# UK Sanctions

## Practitioner's Reference Guide

The UK Sanctions Framework — Thematic Guide

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*Not legal advice. Verify against current official publications before use in compliance decisions.*

# 1. How to Use This Guide

**NAVIGATING THIS GUIDE**

This guide covers the UK sanctions framework as a system — the legislation, institutions, measure types, thematic and geographic regimes, licensing, and enforcement. Use it as follows:

- **Sections 2–3:** SAMLA 2018 architecture, institutional roles (FCDO, OFSI, OTSI, NCA, HMRC). Essential baseline for any sanctions question.
- **Section 4:** Five types of UK sanctions measures. Read before analysing any transaction or counterparty.
- **Section 5:** Thematic regimes (counter-terrorism, ISIL/Al-Qaeda, chemical weapons, cyber, global human rights, global anti-corruption, irregular migration and trafficking).
- **Section 6:** Geographic regimes overview. Russia cross-reference to the dedicated Russia sanctions guide.
- **Section 7:** The UK Sanctions List — the single consolidated source since January 2026 — plus ownership and control rules.
- **Section 8:** Licensing (OFSI/OTSI), exceptions, and the General Licence mechanism.
- **Section 9:** Enforcement — strict liability, civil penalties, criminal prosecution, OFSI/OTSI/NCA/HMRC split, enforcement record.
- **Section 10:** Compliance quick-reference checklist.
- **Section 11:** Official document index.

**CROSS-REGIME WARNING:** UK sanctions regimes share common statutory underpinnings under SAMLA 2018 but each regime's statutory instrument imposes its own definitions, prohibitions, and exceptions. Do not reason by analogy from one regime to another. Always consult the specific SI and statutory guidance for the regime in question.

# 2. Legal and Regulatory Framework

The UK's autonomous sanctions framework was established after Brexit by the Sanctions and Anti-Money Laundering Act 2018 (SAMLA 2018). SAMLA is the primary enabling legislation for all UK autonomous sanctions. Prior to SAMLA's full activation on 31 December 2020 (IP completion day), UK sanctions operated through EU law.

## 2.1 SAMLA 2018 — The Enabling Architecture

SAMLA 2018 does not itself impose sanctions on anyone. Instead, it gives UK ministers power to make **statutory instruments (SIs)** — secondary legislation — that establish individual sanctions regimes, define designation criteria, set prohibitions, and specify exceptions and licensing powers. Each sanctions program is therefore a separate SI, not an act of Parliament.

This architecture has two important compliance consequences: (1) each regime's operative rules are in its own SI, not in SAMLA itself; and (2) ministers can create or amend sanctions regimes by SI without requiring primary legislation — enabling faster response than either the pre-Brexit EU system or the US Congress-dependent framework.

SAMLA 2018 specifies the **purposes** for which sanctions may be imposed. These include: compliance with UN and other international obligations; supporting foreign policy objectives; national security; maintaining international peace and security; prevention of terrorism; and fostering respect for democracy and the rule of law. The last two are autonomous UK purposes not directly derived from UN mandates.

## 2.2 Pre-SAMLA Instruments Still in Force

Some UK sanctions authority predates SAMLA 2018 and operates under different primary legislation:

- **Counter Terrorism Act 2008 (CTA 2008):** Used for domestic counter-terrorism financial sanctions, particularly for HM Treasury's power to direct institutions to cease business with entities. Part of the pre-SAMLA toolkit still active in parallel.
- **Anti-Terrorism, Crime and Security Act 2001 (ATCSA 2001):** Provided early asset-freezing powers for terrorism. Now largely superseded by SAMLA-based instruments but still referenced in some legacy designations.

## 2.3 UN-Mandated vs Autonomous Sanctions

| Category | Legal Basis | Decision Maker | Examples |
|---|---|---|---|
| UN-mandated | SAMLA 2018 + SI implementing UNSCR | FCDO (following UN SC decision) | ISIL/Al-Qaeda, DPRK, Iran (nuclear), Taliban |
| Autonomous | SAMLA 2018 + SI (no UN mandate) | UK government (Secretary of State) | Russia, Belarus, Global Human Rights, Global Anti-Corruption, Cyber |
| Mixed | SAMLA 2018 + SI; UN baseline + UK additions | UK government builds on UN baseline | Iran (human rights), Libya, Syria |

## 2.4 UK Sanctions Strategy — "Deter, Disrupt and Demonstrate"

The UK government's UK Sanctions Strategy (February 2024) sets out three objectives: deter bad actors from taking harmful actions; disrupt the activities of those already doing harm; and demonstrate UK values and foreign policy. This document is the clearest official statement of how the UK prioritises sanctions deployment and is useful for understanding the direction of UK autonomous designations.

> **KEY COMPLIANCE TAKEAWAY:** Operative sanctions obligations are found in the specific SI for each regime, not in SAMLA 2018 itself. When a new or amended regime takes effect, it is the SI — and the statutory guidance that accompanies it — that governs compliance.

## 3. Institutional Roles and Responsibilities

The UK splits sanctions implementation and enforcement across multiple departments. Understanding which body is responsible for which type of sanction is essential for licensing, compliance, and breach reporting.

| Department / Body | Role |
|---|---|
| Foreign, Commonwealth and Development Office (FCDO) | Leads UK international sanctions policy. Makes designations under SAMLA-based regimes. Maintains the UK Sanctions List. Negotiates international sanctions coordination. |
| HM Treasury — OFSI | Office of Financial Sanctions Implementation. Civil enforcement authority for financial sanctions. Issues financial sanctions licences. Investigates civil breaches. Manages reporting. Runs the OFSI Consolidated List (now closed — superseded by UK Sanctions List). |
| Department for Business and Trade — OTSI | Office of Trade Sanctions Implementation (launched October 2024). Civil enforcement of trade sanctions (services and goods not crossing UK border). Issues trade sanctions licences for services. |
| HM Revenue & Customs (HMRC) | Criminal enforcement of all trade sanctions. Customs enforcement for goods at the UK border. |
| National Crime Agency (NCA) | Criminal investigation and prosecution of financial sanctions breaches. |
| Home Office | Implements travel bans. Maintains proscribed organisations list (separate from sanctions designations). |
| Department for Transport (DfT) | Implements transport sanctions (ship and aircraft movement controls in UK waters/airspace). |
| Insolvency Service | Investigates and prosecutes director disqualification sanctions. Issues licences for those subject to disqualification. |
| Ofcom | Sanctions compliance in relation to internet services. |

**WARNING — MULTIPLE ENFORCEMENT BODIES:** Unlike OFAC (single US civil enforcement body), UK sanctions enforcement is split: OFSI enforces financial sanctions civilly; OTSI enforces trade sanctions civilly; HMRC enforces trade sanctions criminally at the border; NCA prosecutes criminal financial sanctions breaches. A single transaction may engage multiple authorities. Licensing applications go to the correct body for the type of sanction.

**KEY COMPLIANCE TAKEAWAY:** For financial sanctions questions — OFSI. For trade sanctions services questions — OTSI. For customs/goods at the UK border — HMRC. For criminal prosecution — NCA. Directing enquiries to the wrong body wastes time and may indicate poor compliance governance.

# 4. Types of UK Sanctions Measures

UK sanctions regimes may impose any combination of the following five measure types. Each regime's SI specifies which apply. Not every regime uses every measure type.

## 4.1 Financial Sanctions (Asset Freeze)

An asset freeze prohibits:

- **Dealing with frozen funds or economic resources** belonging to, owned, held, or controlled by a designated person (or an entity owned or controlled by a designated person)
- **Making funds or economic resources available**, directly or indirectly, to or for the benefit of a designated person
- **Circumvention** — knowingly participating in activities that circumvent the financial sanctions prohibitions

"Funds" means financial assets and benefits of every kind — cash, cheques, bank accounts, electronic money, bonds, shares, securities. "Economic resources" means assets of any kind (tangible or intangible, movable or immovable) that are not funds but can be used to obtain funds, goods, or services. This includes real estate, machinery, intellectual property, and goodwill.

Financial sanctions also include wider restrictions beyond asset freezes: restrictions on financial services (capital market access, correspondent banking), directions to cease business, and investment bans. These apply in specific programs (most extensively in Russia sanctions).

## 4.2 Director Disqualification Sanctions

A unique UK measure with no EU equivalent. Director disqualification sanctions prohibit a designated individual from acting as a company director, company secretary, promoter, or manager of a UK company. They also prevent UK-incorporated entities from having that person in such a role. **The Insolvency Service** is responsible for licensing derogations and enforcement.

> **UK-UNIQUE MEASURE:** Director disqualification sanctions are a specifically UK tool — they have no direct equivalent in EU, US, or UN sanctions regimes. Practitioners from other jurisdictions should not assume they know how this measure works. It targets governance roles, not just financial dealings.

## 4.3 Trade Sanctions

Trade sanctions restrict the import, export, transfer, supply, delivery, or making available of specified goods, software, technology, and services. They may also include arms embargoes and controls on technical assistance, brokering, and financing related to specified goods.

Trade sanctions are enforced by multiple bodies depending on the type: **OTSI** handles services and goods-movement not crossing the UK border; **HMRC** handles border enforcement for goods; **ECJU** handles export licensing within DBT.

OTSI was launched in October 2024 with civil enforcement powers under the Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024. This is a significant recent development — civil enforcement of trade sanctions breaches for services is now possible without criminal prosecution.

## 4.4 Immigration Sanctions (Travel Bans)

Immigration sanctions prevent a designated individual from entering or remaining in the UK. The **Home Office** implements travel bans. They apply to natural persons only. Separate from the proscription regime under the Terrorism Act 2000 (which prohibits membership and support of banned organisations but is not a sanctions designation).

### 4.5 Transport Sanctions

Transport sanctions restrict the movement of specified ships and aircraft. Under various regime SIs, the UK can prohibit ships from entering UK ports, accessing UK territorial waters, or receiving specified services; and aircraft from landing in or overflying UK airspace. The **Department for Transport** is responsible, and certain transport sanctions also require OFSI or OTSI licensing in combination. Specified ships appear on the UK Sanctions List separately from designated persons.

> **KEY COMPLIANCE TAKEAWAY:** UK sanctions offer a broader toolkit than most other jurisdictions — five distinct measure types including director disqualification (unique to the UK). A full compliance assessment requires checking all applicable measure types, not just the asset freeze.

## 5. Thematic (Horizontal) Sanctions Regimes

The UK operates a growing number of thematic regimes targeting specific types of harmful conduct globally, regardless of the actor's nationality or geography. As of May 2026, the UK operates seven thematic regimes (some with domestic and international sub-categories).

### 5.1 ISIL (Da'esh) and Al-Qaeda — UN-Mandated

Implemented by the Isil (Da'esh) and Al-Qaeda (United Nations Sanctions) (EU Exit) Regulations 2019. Transposes UN Security Council Resolution 1267 and successor resolutions. Designations mirror UN Security Council Sanctions Committee decisions. Asset freeze, arms embargo, and travel ban apply. The UK aims to update the Sanctions List within one working day of new UN listings.

This is distinct from the UK's autonomous counter-terrorism regimes below. The ISIL/Al-Qaeda list is UN-derived; the counter-terrorism lists are UK autonomous designations.

### 5.2 Counter-Terrorism Sanctions — International

The Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019 allow the UK to designate persons involved in international terrorism — independently of UN designations. Asset freeze and travel ban apply. Used against Hamas leaders and financiers (following October 2023 attacks), Wagner Group-linked financiers, and others. Designations require a ministerial decision based on reasonable grounds to suspect involvement in terrorism.

### 5.3 Counter-Terrorism Sanctions — Domestic

In 2024-25, OFSI made the **first use of its autonomous domestic counter-terrorism powers** to designate a suspected New IRA financer and an extreme right-wing group. This extends the counter-terrorism toolkit to domestic threats. The domestic regime sits alongside the Home Office's Terrorism Act 2000 proscription regime but operates as a financial sanctions tool, not a ban on membership.

> **PROSCRIPTION ≠ SANCTIONS DESIGNATION:** An organisation banned ("proscribed") under the Terrorism Act 2000 is not automatically a designated person under the counter-terrorism sanctions regime, and vice versa. Two separate legal frameworks apply, administered by different departments. Both must be checked.

### 5.4 Chemical Weapons Sanctions

The Chemical Weapons (Sanctions) (EU Exit) Regulations 2019 target persons responsible for developing, producing, stockpiling, acquiring, retaining, or using chemical weapons. Asset freeze and travel ban apply. Supports the Chemical Weapons Convention. The UK coordinated designations with the EU and US following the Salisbury poisonings (2018) and subsequent OPCW findings.

### 5.5 Cyber Sanctions

The Cyber (Sanctions) (EU Exit) Regulations 2020 target persons responsible for cyber-attacks (or attempted attacks) against the UK, its allies, or international organisations; and those who provide technical, financial, or material support for such attacks.

In 2024-25, 25 new cyber designations were made (23 related to ransomware operations). The regime has been used against Russian GRU and SVR officers, North Korean state-backed hackers, and ransomware operators. Asset freeze and travel ban apply.

### 5.6 Global Human Rights Sanctions Regime

The Global Human Rights Sanctions Regulations 2020 (in force July 2020) allow the UK to designate persons responsible for, involved in, or complicit in serious violations or abuses of human rights anywhere in the world — including genocide, crimes against humanity, torture, arbitrary detention, enforced disappearances, and slavery.

The regime is explicitly modelled on the US Magnitsky Act (formally the Global Magnitsky Human Rights Accountability Act) and known informally as the UK Magnitsky regime. Asset freeze and travel ban apply. As of 2024-25, the Consolidated List reached 4,733 designations total; human rights designations cover individuals from Russia, China (Xinjiang), Saudi Arabia, Myanmar, Iran, Pakistan, Belarus, and others.

### 5.7 Global Anti-Corruption Sanctions Regime

The Global Anti-Corruption Sanctions Regulations 2021 (in force April 2021) target persons involved in serious corruption — including bribery, misappropriation of public funds or assets, and the laundering of corruption proceeds. Asset freeze and travel ban apply. This is a UK autonomous regime with no direct UN or EU equivalent in this specific form.

Initial designations targeted officials from Russia, South Africa, Guatemala, South Sudan, and Honduras. The regime gives the UK a specific anti-corruption sanctions tool sitting alongside legislation such as the Bribery Act 2010 and the Proceeds of Crime Act 2002. In 2025-26, 13 new designations were made under this regime.

### 5.8 Global Irregular Migration and Trafficking in Persons

The UK added a new thematic regime targeting individuals responsible for facilitating illegal migration and human trafficking. This regime demonstrates the UK's willingness to use SAMLA's broad enabling powers to create novel thematic sanctions categories. Asset freeze and travel ban apply.

| Regime | Established | SI | Measures | Key Feature |
|---|---|---|---|---|
| ISIL/Al-Qaeda (UN) | 2019 | SI 2019/466 | Asset freeze, arms embargo, travel ban | UN-mandated; mirrors UN SC decisions |
| Counter-Terrorism (International) | 2019 | SI 2019/577 | Asset freeze, travel ban | Autonomous UK terrorist designations |
| Counter-Terrorism (Domestic) | 2024 | Under CTA 2008 / SAMLA | Asset freeze | Domestic extremism; first used 2024-25 |
| Chemical Weapons | 2019 | SI 2019/618 | Asset freeze, travel ban | Supports CWC; coordinated with allies |
| Cyber | 2020 | SI 2020/597 | Asset freeze, travel | Ransomware |

| Regime | Established | SI | Measures | Key Feature |
|---|---|---|---|---|
| | | | ban | and state-backed hackers |
| Global Human Rights | 2020 | SI 2020/680 | Asset freeze, travel ban | UK Magnitsky regime; 40+ countries covered |
| Global Anti-Corruption | 2021 | SI 2021/488 | Asset freeze, travel ban | UK-unique; no direct EU/UN equivalent |
| Irregular Migration / Trafficking | 2023/2024 | SI under SAMLA | Asset freeze, travel ban | New thematic area |

**KEY COMPLIANCE TAKEAWAY:** The UK operates seven thematic regimes — more than the EU's four. The Global Anti-Corruption regime is uniquely UK and has no equivalent in EU law. Compliance screening must cover all thematic regimes regardless of the counterparty's geographic origin.

## 6. Geographic Sanctions Regimes — Overview

As of May 2026, the UK operates 28 autonomous and mixed sanctions regimes. The complete list is maintained at Current UK sanctions regimes. This section provides an overview of the major programs. Russia is addressed with a cross-reference to the dedicated guide.

### 6.1 Russia — Refer to the Dedicated Russia Sanctions Guide

**A separate, dedicated UK Russia sanctions guide is available from mrsanctions.com. That guide provides full practitioner-level coverage of:**

- — The Russia (Sanctions) (EU Exit) Regulations 2019 (SI 2019/855) in full, including all amendments
- — Financial and investment restrictions (including the separate Entities List for financial/investment restrictions)
- — Sweeping trade, services, transport, and professional services prohibitions
- — The Oil Price Cap and OFSI's role in its implementation
- — Licensing, exceptions, and specific guidance for financial services, maritime, legal, and other sectors

For context: As of 2024-25, Russia accounts for 2,113 of the 4,733 total designations on the UK Sanctions List. £37 billion in assets were reported as frozen to OFSI in 2024-25. Russia sanctions involve the most complex web of financial, trade, transport, and services restrictions of any UK program. The Russia regime also has a separate Entities List for financial and investment restrictions (persons not necessarily subject to a full asset freeze). Consult the dedicated guide and official sources before any Russia-related compliance decision.

### 6.2 Belarus

The Republic of Belarus (Sanctions) (EU Exit) Regulations 2019 were significantly amended following the fraudulent 2020 presidential election and the forced landing of Ryanair FR4978 in 2021. Measures include asset freezes and travel bans on officials and supporters of the Lukashenko regime, plus sectoral restrictions on petroleum products, potash, tobacco products, and financial services. Belarus sanctions are closely coordinated with Russia sanctions given the two countries' interconnected role in sanctions circumvention.

### 6.3 Iran

The UK maintains two main Iran regimes: the Iran (Sanctions) (Human Rights) (EU Exit) Regulations 2019 targeting human rights abusers, and the Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2023 targeting the nuclear program. The UK has applied sanctions against over 90 Iranian individuals since the killing of Mahsa Amini in 2022. The FCDO has designated IRGC-linked individuals extensively.

### 6.4 Myanmar

The Myanmar (Sanctions) Regulations 2021 target the military regime following the 2021 coup. Measures include asset freezes, travel bans, and arms embargoes targeting military officials, military-linked businesses, and financiers. Coordinated with the EU, US, and Canada.

### 6.5 Other Active Geographic Regimes

Other active UK geographic programs include: Afghanistan, Bosnia and Herzegovina, Central African Republic, Democratic Republic of Congo, Democratic People's Republic of Korea, Guinea, Guinea-Bissau, Haiti, Iraq, Lebanon (general and Hariri assassination), Libya, Mali, Moldovarelated, Myanmar, Nicaragua, Somalia, South Sudan, Sudan, Syria, Venezuela, Yemen, and Zimbabwe. Full statutory guidance for each is at gov.uk — Current UK sanctions regimes.

> **KEY COMPLIANCE TAKEAWAY:** With 28 active regimes and more than 4,700 designations, the UK sanctions perimeter is wide. Russia is the single largest program by designation count and complexity. Geographic assessment must be supplemented with thematic regime screening.

## 7. The UK Sanctions List, Screening, and Ownership/Control

### 7.1 The UK Sanctions List — The Single Consolidated Source

As of **28 January 2026**, the UK Sanctions List is the single, authoritative source for all UK sanctions designations. The OFSI Consolidated List of Asset Freeze Targets closed on that date and is no longer updated. Any compliance system that still references the old OFSI list only must be updated.

The UK Sanctions List is maintained by the FCDO and covers all designated persons and specified ships across all UK regimes (financial, trade, travel ban, transport). It is searchable by name, regime, and measure type, and downloadable in multiple formats. FCDO aims to update the list within **one working day** of new UN listings and within **three working days** of all other amendments.

> **IMPORTANT — SEPARATE RUSSIA ENTITIES LIST:** There is a separate list of entities subject only to financial and investment restrictions under the Russia regime — not a full asset freeze. These entities may not appear in the main UK Sanctions List asset-freeze search results. Screening for Russia-related financial restrictions must include this separate list. See: gov.uk/guidance/russia-list-of-persons-named-in-relation-to-financial-and-investment-restrictions.

### 7.2 Screening Process

UK persons are required to screen counterparties against the UK Sanctions List. The threshold for triggering action under the financial sanctions regulations is **"reasonable cause to suspect"** — an objective standard. If an honest and reasonable person in your position would have suspected that a counterparty is a designated person, based on the information available, the obligations apply. Wilful blindness is not a defence.

Commercial sanctions screening services use the UK Sanctions List as their primary source. The UK Sanctions List search tool user guide explains how to search by name, regime, and apply filters. Name matches should be followed by a full target-match assessment considering all available identifying information.

### 7.3 Ownership and Control

Asset freezes and many other sanctions measures carry down automatically from a designated person to entities that person **owns or controls**. The subsidiaries of designated persons are sanctioned by operation of law even if not listed. This applies without the need for a separate designation.

UK financial sanctions guidance defines ownership and control by reference to the specific regulations. In most regimes:

- **Ownership:** An entity is owned if a designated person holds more than 50% of the shares or voting rights, directly or indirectly.
- **Control:** An entity is controlled if a designated person has the right, directly or indirectly, to appoint or remove a majority of the board of directors; has the right to exercise, or actually exercises, dominant influence over the entity; or controls more than 50% of voting rights by virtue of agreement with other shareholders.

Control can also be factual — actual ability to determine key commercial or operational decisions, regardless of formal ownership structure. OFSI has issued updated guidance on ownership and control analysis and launched a call for evidence in 2026 to review how firms apply these rules in practice.

> **WARNING — CONTROL IS FACT-SPECIFIC:** The 50% ownership threshold is a floor, not a ceiling. Control can exist below 50% through board appointment rights or factual dominance. Due diligence on ownership and control requires substantive analysis, not a mechanical share percentage check.

> **KEY COMPLIANCE TAKEAWAY:** The UK Sanctions List is the sole consolidated source since 28 January 2026. Screening must cover all regimes and measure types, not just asset freezes. Ownership and control analysis extends sanctions obligations to unlisted subsidiaries and entities controlled by designated persons.

## 8. Exceptions and Licensing

UK sanctions law distinguishes between **exceptions** (which apply automatically without needing a licence) and **licences** (which are written permissions from the competent authority for activities that would otherwise breach sanctions). Both are specific to each regime's SI.

### 8.1 Exceptions

Exceptions are set out in section 3 of each sanctions regulation. Common exceptions across regimes include:

- **Prior obligations:** Completion of transactions under contracts entered before designation, subject to specific conditions.

- **Basic needs:** Provision of basic necessities to a designated natural person (food, rent, medical treatment, legal fees).
- **Maintenance of frozen accounts:** Management fees, interest accrual, and routine maintenance of frozen accounts.
- **Judicial processes:** Payments required to satisfy court orders or arbitral awards, subject to conditions.

Because exceptions apply automatically, you do not need OFSI or OTSI approval to rely on an exception — but you must satisfy yourself that all conditions are met. If unsure, seek legal advice.

### 8.2 OFSI Licensing (Financial Sanctions)

OFSI may grant licences permitting activities that would otherwise breach financial sanctions. Each regime's SI specifies the licensing grounds available. Common grounds include: humanitarian assistance; legal services; extraordinary situation (discretionary); diplomatic purposes; pre-designation obligations.

OFSI can issue General Licences (applying to categories of persons or transactions) or Specific Licences (for a named person or transaction). General Licences have been used extensively in Russia sanctions to permit ongoing transactions in specific sectors (e.g., energy wind-down, food and fertiliser). Specific Licences require individual applications.

OFSI aims to respond to licence applications within 10 working days for complete applications. Complex Russia-related applications may take longer.

### 8.3 OTSI Licensing (Trade Sanctions — Services)

OTSI issues licences for the provision of trade-sanctioned services. This is a separate licensing stream from OFSI — trade service licences must be obtained from OTSI, not OFSI. OTSI's licensing remit is newer (from October 2024) and its licensing framework is still developing.

> **KEY COMPLIANCE TAKEAWAY:** Exceptions apply automatically; licences require an application. Know which type you need before taking action. Financial sanctions licences → OFSI. Trade services sanctions licences → OTSI. Do not conflate the two — directing a licence application to the wrong body is a compliance process failure.

## 9. Enforcement

### 9.1 Strict Liability for Financial Sanctions

UK financial sanctions are strict liability offences under the criminal law. **No intent is required** to establish the actus reus of a financial sanctions breach — it is enough that the breach occurred. The mental element (intent or knowledge) is relevant to whether criminal prosecution or civil penalty is pursued, and to the severity of the sanction, but it does not create a defence to the underlying breach.

This is a critical difference from many other regulatory regimes and from OFAC's approach in the US. Even an entirely innocent mistake — relying on incorrect information, failing to update screening data, technical payment routing errors — may constitute a breach. Documented due diligence is essential because it informs penalty assessment even when it does not eliminate liability.

> **STRICT LIABILITY — THE KEY WARNING:** A financial sanctions breach does not require intent. An organisation that inadvertently processes a payment to a designated person has breached UK financial sanctions law. Whether OFSI pursues a civil penalty, issues a monetary penalty, or refers for criminal prosecution depends on intent, culpability, and mitigating factors — but the breach occurred regardless. Good compliance processes are your primary mitigation tool.

### 9.2 OFSI Civil Enforcement — Financial Sanctions

OFSI may issue a **Monetary Penalty** of up to £1 million or 50% of the value of the breach (whichever is higher) for civil financial sanctions violations. OFSI does not need to prove criminal intent for a civil monetary penalty.

OFSI may also issue a **Disclosure Notice** — publicly naming a firm for a breach without imposing a monetary penalty. The reputational consequences of a disclosure notice can be significant, particularly for regulated financial institutions.

OFSI actively considers whether firms have adequate compliance programmes when determining penalties. Voluntary self-disclosure, co-operation, good faith, and systemic compliance weaknesses are all relevant. Notable enforcement actions include: £465,000 penalty against Herbert Smith Freehills CIS LLP (March 2025) for payments related to Russia sanctions; multiple maritime and financial sector cases.

### 9.3 OTSI Civil Enforcement — Trade Sanctions

OTSI launched its civil enforcement powers in October 2024. It may issue monetary penalties for trade sanctions breaches involving services and cross-border goods movement not at the UK border. The enforcement framework is in The Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024. OTSI may also publish information about breaches (a disclosure/naming power).

### 9.4 Criminal Enforcement

Criminal sanctions breaches carry more severe penalties:

- **Financial sanctions (criminal):** Investigated by the **NCA**. Maximum sentence: 7 years' imprisonment. Fines unlimited.
- **Trade sanctions (criminal):** Investigated and prosecuted by **HMRC**. Maximum sentence: 7 years' imprisonment for the most serious breaches.

### 9.5 Self-Reporting

OFSI actively encourages voluntary self-disclosure of suspected breaches. Self-disclosure before OFSI identifies a breach is treated as a significant mitigating factor in penalty assessment. OFSI has confirmed that self-disclosure does not automatically trigger a maximum penalty. Online self-reporting forms are available at gov.uk — report a suspected breach.

> **KEY COMPLIANCE TAKEAWAY:** UK financial sanctions are strict liability. Compliance programmes must be designed to prevent breaches, not just to mount a defence after them. When a breach is discovered, early self-disclosure to OFSI is strongly favoured and materially affects penalty outcomes.

## 10. Compliance Quick-Reference Checklist

| Step | Action |
|---|---|
| 1. Identify applicable regimes | Use gov.uk Current UK Sanctions Regimes to identify all regimes applicable to the counterparty's country, sector, and activity. Check thematic regimes for all counterparties regardless of geography. |
| 2. Screen the UK Sanctions List | Screen all parties and beneficial owners against the UK Sanctions List (the single consolidated source since 28 January 2026). Use the search tool or a commercial screening service. |
| 3. Check Russia | If Russia is in scope, screen the separate Entities List for financial and |

| Step | Action |
|---|---|
| Entities List separately | investment restrictions in addition to the main Sanctions List. Consult the dedicated Russia guide. |
| 4. Identify measure types applicable | Confirm which of the five measure types (financial, director disqualification, trade, immigration, transport) apply under each applicable regime. |
| 5. Check sectoral/financial restrictions | Beyond designated persons, check for broader financial, trade, or sectoral restrictions in the applicable SI. These can prohibit transactions with categories of persons not individually named. |
| 6. Conduct ownership/control analysis | If any counterparty has links to a designated person, conduct a substantive ownership and control analysis. Apply to all corporate structures with DP nexus. |
| 7. Assess exceptions and licensing | If a prohibition appears to apply, check whether an automatic exception applies (section 3 of the regime SI). If not, determine whether a licence from OFSI (financial) or OTSI (trade services) is required. |
| 8. Escalate and document | Escalate potential matches to compliance/legal. Document all steps taken, databases screened, conclusions, and any OFSI/OTSI contact. Documented due diligence is the primary enforcement mitigation. |
| 9. Monitor ongoing | Sign up for UK sanctions email alerts. The UK Sanctions List can be updated any working day. Ongoing monitoring of existing relationships is required. |
| 10. Consider self-disclosure | If a breach is identified, assess voluntary self-disclosure to OFSI/OTSI promptly. Self-disclosure is a significant mitigating factor in penalty assessment. |

## 11. Official Document Index

### Primary Legislation

| Instrument | URL |
|---|---|
| Sanctions and Anti-Money Laundering Act 2018 (SAMLA 2018) | legislation.gov.uk/ukpga/2018/13 |

### Key Government Guidance

| Resource | URL |
|---|---|
| UK Sanctions collections page | gov.uk — UK sanctions |
| Current UK sanctions regimes | gov.uk — Current regimes |
| Starter guide to UK sanctions | gov.uk — Starter guide |
| OFSI financial sanctions general guidance | gov.uk — OFSI general guidance |
| UK Sanctions List | gov.uk — UK Sanctions List |
| UK Sanctions List search tool user | gov.uk — List search tool guide |

| Resource | URL |
|---|---|
| guide | |
| UK Financial Sanctions FAQs | gov.uk — OFSI FAQs |
| OFSI advisories | gov.uk — OFSI advisories |
| Trade sanctions guidance | gov.uk — Trade sanctions |
| UK Sanctions Strategy (2024) | gov.uk — Sanctions Strategy |
| Report a breach | gov.uk — Report a breach |
| Sanctions enforcement actions | gov.uk — Enforcement actions |
| UK sanctions email alerts | govdelivery.com — sign up |
| OFSI blog | ofsi.blog.gov.uk |
| OTSI blog | otsi.blog.gov.uk |
| Russia sanctions guidance collection | gov.uk — Russia sanctions |
| OFSI Annual Review 2024-25 | gov.uk — OFSI Annual Review 2024-25 |

*Not legal advice. All information should be verified against current official UK publications before use in compliance decisions.*
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