UK RUSSIA SANCTIONS

Practitioner's Reference Guide

The Russia (Sanctions) (EU Exit) Regulations 2019 (SI 2019/855)
Sanctions and Anti-Money Laundering Act 2018 (SAMLA)
Covering financial, trade, transport, director disqualification, immigration and shipping sanctions

As of spring 2026. Reflects OFSI Consolidated List closure (January 2026), reduced oil price cap (September 2025), and OTSI launch (October 2024).

Produced by mrsanctions.com

Not legal advice. Verify against current legislation and OFSI/OTSI guidance before use.

1. How to Use This Guide

HOW TO USE THIS GUIDE

TASK → SECTIONS TO CONSULT

Screening an individual or entity: Section 4 (designation and asset freeze). Check the UK Sanctions List at search-uk-sanctions-list.service.gov.uk. The OFSI Consolidated List closed January 2026 — it is no longer the authoritative source.

Assessing an export of goods or technology to Russia: Section 5.1 (trade sanctions — military goods, dual-use, advanced technology, critical industry goods). Section 6 (exceptions and licences — trade licences via OTSI).

Assessing imports from Russia: Section 5.2 (import prohibitions — oil, coal, iron/steel, gold, diamonds, revenue-generating goods).

Financial transaction or banking service: Section 4.3 (financial and investment restrictions — Schedule 2 entities, securities, loans). Section 4.4 (correspondent banking / sterling payments). Section 4.5 (trust services sanctions).

Professional or advisory services: Section 5.3 (trade sanctions on services — accounting, auditing, consulting, legal advisory). Trade licences via OTSI.

Oil price cap / maritime services: Section 5.4 (oil price cap general licences — INT/2024/4423849, now at $47.60/bbl for crude). Section 5.5 (shipping sanctions — specified ships).

Applying for a licence: Section 6. Treasury licences → OFSI (financial sanctions, reg 64). Trade licences → OTSI (trade sanctions, reg 65). General licences: available from OFSI General Licences collection.

Determining 'owned or controlled': Section 3.2 (reg 7 test — 50%+ ownership is one trigger; control through other means is another; High Court authorities apply).

CRITICAL: DO NOT REASON BY ANALOGY WITH EU OR OFAC SANCTIONS

The UK Russia regime (SI 2019/855) has structural differences from both EU Regulation 833/2014 and US OFAC programs. Key differences: (1) The UK Sanctions List is now the sole list — the OFSI Consolidated List closed 28 January 2026. (2) The UK has two separate licensing authorities: OFSI (Treasury licences for financial sanctions) and OTSI (trade licences for trade sanctions). (3) Director disqualification sanctions are a UK-specific measure with no EU or OFAC equivalent. (4) The UK oil price cap for crude oil stands at USD 47.60 per barrel as of September 2025, lower than when it was introduced. (5) The "owned or controlled" standard (reg 7) includes ownership of 50%+ of shares, but also encompasses control through other means — a fact-specific assessment informed by UK High Court case law that has diverged from EU approaches.

2. Overview and Legislative / Regulatory Framework

2.1 Statutory Architecture

The Sanctions and Anti-Money Laundering Act 2018 (SAMLA 2018) is the primary enabling statute. It confers power on the Secretary of State and HM Treasury to make sanctions regulations by statutory instrument for a range of purposes, including encouraging compliance with UN obligations, furthering foreign policy objectives, and furthering the prevention of terrorism. SAMLA 2018 replaced the European Communities Act 1972 as the domestic basis for sanctions after Brexit.

The Russia (Sanctions) (EU Exit) Regulations 2019 (SI 2019/855, "the Regulations") is the principal implementing instrument. Made under SAMLA 2018, it came into force on 31 December 2020 (EU Exit Day) and replaced the EU Council Regulations that previously applied in the UK. The Regulations have been amended by over 30 amending statutory instruments since 2019. Always use the revised version on legislation.gov.uk — the original text is substantially out of date.

The Regulations impose six categories of sanctions measures on Russia: financial sanctions, director disqualification sanctions, trade sanctions, transport sanctions, immigration sanctions, and shipping sanctions. These are governed by different parts of the Regulations and enforced by different bodies.

Measure Type	Implementing Part	Enforcement Body	Licensing Authority
Financial sanctions	Part 3 (regs 11–22H)	OFSI (HM Treasury)	OFSI — Treasury licences (reg 64)
Director disqualification	Part 3B (reg 22I–22K)	Companies House / courts	OFSI — Treasury licences (reg 64)
Trade sanctions	Part 5 (regs 28–65A)	OTSI (Dept for Business and Trade) — from Oct 2024	OTSI — Trade licences (reg 65)
Transport sanctions (aviation)	Part 5A (regs 57G–57M)	Civil Aviation Authority	Secretary of State directions
Shipping sanctions	Part 6 (regs 57A–57F)	Maritime and Coastguard Agency	Secretary of State directions
Immigration sanctions (travel ban)	Part 4 (regs 23–27)	Home Office	Home Secretary directions

2.2 Key Institutions

Institution	Role
OFSI (HM Treasury)	Office of Financial Sanctions Implementation. Implements and enforces financial sanctions. Issues Treasury licences (general and specific). Issues financial sanctions notices. Receives mandatory frozen asset reports. Investigates financial sanctions breaches. Can impose monetary penalties of up to the greater of £1 million or 50% of the estimated value of the funds/resources involved (Economic Crime Act 2022 amendment).
OTSI (DBT)	Office of Trade Sanctions Implementation. Launched October 2024. Enforces trade sanctions (goods, technology, and sanctioned services). Issues trade licences. Investigates trade sanctions breaches. Civil penalties up to the greater of £1 million or 50% of the value of the breach. OTSI replaced HMRC and ECJU for civil trade sanctions enforcement.
FCDO	Foreign, Commonwealth and Development Office. Designates individuals and entities (reg 6 designation criteria). Specifies ships (reg 57F). Makes amending regulations. Publishes Russia sanctions guidance alongside OFSI and OTSI.

Institution	Role
HMRC / Border Force	Enforces trade sanctions at the border (import/export prohibitions on goods). Investigates criminal breaches of trade sanctions. Works alongside OTSI on civil enforcement.

2.3 Amendment History — Key Milestones

Period	Instrument	Key Changes
Apr 2025	SI 2025/xxx	New trade sanctions in force 24 April 2025; synthetic diamond restrictions (≥0.5 carats / 0.1g) for Russia-manufactured diamonds processed in third countries.
Oct 2024	SI 2024/834 (No.3); SI 2024/xxx (No.4)	OTSI launch (10 Oct 2024). Expanded designation criteria (reg 6). Extended ship specification criteria (reg 57F). Amended legal advisory services exception. Expanded OFSI enforcement powers.
Jan 2026	Administrative closure	OFSI Consolidated List of Asset Freeze Targets closed 28 January 2026. UK Sanctions List becomes sole authoritative source for all UK sanctions designations.
Sep 2025	GL INT/2024/4423849 amendment	Crude oil price cap lowered from $60.00 to $47.60 per barrel from 23:01 on 2 September 2025. 45-day wind-down for contracts signed at the prior $60 cap.
May 2024	Director disqualification SI	Director disqualification sanctions power introduced 16 May 2024 (reg 22I). Subsequently applied to 2,996 individuals and 818 entities across 28 UK regimes.
2023	SI 2023/440, SI 2022/1331 (No.17)	Trust services sanctions (Part 3A). Third-country processed iron/steel import ban. Expanded legal advisory services restrictions.
2022 (22 packages)	SIs 2022/123–2022/1331	Mass designation of individuals and entities following full-scale invasion. SWIFT-equivalent correspondent banking bans. Oil price cap framework. Coal, gold, iron/steel import bans. Luxury goods export ban.
31 Dec 2020	SI 2019/855 in force	UK Russia Regulations replaced EU sanctions framework. Initial Annex/Schedule designations transferred from EU list.

KEY COMPLIANCE TAKEAWAY

The Russia (Sanctions) (EU Exit) Regulations 2019 have been amended by over 30 statutory instruments. Always work from the revised text at legislation.gov.uk — the original 2019 text misses more than four years of substantive amendments.

3. Scope, Application, and Key Definitions

3.1 Territorial and Personal Scope

The Regulations apply to (reg 3):

- **UK persons** — UK nationals, individuals ordinarily resident in the UK, and bodies incorporated or constituted under UK law — wherever they are in the world, including when conducting activities wholly outside the UK.
- **Any person** — regardless of nationality — when conducting activities in the UK, including in the UK territorial sea (12 nautical miles).

The reach of the UK regime is therefore both territorial (all persons in the UK) and extraterritorial (all UK persons globally). A UK-incorporated company's branch in Dubai must comply. A UK national working for a foreign company anywhere in the world must comply. Non-UK companies with a UK subsidiary are bound through the subsidiary.

NOTE: CROWN DEPENDENCIES AND OVERSEAS TERRITORIES

Jersey, Guernsey, and the Isle of Man are Crown Dependencies with their own separate but parallel Russia sanctions regimes. UK Overseas Territories (Gibraltar, Cayman Islands, British Virgin Islands, etc.) have equivalents implemented locally. A transaction conducted exclusively in a Crown Dependency is governed by that Dependency's own sanctions regime, not SI 2019/855 — though convergence with UK provisions is the norm. Always verify compliance requirements in the specific jurisdiction for Crown Dependency or Overseas Territory business.

3.2 The "Owned or Controlled" Test — Regulation 7

Regulation 7 of SI 2019/855 defines when an entity is "owned or controlled" by a designated person for the purposes of financial sanctions. The prohibition on making funds available (reg 12) extends to entities that are owned or controlled by a designated person. A person (A) is owned or controlled by a designated person (B) if:

- **50%+ ownership:** B holds (directly or indirectly) more than 50% of the shares in A, or more than 50% of the voting rights in A; or
- **Control by other means:** B has the right to appoint or remove a majority of A's board; or B has the right to exercise, or actually exercises, significant influence or control over A.

The 50%+ threshold is therefore a floor, not a ceiling — an entity with less than 50% designated-person ownership may still be "controlled" if the designated person exercises effective authority over the entity's decisions. Conversely, a purely mechanical application of 50%+ ownership without assessment of the full control picture is insufficient.

KEY LIMIT: OFSI CONSOLIDATED LIST CLOSURE (28 JANUARY 2026)

The OFSI Consolidated List of Asset Freeze Targets closed on 28 January 2026 and is no longer updated. The UK Sanctions List at search-uk-sanctions-list.service.gov.uk is now the sole authoritative source for all UK designations (persons, entities, and specified ships). Screening systems that were configured to check the OFSI Consolidated List must be updated to use the UK Sanctions List. Third-party screening providers should be verified against the new single-list arrangement.

The High Court has developed substantial jurisprudence on the "controlled" limb of reg 7 in the context of asset freeze challenges. Key cases:

- **Mints v PJSC National Bank Trust [2023]:** Court of Appeal held that a state (Russia) can in principle "control" a bank, but a fact-specific assessment is required. Nominal state ownership or oversight mechanisms do not automatically constitute control of the kind that triggers reg 7.
- **Fetisov & Yurov v PJSC National Bank Trust [2025]:** High Court applied Mints principles, finding that absence of evidence of actual de facto control was significant. The Court declined to

treat NBT as "controlled" by designated persons solely on the basis of Russia's governance structure, without specific evidence of operational control over NBT.

> **WARNING: UK "OWNED OR CONTROLLED" IS NOT IDENTICAL TO EU OR OFAC RULES**
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> OFAC applies a mechanical 50%+ rule where meeting the numerical threshold triggers automatic SDN treatment. EU law has no fixed numerical threshold and is purely fact-based. UK reg 7 has a 50%+ rule as one route to "owned or controlled," but the "significant influence or control" limb requires a separate fact-based analysis. UK courts have found in specific cases that state ownership does not automatically equal control — a conclusion that might differ under an OFAC analysis of the same facts. Do not assume cross-regime interoperability.

4. Financial Sanctions — Part 3 of the Regulations

4.1 Designation Criteria and Who Is Designated

The Secretary of State may designate a person under regulation 6 if satisfied that the person is, or has been, involved in a "relevant activity." Relevant activities include:

- Destabilising Ukraine or undermining or threatening its territorial integrity, sovereignty or independence;
- Obtaining a benefit from or supporting the Government of Russia (expanded by SI 2024/834);
- Carrying out activities that facilitate Russia's war against Ukraine or have helped fund the war;
- Being a leader of a major Russian organisation or business;
- Providing financial services or making funds/resources/goods/technology available to persons involved in obtaining a benefit from or supporting the Russian government;
- Owning or controlling, or serving as a director/trustee/manager of, a person involved in destabilising Ukraine or supporting the Russian government.

As of April 2025, there are 2,113 Russia designations on the UK Sanctions List — 44.6% of all UK designations. Russia has the highest number of designations of any UK sanctions regime.

4.2 Asset Freeze and Making Available Provisions (Regulations 11–15)

Regulation 11 requires that all funds and economic resources belonging to, owned, held, or controlled by a designated person are frozen. Financial institutions must freeze any such assets immediately upon learning of the designation.

Regulation 12 prohibits making funds or economic resources available, directly or indirectly, to or for the benefit of a designated person. "Directly or indirectly" is given its natural meaning: routing a payment through an intermediary that will transfer value to a designated person violates reg 12, even absent a direct contractual relationship.

These prohibitions extend to entities owned or controlled by designated persons under reg 7 (see Section 3.2). The freeze and making-available prohibition apply to the full range of economic resources — not just cash and financial instruments, but also property, intellectual property, contractual rights, and any other asset that may be used to obtain funds, goods, or services.

CRITICAL: "MAKING AVAILABLE" COVERS INDIRECT BENEFIT

Regulation 12 catches scenarios where funds are made available to a non-designated intermediary who will foreseeably channel value to a designated person — through a dividend, loan repayment, management fee, or service payment. A UK bank that processes a payment to an unlisted entity that is controlled by a designated person violates reg 12 if it knew or had reasonable cause to suspect the ownership/control relationship. The prohibition is not limited to transactions with directly designated counterparties.

4.3 Financial and Investment Restrictions — Schedule 2 Entities (Regulations 15–19A)

In addition to the asset freeze, the Regulations impose targeted financial and investment restrictions on entities listed in Schedule 2 to the Regulations. These restrictions apply to specific major Russian financial institutions and state-owned enterprises and do not require those entities to be designated persons subject to an asset freeze.

Schedule 2 Entities	Cut-Off Date	Restriction
Sberbank, VTB Bank, Gazprombank, VEB	1 August 2014	No dealing in their transferable securities or money market instruments with maturity exceeding 30 days.

Schedule 2 Entities	Cut-Off Date	Restriction
(Vnesheconombank), Rosselkhozbank		
OPK Oboronprom, United Aircraft Corporation, Uralvagonzavod, Rosneft, Transneft, Gazprom Neft	12 September 2014	No dealing in their transferable securities or money market instruments with maturity exceeding 30 days.
UK-incorporated entities owned by Schedule 2 entities	1 March 2022	No dealing in transferable securities/money market instruments with maturity exceeding 30 days. No new loans or credit above 30 days maturity.
Person connected with Russia (reg 19A(2))	1 March 2022	No dealing in transferable securities/money market instruments; no new loans or credit to a person connected with Russia. No new loans to any relevant entity for investment in Russia.
Government of Russia (reg 6 definition)	1 March 2022	No dealing in Government of Russia-issued transferable securities/money market instruments; no new loans or credit to the Government of Russia.

KEY LIMIT: SCHEDULE 2 ENTITIES ARE NOT NECESSARILY DESIGNATED PERSONS

The Schedule 2 financial restrictions are separate from designation under reg 6. A Schedule 2 entity (e.g. Sberbank, Rosneft) is subject to capital market restrictions and lending restrictions under regs 15-18, but is NOT necessarily subject to an asset freeze under reg 11 unless it is also separately designated. The UK Sanctions List will show which entities have been designated (asset freeze) and which are subject only to financial restrictions under Schedule 2. These require separate screening workflows.

4.4 Correspondent Banking Prohibitions (Regulation 17A)

Regulation 17A (added in the 2022 packages) prohibits UK credit and financial institutions from:

- Establishing or continuing a correspondent banking relationship with a designated person, or with a credit or financial institution that is owned or controlled by a designated person; and
- Processing a payment (in any currency) to, from, or via a designated person, or a credit or financial institution owned or controlled by a designated person.

The payments prohibition applies regardless of currency — it is not limited to sterling. The practical effect for UK banks is a complete prohibition on acting as correspondent for Russian banks that are designated persons, and a block on processing payments (including USD-denominated payments routed through UK institutions) where a designated person is in the payment chain.

4.5 Trust Services Sanctions (Part 3A — Regulations 22A–22H)

Part 3A, introduced by the Russia (Sanctions) (EU Exit) (Amendment) (No.17) Regulations 2022, prohibits UK trust or company service providers (TCSPs) from providing trust services in connection with a designated person. Trust services include acting as trustee, nominee shareholder, company secretary, or director for entities connected to designated persons.

Designated persons who are subject to trust services sanctions are identified as such on the UK Sanctions List (in addition to being subject to the financial sanctions asset freeze).

WARNING: TRUST SERVICES BAN EXTENDS TO OFFSHORE STRUCTURES

> The trust services prohibition applies when a UK TCSP provides services in connection with a designated person, even if the trust or company structure is located outside the UK. A UK-regulated trustee acting for a trust whose settlor or beneficiary is a designated person falls within the prohibition, regardless of where the trust is administered. TCSPs must screen the ultimate beneficial owners, settlors, and beneficiaries of trust structures — not just the nominal client entity.

4.6 Director Disqualification Sanctions (Part 3B — Regulations 22I–22K)

A uniquely UK measure with no equivalent in EU or US sanctions, director disqualification sanctions were introduced on 16 May 2024 under Part 3B. Where a person is designated for the purpose of director disqualification sanctions, they are prohibited from acting as a director of a UK company. The designation appears on the UK Sanctions List alongside any other sanctions that apply to the person.

As of 2025, director disqualification sanctions have been applied to 2,996 individuals and 818 entities across UK sanctions regimes, including under the Russia regime. Companies House maintains a separate register of disqualified persons under the sanctions framework.

4.7 Mandatory Reporting Obligations (Regulation 72)

Regulation 72 imposes mandatory reporting obligations on "relevant firms" — broadly, regulated financial institutions and professional service firms. Relevant firms must report to OFSI as soon as practicable if they know or have reasonable cause to suspect that a person they deal with is a designated person, or has committed an offence under the Regulations. The report must be made promptly — OFSI guidance indicates delay can itself be treated as an aggravating factor in enforcement.

Separately, firms holding frozen assets on behalf of designated persons must report those assets annually or when notified of a new designation. The obligation to report frozen assets does not end once an initial report is made; ongoing changes must be reported as they occur.

> **KEY COMPLIANCE TAKEAWAY**
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> The UK Russia financial sanctions framework has three distinct layers: (1) the asset freeze for designated persons (reg 11–12); (2) the financial and capital market restrictions for Schedule 2 entities (regs 15–19A); and (3) the trust services ban for persons designated for trust services purposes (Part 3A). All three require separate compliance workflows and screening against the UK Sanctions List.

5. Trade Sanctions — Part 5 of the Regulations

Part 5 of the Regulations imposes prohibitions on the import, export, supply, delivery, transfer, and brokering of a wide range of goods, technology, and services in connection with Russia. Trade sanctions enforcement from October 2024 falls primarily to OTSI, with HMRC and Border Force handling goods-level enforcement at the border. Criminal sanctions remain available for deliberate breaches.

5.1 Export Prohibitions — Goods and Technology

5.1.1 Military Goods (Regulation 28 / Schedule 2A)

It is prohibited to export military goods listed in Schedule 2A to Russia or for use in Russia. Military goods include arms, ammunition, combat vehicles, military aircraft, warships, and associated components. The prohibition covers direct and indirect export, supply, delivery, transfer, and brokering. It also covers provision of technical assistance and financing in connection with prohibited exports.

5.1.2 Dual-Use Goods and Technology (Regulation 33)

Regulation 33 prohibits the export, supply, delivery, transfer, or brokering of dual-use goods and technology listed in Annex I to the retained EU Dual-Use Regulation (which the UK retained and updated post-Brexit as the UK Dual-Use Regulation) to Russia or for use in Russia. The prohibition extends to brokering, technical assistance, and related financing.

5.1.3 Advanced Technology / Critical Industry Goods (Schedules 3A–3DA and Chapter 4 sub-chapters)

Multiple chapters under Part 5 target categories of advanced technology and goods of strategic importance. These have been added progressively through the amendment packages and include:

Schedule / Chapter	Category	Key Parameters
Schedule 3A (Reg 33A) / Chapter 4A	Goods that could contribute to military/industrial enhancement	Electronics, computers, semiconductors, navigation equipment, sensors — broadly equivalent to EU Annex VII items. Export/supply to Russia prohibited.
Chapter 4B	Goods for aerospace/aviation sector	Aircraft components, engines, avionics, maintenance items for Russian civil and military aviation. Also covers provision of related technical assistance.
Chapter 4C	Maritime goods	Vessels, marine engines, navigation equipment. Prohibition on export to Russia and on supply/delivery to Russian-flagged or Russia-bound vessels.
Chapter 4CA	Third-country processed steel containing Russian iron/steel	SI 2023/440: import ban on iron and steel products containing iron/steel originating in Russia, even if processed in a third country. Fills a significant circumvention gap.
Chapter 4D	Quantum computing / advanced materials	Quantum computers, advanced materials, software for industrial processes. Broad technology scope.
Chapter 4E	Energy-related goods	Equipment for oil/gas extraction, LNG infrastructure, refinery equipment. Export ban and services prohibition.
Chapter 4G / 4GA	Revenue-generating goods	UK equivalent of EU import bans on Russian goods generating state revenue. Includes steel, iron, motor vehicles, luxury goods. See Section 5.2.

WARNING: CHAPTER AND SCHEDULE REFERENCES CHANGE WITH EACH AMENDMENT SI

The chapter numbering in Part 5 of SI 2019/855 has been extended repeatedly. "Chapter 4G" as used in a 2022 guidance document may cover different goods than "Chapter 4G" in the current revised text. Always work from the current revised legislation on legislation.gov.uk, not from old amendment notices or compliance documents that cite specific chapter numbers without a revision date.

5.2 Import Prohibitions

The UK regime mirrors and in some respects exceeds the EU import bans on Russian goods, covering categories that generate significant state revenue for Russia. Key import prohibitions:

Category	Regulation	Key Parameters
Crude oil and petroleum products	Reg 46Z / Chapter 4H	Import ban on Russian crude oil and petroleum products. Carve-out for transactions complying with the oil price cap (Section 5.4). Limited derogations for energy security.
Coal and solid fossil fuels	Reg 46Z5 / Chapter 4F	Complete import ban on coal, coke, and solid fossil fuels originating in Russia. No energy security derogation.
Iron and steel	Chapter 4CA + 4C	Import ban on Russian iron and steel products. Extended by SI 2023/440 to cover products containing Russian iron/steel processed in third countries — closes circumvention via intermediary processing in Turkey, India, etc.
Gold and gold jewellery	Chapter 4G / Schedule 3D	Import ban on gold originating in Russia. Extended to gold jewellery. Applies to Russian-origin gold processed in third countries (origin analysis required).
Synthetic diamonds	Chapter 4JD (from 24 April 2025)	Import ban on synthetic diamonds manufactured in Russia and processed in third countries, at ≥0.5 carats or 0.1 grams. Importers must demonstrate compliance per HMRC Notice for Importers.
Revenue-generating goods (general)	Chapter 4G / 4GA	Broad import ban on listed goods that generate significant Russian state revenue, including chemical products, plastics, rubber, wood, paper products, textiles, and others per Schedule 3D/3DA.
Luxury goods to Russia (export ban)	Chapter 4I	Prohibition on exporting luxury goods to Russia. Threshold: goods valued above £250 for most categories. Applies to jewellery, vehicles, clothing, art, and other luxury items.

KEY: ORIGIN RULES FOR IMPORT BANS

For goods subject to import bans, "originating in Russia" is determined by UK customs rules (primarily "substantial transformation" criteria). Goods that are processed or substantially transformed in a third country may acquire non-Russian origin under customs rules, removing them from the import ban scope. However, for specific categories (iron/steel processed in third countries, synthetic diamonds, gold), Parliament has explicitly extended the ban to cover such third-country-processed goods — overriding the standard origin rule. Always check whether the relevant chapter contains a specific third-country processing extension.

5.3 Services Prohibitions

5.3.1 Professional Services (Regulation 54 series)

The Regulations prohibit the provision of a range of professional services to persons connected with Russia. Key prohibited service categories:

- **Accounting, auditing, bookkeeping and tax advisory services** (reg 54A) — prohibition applies to provision of services connected with Russia or for the benefit of a designated person.

- **Management consulting and public relations services** (reg 54C) — includes strategy consulting, restructuring advice, and PR/communications services.
- **IT consultancy and IT support services** (reg 54B): prohibited for Russian government and specified state-owned entities. Covers both software development and technical support services.
- **Trust services** (reg 54B/Part 3A): prohibited for designated persons (see Section 4.5).
- **Legal advisory services** (reg 54D): prohibited in connection with Russia-related transactions, with specific exceptions (see below).

5.3.2 Legal Advisory Services — Exceptions (Regulation 60DB)

The legal advisory services prohibition (reg 54D) is subject to an exception in reg 60DB for:

- Legal representation in connection with legal proceedings (litigation and arbitration) — both representing clients in active proceedings and associated advisory work directly connected to the proceedings;
- Advice on compliance with global sanctions, Russian counter-sanctions, and global criminal law;
- Advice on punitive measures and compliance with UK statutory or regulatory obligations.

> **WARNING: PURE ADVISORY WORK FOR RUSSIA-CONNECTED TRANSACTIONS REMAINS PROHIBITED**
> The legal advisory services exception covers compliance advice and litigation representation, but not pure transactional advisory work. Advising on the structuring of a transaction or contract for a Russian party remains prohibited unless the advice falls squarely within the compliance, counter-sanctions, or regulatory obligation exceptions. The boundary between "compliance advice" and "transactional facilitation" is not always clear, and OTSI guidance should be consulted for specific fact patterns.

5.4 Oil Price Cap — General Licences (INT/2024/4423849 and Related)

The UK implements the G7+ Oil Price Cap through OFSI general licences. Consistent with UK sanctions law, the cap is implemented via a general licence permitting otherwise-prohibited maritime transport, insurance, brokering, and financing services for Russian oil shipments, provided the price does not exceed the cap.

Category	Price Cap	General Licence
Russian crude oil	USD 47.60 per barrel (from 23:01 on 2 September 2025, amended from USD 60.00)	INT/2024/4423849 (amended 18 July 2025 for the price reduction; in effect until withdrawn by OFSI). 45-day wind-down for contracts at $60 signed before 2 September 2025.
Petroleum products — premium (diesel, jet fuel, etc.)	USD 100 per barrel (unchanged)	INT/2023/3074680 (petroleum products). In force from 14 June 2023 until withdrawn by OFSI.
Petroleum products — discount (fuel oil, naphtha, etc.)	USD 45 per barrel (unchanged)	Covered under the petroleum products general licence alongside premium products.

The general licences use a tiered attestation system:

- **Tier 1 entities (sellers with direct price knowledge):** must confirm the price in a voyage-specific attestation document shared with Tier 2 and Tier 3A counterparties.
- **Tier 2 entities (brokers, traders, traders' banks):** must obtain Tier 1 attestation or conduct their own due diligence to confirm price compliance.

- **Tier 3A entities (shipping service providers — insurers, P&I clubs, banks):** may rely on attestations from Tier 1 or Tier 2 counterparties, but must have no knowledge of non-compliance.
- **Tier 3B entities (ship owners/operators without direct price knowledge):** rely on contractual structure rather than per-voyage attestation.

CRITICAL: USD 47.60 CRUDE CAP IS LOWER THAN WIDELY CITED FIGURE

The oil price cap for crude oil was reduced from USD 60.00 to USD 47.60 per barrel effective 23:01 on 2 September 2025. Compliance programs and customer certifications that reference the $60 figure are now out of date for new voyages. Contracts signed before 2 September 2025 at the $60 cap had a 45-day wind-down period — that period expired in mid-October 2025. All crude oil voyages since mid-October 2025 must comply with the $47.60 cap. Always check the current OFSI General Licences collection for the most recent cap level and conditions.

5.5 Shipping Sanctions — Specified Ships (Part 6, Regulation 57F)

The Secretary of State may specify a ship under regulation 57F if the ship is, has been, or is likely to be, involved in a "relevant activity." Following SI 2024/834, the expanded criteria include ships that carry goods from third countries to Russia (including dual-use or military goods) and ships involved in transporting Russian-origin oil. Specified ships are identified on the UK Sanctions List by their IMO number.

Shipping sanctions (regs 57A–57E) apply to specified ships:

- Prohibition on entering a UK port;
- Power to issue movement directions or port-entry directions;
- Power to detain the ship in a UK port;
- Refusal to register the ship on the UK Ship Register or termination of existing UK registration.

UK port operators, shipping agents, and logistics firms must screen all incoming vessels against the specified ships list on the UK Sanctions List before port entry is permitted. Marine insurance and P&I clubs providing cover to specified ships must also assess whether cover would facilitate a sanctions breach.

KEY COMPLIANCE TAKEAWAY

The UK trade sanctions framework covers goods, technology, and services, with enforcement split between OTSI (services, from October 2024), HMRC/Border Force (goods at the border), and OFSI/OTSI (civil penalties). Any proposed Russia-related transaction must be analyzed across all three dimensions.

6. Exceptions and Licences

The UK Russia sanctions framework distinguishes between statutory exceptions (self-executing — no licence required if conditions are met) and licences (Treasury licences issued by OFSI for financial sanctions; trade licences issued by OTSI for trade sanctions). This is structurally different from OFAC's general licence system, where the licence itself describes the permitted activity in the licence document.

6.1 Statutory Exceptions — No Licence Required

Exception	Regulation	Conditions
Prior obligations	Reg 15(3), 60A (trade)	Completion of a contract entered into before the designation date or before the prohibition came into force. Strictly construed — does not cover contracts renewed or varied after the relevant date. Both financial and trade sanctions have prior obligation carve-outs.
Basic needs — financial sanctions	Reg 64 Schedule 5 (via licence — not self-executing)	Funds for food, rent, mortgage, utilities, taxes, and medical treatment for a designated natural person. Requires Treasury licence from OFSI.
Legal services (reg 60DB)	Reg 60DB (trade sanctions)	Legal proceedings representation; compliance advice; regulatory obligation advice. Self-executing exception — no licence required if conditions met. See Section 5.3.2.
Humanitarian exception	Reg 60	Certain humanitarian activities by OFSI-specified organisations. Limited scope — no blanket humanitarian carve-out exists.
Personal expenditure abroad	Schedule 5 via licence	An OFSI Treasury licence is required for a designated person to spend funds on personal needs abroad. Not self-executing.
Third-country transit	Reg 60(3)	Goods in transit through the UK where the final destination is not Russia and no prohibited transaction occurs in the UK. Applies to non-listed goods only.

6.2 Treasury Licences (OFSI) — Regulation 64

OFSI may issue Treasury licences for financial sanctions under reg 64. Licences may be general (publicly issued, covering a defined class of transactions) or specific (issued to a named person for a named transaction). Key current general licences under the Russia regime:

General Licence	Reference / Expiry	Purpose and Conditions
Legal Services General Licence	INT/2025/7323088 — expires 28 April 2026	Permits payment of legal fees to or for the benefit of designated persons for legal representation. Subject to per-law-firm caps (£2,000,000 per law firm per DP Group, combining pre- and post-designation matters). Record-keeping and reporting to OFSI required.
Oil Price Cap — Crude Oil	INT/2024/4423849 — in effect until withdrawn	Maritime transport, insurance, brokering, and financing services for Russian crude oil at or below USD 47.60 per barrel (reduced from USD 60 as of September 2025). Tiered attestation system. See Section 5.4.
Oil Price Cap — Petroleum Products	INT/2023/3074680 — in effect until withdrawn	Maritime and related services for Russian petroleum products at or below USD 100/bbl (premium) or USD 45/bbl (discount products).
Sakhalin-2 Energy Project	INT/2025/5635700 —	Permits continuation of business operations of

General Licence	Reference / Expiry	Purpose and Conditions
	in effect from Jan 2025	Gazpromneft-Sakhalin LLC for Sakhalin-2 and Druzhba Pipeline Exempt Projects. Specific permitted activities and record-keeping obligations detailed in the licence.

CRITICAL: GENERAL LICENCES EXPIRE AND ARE REPLACED — ALWAYS CHECK CURRENT VERSION

The Legal Services General Licence has been renewed multiple times with modified terms, including changes to per-firm caps and scope. The licence reference INT/2025/7323088 (cited in this guide) is due to expire on 28 April 2026. The oil price cap licences are amended when the Coalition changes the cap level. Never rely on a licence reference without confirming it is still in force and reading the current version at the OFSI General Licences collection. Old licence references can become invalid without fanfare.

Treasury licence applications for specific licences (transactions not covered by a general licence) should be submitted through OFSI's online portal. OFSI applies a "reasonableness" test: it will consider whether the proposed activity is for a legitimate purpose covered by one of the Schedule 5 licensing purposes and whether the licence is proportionate. Key Schedule 5 purposes include: personal expenditure; basic needs; legal costs; debt previously incurred before designation; diplomatic missions; humanitarian purposes; and enabling business activity.

6.3 Trade Licences (OTSI) — Regulation 65

From October 2024, OTSI issues trade licences for otherwise-prohibited trade sanctions activities (supply of sanctioned services, export of sanctioned goods where a licence is available). Applications are submitted via OTSI's online portal on GOV.UK.

Schedule 6 of the Regulations sets out the purposes for which trade licences may be granted. These include: essential uses for humanitarian purposes; diplomatic or consular activity; legal proceedings; pre-existing contracts (in limited circumstances); and other purposes specified by the Secretary of State.

LICENSING JURISDICTION SUMMARY

The split between OFSI and OTSI is: (1) If the prohibited activity involves financial sanctions (asset freeze, making funds available, correspondent banking, trust services, financial restrictions for Schedule 2 entities) — apply to OFSI for a Treasury licence. (2) If the prohibited activity involves trade sanctions (export/import of goods, provision of sanctioned services) — apply to OTSI for a trade licence. Some transactions may require both licences where they involve both financial and trade sanctions restrictions.

KEY COMPLIANCE TAKEAWAY

The UK Russia sanctions regime has two licensing authorities — OFSI and OTSI — reflecting the split in enforcement responsibility introduced with OTSI's launch in October 2024. Directing a licence application to the wrong body will delay authorisation. Check the nature of the activity first, then identify the correct licensing authority.

7. Sanctions Lists and Screening

The UK has moved to a single-list model as of January 2026. Understanding which list contains which information and what screening is required for each prohibition is essential for building an accurate compliance workflow.

List / Resource	Publisher	Authoritative for	"Owned / Controlled" Extension?	URL
UK Sanctions List	FCDO	ALL UK designations: asset freeze, trust services, director disqualification, immigration, shipping, aircraft. ONLY authoritative source since 28 January 2026.	YES — reg 7 extends asset freeze to owned/controlled entities	search-uk-sanctions-list.service.gov.uk
Entities subject to financial/investment restrictions	FCDO / HM Treasury	Schedule 2 entities subject to capital market and lending restrictions (regs 15–19A). NOT the same as the UK Sanctions List.	YES — extends to entities owned by Schedule 2 entities	Available from Russia sanctions guidance
OFSI Consolidated List (CLOSED)	OFSI / HM Treasury	NO LONGER ACTIVE. Closed 28 January 2026. Available for reference only — do not use as a compliance tool.	N/A	Archived at: gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets

CRITICAL: THE OFSI CONSOLIDATED LIST IS CLOSED — DO NOT RELY ON IT FOR COMPLIANCE

The OFSI Consolidated List of Asset Freeze Targets closed on 28 January 2026 and is no longer updated. Any compliance system, workflow, screening tool, or due diligence procedure that relies on the OFSI Consolidated List as a live source is deficient as of that date. OFSI and the FCDO have confirmed that the UK Sanctions List is now the sole authoritative source. Third-party screening vendors must have updated their data feeds accordingly — verify with your vendor that their Russia designations data now draws from the UK Sanctions List (not the closed Consolidated List).

7.1 Screening Obligations

The Regulations do not specify an explicit "know your customer" or "continuous monitoring" standard, but the combination of mandatory reporting obligations (reg 72) and the "reasonable cause to suspect" knowledge standard means that financial institutions and professional service firms have an implied obligation to screen clients against the UK Sanctions List:

- At onboarding (all new clients and counterparties);

- Upon each new designation publication (financial sanctions notices are issued on the OFSI website and by email alert);
- Periodically for existing client books (frequency calibrated to risk profile — higher risk clients require more frequent screening);
- At transaction initiation (for significant or unusual transactions).

OFSI offers an email alert service for new designations; subscribing is strongly recommended for regulated firms and is routinely expected by OFSI during enforcement reviews.

KEY COMPLIANCE TAKEAWAY

Use the UK Sanctions List search tool as the primary screening source. Subscribe to OFSI email alerts to receive same-day notification of new designations. Maintain a separate screening check for Schedule 2 entities (financial and investment restrictions) — they are not in the same list as designated persons.

8. Compliance Quick-Reference Checklist

#	Check	Action / Authority
1	Screen ALL parties against the UK Sanctions List (designated persons — asset freeze, trust services, director disqualification, shipping)	Use search-uk-sanctions-list.service.gov.uk. If designated: freeze assets; notify OFSI promptly; no dealings without Treasury licence.
2	Apply "owned or controlled" analysis (reg 7) for any entity with Russian ownership	50%+ ownership triggers reg 7. Also assess control through board appointments, voting rights, or significant influence. Apply High Court case law (Mints, Fetisov/Yurov) for borderline cases.
3	Screen against Schedule 2 financial restrictions (regs 15–19A)	Check whether any counterparty is a Schedule 2 entity (Sberbank, VTB, Gazprombank, VEB, Rosselkhozbank, Rosneft, Transneft, Gazprom Neft, United Aircraft, Uralvagonzavod, OPK Oboronprom) or "person connected with Russia." Apply capital market / lending restrictions.
4	Check for trust services or director disqualification sanctions	Does the UK Sanctions List entry show trust services sanctions? Director disqualification sanctions? If so, apply the specific Part 3A/3B prohibitions in addition to the asset freeze.
5	For goods exports: identify applicable schedule/chapter of Part 5	Check Schedule 2A (military goods), UK Dual-Use Regulation Annex I (dual-use), Schedule 3A and Part 5 Chapters 4A–4E and 4G/4GA (advanced tech, energy, revenue goods). All apply cumulatively.
6	For goods imports: check whether goods are Russian-origin and covered by import bans	Apply UK customs origin rules. Check for specific third-country-processing extensions (iron/steel, gold, synthetic diamonds, petroleum products). Do not assume standard substantial-transformation origin rules apply.
7	For professional / advisory services: apply Part 5 services prohibitions	Is the service accounting, auditing, IT consulting, management consulting, legal advisory, or trust services? Identify whether the prohibition applies and whether a statutory exception (reg 60DB) or trade licence (OTSI) applies.
8	For oil/petroleum maritime services: check price cap compliance	Crude oil: USD 47.60/bbl (from Sep 2025). Premium products: USD 100/bbl. Discount products: USD 45/bbl. Obtain voyage attestation per tier level. Confirm the current cap in OFSI General Licence INT/2024/4423849.
9	For vessel arrivals: check shipping sanctions (specified ships)	Screen vessel IMO against UK Sanctions List "specified ships" entries. If specified: no UK port entry; notify MCA.
10	Identify any applicable exception or licence	Financial sanctions → OFSI Treasury licence (reg 64). Trade sanctions → OTSI trade licence (reg 65). Check current OFSI General Licences for any relevant active general licence first.
11	Reporting obligations (reg 72)	If you know or have reasonable cause to suspect a designated person: report to OFSI as soon as practicable. If frozen assets are identified: report to OFSI immediately. Delay is an aggravating factor in enforcement.
12	Record-keeping	Maintain all screening, transaction, reporting, and licence records. OFSI expects 5+ years retention for financial sanctions compliance records. OTSI has equivalent expectations for trade sanctions records.

KEY COMPLIANCE TAKEAWAY

As of early 2026, any UK Russia sanctions compliance workflow that relies on the OFSI Consolidated List as a live source, that references the $60 crude oil price cap, or that routes trade sanctions licence applications to OFSI rather than OTSI is deficient. These are the three most common structural errors requiring immediate remediation.

9. Enforcement — Financial and Trade Sanctions

9.1 OFSI Financial Sanctions Enforcement

OFSI has both civil and criminal enforcement powers for financial sanctions breaches.

- **Civil monetary penalties:** OFSI may impose a civil monetary penalty of up to the greater of £1,000,000 or 50% of the estimated value of the breach. The Economic Crime (Transparency and Enforcement) Act 2022 removed the requirement that the breach be knowing or deliberate for a civil penalty to apply — strict liability now applies to financial institutions for financial sanctions breaches. A "reasonable precautions / due diligence" defence is available.
- **Criminal prosecution:** For deliberate or knowing breaches, OFSI and HMRC can refer matters for criminal prosecution, which carries penalties of up to 7 years' imprisonment and/or an unlimited fine.

Notable OFSI penalties under the Russia regime: Bank of Scotland Plc was fined £160,000 in January 2026 for breaching Russia financial sanctions. OFSI noted in its 2024-25 Annual Review that it had approximately 240 active investigation cases as of April 2025 and expects to reach decisions on many of these in 2025-26.

> **STRICT LIABILITY FOR FINANCIAL INSTITUTIONS**
>
> Since the Economic Crime Act 2022 reforms, financial institutions can be penalised by OFSI for financial sanctions breaches without OFSI needing to prove that the institution knew of the breach. The institution must demonstrate that it took "reasonable precautions and exercised all due diligence to avoid committing the act." This shifts the compliance burden significantly: a breach that results from inadequate screening procedures is now penalisable even if no individual within the institution was subjectively aware of the designated person's involvement.

9.2 OTSI Trade Sanctions Enforcement

OTSI launched in October 2024 with civil enforcement powers under the Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024. OTSI may:

- Impose civil monetary penalties of up to the greater of £1,000,000 or 50% of the estimated value of the breach (mirroring the OFSI penalty cap);
- Issue compliance notices and monetary penalty notices;
- Publish details of enforcement decisions (reputational deterrence);
- Refer serious cases to HMRC and law enforcement for criminal investigation.

OTSI has stated that sanctions circumvention — the routing of prohibited goods or services through third-country intermediaries to reach Russia — is a priority enforcement focus. OTSI publishes case studies and threat assessments to alert the private sector to common evasion patterns.

> **KEY COMPLIANCE TAKEAWAY**
>
> Both OFSI and OTSI take an intelligence-led approach to enforcement. OFSI's 2024-25 Annual Review notes that £28.7 billion in Russian assets have been frozen under UK sanctions since February 2022. Active enforcement is increasing: OFSI alone had 240 active cases as of April 2025.

10. Official Document Index

10.1 Primary Legislation

Instrument	Date	Access
Sanctions and Anti-Money Laundering Act 2018 (SAMLA 2018)	23 May 2018	Primary enabling statute for all UK sanctions regimes. Section 21 defines UK persons. Sections 3-8 define sanction types. Section 60 defines "owned or controlled." Section 43 requires statutory guidance.
The Russia (Sanctions) (EU Exit) Regulations 2019 (SI 2019/855) — REVISED VERSION	10 April 2019 (in force 31 Dec 2020)	Principal implementing instrument. Always use the revised version on legislation.gov.uk — it incorporates all 30+ amending SIs. The "made" version is substantially obsolete.

10.2 Key Amending Instruments

Instrument	Year / SI	Key Changes
Russia (Sanctions) (EU Exit) (Amendment) (No.17) Regulations 2022	SI 2022/1331	Inserted Part 3A (trust services sanctions into Schedule 5).
Russia (Sanctions) (EU Exit) (Amendment) Regulations 2023	SI 2023/440	Third-country-processed iron/steel import ban (Chapter 4CA); expanded revenue-generating goods.
Russia (Sanctions) (EU Exit) (Amendment) (No.3) Regulations 2024	SI 2024/834	Expanded designation criteria (reg 6); expanded ship specification criteria (reg 57F).
Russia (Sanctions) (EU Exit) (Amendment) (No.4) Regulations 2024	6 Sept 2024	Amended legal advisory services exception (reg 60DB) — added compliance/counter-sanctions advice.
Various 2025 SIs	2025	Synthetic diamond restrictions (Chapter 4JD, in force 24 April 2025); further designation criteria amendments; trade sanctions expansions.

10.3 OFSI and Government Resources

Resource	Type	URL
Russia Sanctions: Statutory Guidance	Statutory guidance (FCDO/OFSI/OTSI)	The authoritative government summary of SI 2019/855. Updated to reflect recent amendments; always check update date in the page history.
UK Sanctions List search tool	Designations list (sole source)	The only authoritative source for UK designations since 28 January 2026. Replaces OFSI Consolidated List. Searchable by name, regime, sanction type.
UK Sanctions List (GOV.UK page)	Download hub	CSV, XML, PDF, ODS, ODT, and HTML downloads of the full UK Sanctions List. XML format suitable for automated compliance system feeds.
UK Financial Sanctions	OFSI FAQ guidance	Covers Russia-specific questions including: Rosbank/TBank entity change (Jan 2025); Bank Otkritie/BM-Bank merger; legal

Resource	Type	URL
FAQs		services general licence caps; oil price cap attestation process.
OFSI General Licences collection	General licences (OFSI)	All current OFSI general licences including the Legal Services GL and Oil Price Cap GLs. Check expiry dates and amendment notices before relying on any licence.
UK financial sanctions guidance	General OFSI guidance	Covers how to implement UK financial sanctions broadly: who is subject, how to freeze, how to report, how to apply for licences.
Financial sanctions general guidance	OFSI detailed guidance	More detailed than the general guidance page. Covers "owned or controlled," correspondent banking, trust services, and reporting obligations.
OFSI licence application guidance	Licensing guidance	Explains Treasury licence purposes (Schedule 5), how to apply, and OFSI's "reasonableness" assessment approach.
Report a financial sanctions breach	Reporting portal	Online form and guidance for mandatory and voluntary reporting of suspected breaches and frozen asset reports to OFSI.
OFSI enforcement decisions	Enforcement record	Published monetary penalty notices and enforcement decisions. Review for guidance on OFSI's assessment of compliance failures.
OTSI page	OTSI portal	OTSI trade sanctions guidance, trade licence applications (Russia sanctioned services), and enforcement publications.
OFSI blog	OFSI updates	Regulatory communications, new general licence publications, and guidance updates. Subscribe for real-time notifications.

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