Governor in Council to make regulations, that the appellants are "persons outside Canada who are not Canadian" and are each a "family member" of an "associate", the Minister's rejection of the appellants' *ultra vires* argument is reasonable.

[17] I am similarly unpersuaded by the appellants' arguments challenging the reasonableness of the Minister's interpretation and application of the governing statute and the *Russia Regulations* based on foreign jurisprudence.

[18] I agree with the appellants that a reviewing court should not be unduly deferential: *Makarov v. Canada (Foreign Affairs)*, 2025 FCA 223 at para. 5. That said, I disagree that the Federal Court was unduly deferential to the Minister.

[19] In this regard, the appellants' reliance on this Court's decision in *Attorney General of Canada et al. v. Canadian Civil Liberties Association et al.*, 2026 FCA 6 is misplaced. There, this Court reviewed the Governor in Council's decision to invoke the *Emergencies Act*, R.S.C. 1985, c. 22 (4th Supp.). However, the respective provision in the *Emergencies Act* is "quite circumscribed", referring to definitions with objective standards that make it "more akin to the legal determinations courts make, governed by legal authorities, not policy": *Canadian Civil Liberties Association* at para. 171, citing *Entertainment Software Association v. Society of Composers, Authors and Music Publishers of Canada*, 2020 FCA 100 at para. 34. Accordingly, that provision did not confer unconstrained discretion. Here, in contrast, the Minister's discretion is "very wide indeed": *Makarov* at para. 8.

[20] As this Court has explained, "[t]he Minister can recommend that a person be listed on the relatively low standard of 'reasonable grounds to believe'" and can recommend delisting "only on 'reasonable grounds to recommend'": *Makarov* at para. 7.

[21] There is no reasonable ground to believe the appellants are not "family members" of Mr. Fridman, an "associate". This fact, relied on by the Minister, is not disputed.

[22] The Minister's decisions also expressly state that she considered the arguments the appellants advanced in support of their delisting, including their financial independence from their father, their opposition to the war in Ukraine, their father's stated intention to donate his fortune to charity, and the lack of nexus between listing the appellants and the objectives of the sanctions regime. The appellants do not claim that the Minister failed to consider their submissions. However, they claim that given those submissions (including the enclosed evidence) the Minister's reasons do not justify her decisions.

[23] I disagree.

[24] The Minister's decisions explain that the aims of listing family members include "prevent[ing] the circumvention and evasion of sanctions and other restrictive measures" and "encourag[ing] behaviour change that could foster resolution of the conflict" in Ukraine. The decisions then tie the appellants' listing to those aims: "preventing sanctions evasion by eliminating options for those supporting or facilitating the Russian regime" and "to denounce Russia's breach of international security" and "apply pressure on the Russian regime". In this regard, the Minister said maintaining limited financial ties with or dependence on their father does not preclude him from attempting to circumvent the sanctions by using the appellants, who acknowledged receiving financial support and gifts from him.

[25] I cannot conclude the Minister's "rather unconstrained" decisions are unreasonable: *Makarov* at para. 6. Reviewing the entire record, I am satisfied that the Minister considered, evaluated, and weighed the evidence taking into account the purposes of the sanctions regime,

and that the reasons are responsive to the appellants' submissions and the state interests at stake: *Makarov* at para. 5.

[26] The appellants have not met their burden to establish that the Minister's decisions are unreasonable: *Canada (Minister of Citizenship and Immigration) v. Vavilov*, 2019 SCC 65 at para. 100.

[27] Accordingly, I would dismiss the appeals with costs for the two appeals in the fixed amount of $5,000. I consider this amount, agreed to by the parties, appropriate in the circumstances.

"K.A. Siobhan Monaghan"
J.A.

"I agree.
Gerald Heckman J.A."

"I agree.
Vanessa Rochester J.A."

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKETS:	A-152-25 (LEAD) A-153-25
STYLE OF CAUSE:	KATIA FRIDMAN AND LAURA FRIDMAN v. CANADA (MINISTER OF FOREIGN AFFAIRS) AND THE ATTORNEY GENERAL OF CANADA
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REASONS FOR JUDGMENT BY:	MONAGHAN J.A.
CONCURRED IN BY:	HECKMAN J.A. ROCHESTER J.A.
DATED:	APRIL 23, 2026

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