

# Sanctions: Fortnightly Summary

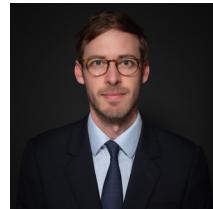


# Sanctions: Fortnightly Summary

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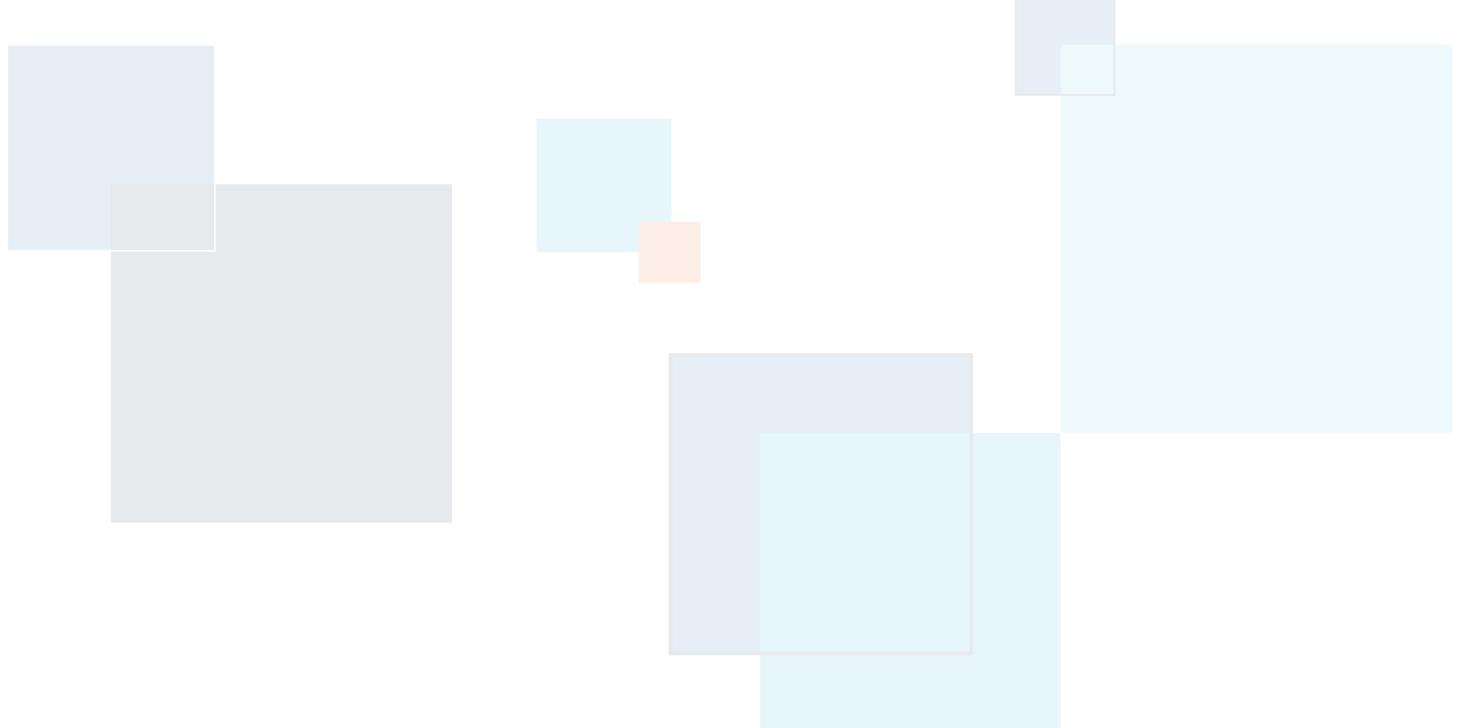
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Welcome to the BCL's sanctions and export controls round-up, highlighting key UK and international developments in sanctions law and compliance.

This edition covers, amongst other matters, the publication of OTSI's One Year in Review report, designations made under the Russia, Cyber and Counter-Terrorism sanctions regimes, and the announcement of a compound settlement issued by HMRC.

## Government policy

### On 4 December, OTSI published its One Year in Review report [[OTSI report](#)]

- OTSI was established on 10 October 2024, following the enactment of the Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024, as a civil enforcement body for trade sanctions. OTSI is responsible for enforcing sanctions in relation to:
  - the provision or procurement of sanctioned services;
  - the movement, making available, or acquisition of sanctioned goods or technology outside the UK; and
  - ancillary services associated with the movement, making available, acquisition of or transfer of sanctioned goods or technology outside of the UK.
- OTSI sits within the Department of Business & Trade but coordinates criminal enforcement in collaboration with HMRC, which has criminal enforcement responsibility for trade sanctions, specifically where goods and technology cross the UK border.
- The report highlights OTSI's "significant progress" in "building and developing" its core capabilities and functions as a new organisation, "investing in tools and resources to maximise [its] capacity, including technology that will improve automation and support data-led investigations". Key takeaways from the report include:
  - Licensing: As of 9 October 2025, OTSI had received 60 licence applications, with the vast majority concerning the planned provision of professional and business services prohibited under the Russia (Sanctions) (EU Exit) Regulations 2019. Of the reported licence application outcomes, 12 were granted, 3 were refused, and 7 were withdrawn by the applicant. OTSI reports the average timeframe for receiving an outcome on applications is 82 working days.
  - Compliance and Enforcement: OTSI's Compliance and Enforcement unit received 146 reports or referrals in relation to potential breaches of trade sanctions. The majority were reported by the financial services sector, in line with mandatory reporting obligations to report potential breaches of trade sanctions while processing transactions or providing other financial services to businesses. While OTSI has yet to impose any civil monetary penalties, the report notes there are a number of ongoing investigations into reported breaches.
  - Engagement with businesses: OTSI has engaged with UK businesses across 200 events with various stakeholders by way of forums, workshops, webinars, bilateral meetings and conferences; as well as handling over 210 individual stakeholder queries. OTSI has also published guidance to assist businesses on its roles and responsibilities.

- Looking ahead: OTSI intends to expand its licensing remit in early 2026, by taking on responsibility for all export sanctions licensing, except for activities involving goods and technology subject to strategic export controls (which will remain under the remit of the Export Control Joint Unit).

## Government strategy

### **FCDO issues guidance for businesses and NGOs operating in Syria [FCDO guidance]**

- The FCDO has published guidance in response to a growing interest from UK organisations looking to operate in Syria. The guidance is designed to aid risk-based decision making and ensure compliance with UK legislation and international obligations. Key takeaways from the guidance include:
  - The UK's Syria sanctions regime: The UK has amended the Syria (Sanctions) (EU Exit) Regulations 2019, removing various sanctions measures in relation to trade, finance, transport (aviation) and energy production whilst maintaining certain sanctions in respect to the previous regime. Certain organisations, such as the Central Bank, some ministerial departments, energy and media companies have also had their sanctions lifted, with a view to bolstering economic investment into Syria.
  - The UN counter-terrorism sanctions regime: The guidance notes that in addition to the UK's Syria sanctions regime, certain individuals and entities connected with Syria continue to be designated under the UN counter-terrorism sanctions regime, which is given effect in UK law by the ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019.

### **Home Office publishes Anti-Corruption Strategy 2025 [press release, policy paper]**

- On 8 December, the UK Government published its “landmark” anti-corruption strategy targeting corrupt networks in the UK and abroad with the aim of shutting out corrupt actors, disrupting dirty money networks and restoring integrity in public life. The strategy builds upon the Economic Crime Plan 2 published in 2023, which set out the UK's broader approach to tackling economic crime such as money laundering, fraud and sanctions evasion.
- Focus on sanctions: The strategy aims to expand the use of sanctions measures against corrupt actors, building upon the government's “innovative use of sanctions against kleptocrats and their enablers” under the UK's Global Anti-Corruption sanctions regime. The strategy also notes that “As well as increasing the scale of our sanctions, we are maximising their impact by identifying corrupt actors with a significant UK nexus and by targeting their wider networks, including those who move and conceal the proceeds of corruption”.

## UK designations / de-listing

### **Designations under the Counter-Terrorism sanctions regime**

- On 4 December, Gurpreet Singh Rehal and a group called Babbar Akali Lehar (“BAL”) were designated under the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019. BAL were

designated for being involved in terrorist activity by promoting Babbar Khalsa (also known as Babbar Khalsa International), a militant organisation aiming to create an independent Sikh state in the Punjab region.

- Gurpreet Rehal is designated on the basis of belonging to organisations involved in terrorism in India. He is also said to have been one of the key figures behind the takeover deal of Morecambe Football Club, a National League side, by London-based sports investment firm Panjab Warriors in August 2025.
- It was reported on the 5 December that Panjab Warriors and Morecambe FC have distanced themselves from Gurpreet Rehal, stating that he only held a “consultancy role in marketing and communications”, carried no strategic, financial or operation authority or involvement in the ownership or decision making, and is no longer affiliated with either entity. [\[OFSI notice\]](#), [\[HM Treasury press release\]](#), [\[The Athletic article\]](#), [\[BBC sports news\]](#)

## Designations under the Cyber and Russia Sanctions regimes

- On 4 December, the UK Government designated eight individuals under the Cyber (Sanctions) (EU Exit) Regulations 2020, and four individuals and entities under the Russia (Sanctions) (EU Exit) Regulations 2019, including the Russian military intelligence agency (GRU) and its officers; and those involved in cyber-attacks, disinformation, sabotage and political interference undermining the security of the UK. [\[OFSI Notice: Cyber\]](#), [\[OFSI Notice: Russia\]](#)
- These designations follow the publication of the final report in the Dawn Sturgess Inquiry into the 2018 Salisbury poisonings, which found that GRU agents were responsible for carrying out the attack in Salisbury on the personal orders of President Putin. [\[FCDO press release\]](#)
- On 9 December, the UK Government designated a further two entities under the Cyber sanctions regime. [\[OFSI notice – Cyber\]](#)
  - Integrity Technology Group Incorporated is said to be responsible for controlling and managing a “botnet covert network” (comprising internet-connected devices, such as computers and smartphones, which have been unknowingly compromised) consisting of over 260,000 compromised devices worldwide, targeting UK public sector IT systems.

Sichuan Anxun Information Technology Co., Ltd. is said to be responsible for engaging in and providing support for malicious cyber activity by Chinese-based security companies, targeting UK public-sector and private-industry IT systems.

- On the same date, a further seven individuals and entities were designated under the Russia sanctions regime. They are said to have links to Foreign Information Manipulation and Interference (FIMI), which is said to be responsible for “creating fake websites and using social media and bot accounts to undermine democratic elections and spread narratives in support of Russia’s illegal war in Ukraine”. [\[OFSI notice – Russia\]](#), [\[FCDO press release\]](#)

## De-listing under The Iraq (Sanctions) (EU Exit) Regulations 2020

- On 10 December, the UK Government delisted Munir Al Qubaysi from the Iraq sanctions regime, following his removal from the UN sanctions list. Mr Al Qubaysi was first designated

in 2004 for his role as the director of the Al-Bashair Trading Company which reportedly acted as the largest of Iraq's arms procurement front companies. [\[OFSI notice, UN notice, OFAC press release\]](#)

## General trends and developments

### US lifts Belarus sanctions

- On 13 December, Belarus freed 123 prisoners following the US lifting sanctions on potash, an important export for Belarus and a key ingredient in fertiliser.
- Amongst those freed were individuals who opposed the government of President Lukashenko. The measures followed negotiations with the Trump administration. [\[BBC news\]](#)

### FIFA pressured European football clubs to pay Russian clubs in breach of sanctions

- On 5 December, an investigation by the journalist group, Follow the Money, revealed that FIFA, the governing body for world football, pressured European football clubs to pay outstanding fees owned to Russian football clubs despite UK and EU sanctions imposed on Russia.
- It is reported that while many European football clubs were unable to settle outstanding fees owed to Russian football clubs in respect of player transfers following the imposition of sanctions measures against Russia; FIFA nevertheless threatened several football clubs with the risk of transfer bans for three consecutive windows or 18 months for the non-payment of obligations which arose prior to the full-scale invasion of Ukraine.
- Following the imposition of sanctions against Russia, it is prohibited to pay funds to sanctioned individuals or entities (DPs), either directly or indirectly, under both the UK and EU Russia sanctions regimes. The only way for funds to be paid to a DP, is if a relevant licence permits such a payment.
- Many Russian football clubs are indirectly state-owned, such as Zenit St. Petersburg (owned and sponsored by Russian state-owned energy company, Gazprom), Arsenal Tula, (owned by Russian state-owned defence conglomerate, Rostec) and CSKA Moscow (owned by Russian state-owned development corporation, VEB.RF), which are sanctioned for operating in sectors of strategic or economic significance to the Government of Russia.
- This puts many European football clubs, indebted to Russian football clubs, at risk of breaching EU and UK sanctions. [\[Follow the Money article, Kyiv Independent article\]](#)

### HM Treasury Licences

#### OFSI amends General Licence relating to Russian Travel

- On 12 December, OFSI amended General Licence [INT/2022/1839676](#) (Russian Travel), which permits UK persons and businesses to purchase passenger air or rail tickets for journeys originating in, or within, Russia.

- The General Licence now permits UK businesses and nationals to transact with JSC Siberia Airlines (S7 Airlines) as well as South Caucasus Railway CJSC (a subsidiary of Russian Railways). The other entities that were already permitted to transact with under the General Licence for UK persons and businesses were PJSC Aeroflot, JSC Rossiya Airlines, JSC Ural Airlines and Russian Railways. The General Licence expires on 22 May 2028.

## Parliamentary commentary

### Question concerning whether the UK is considering a similar mechanism to the proposed EU reparations loan backed by Russian state-owned assets

- On 1 December, HM Treasury responded to two questions on whether the UK Government had considered a similar mechanism to the EU's proposals for a €140 billion reparations loan backed by Russian state-owned assets, and on how much, out of proceeds from frozen Russian state assets, had been raised for Ukraine (compared to contributions by EU and G7 countries).
- Lucy Rigby MP, the Economic Secretary to the Treasury, responded to both questions, stating, "The Chancellor is committed to exploring a reparations loan to enable the value of sanctioned Russian sovereign assets held in the UK to be directed to supporting Ukraine. The government continues to work in partnership with international partners including the G7 and European Union to achieve this. To date, the UK has provided £21.8bn in support for Ukraine. This includes the commitment to provide £2.26bn as part of the \$50bn Extraordinary Revenue Acceleration Scheme for Ukraine, which utilised the extraordinary profits generated from immobilised Russian Sovereign Assets held in the EU". [\[UK Parliament record\]](#) [\[UK Parliament record\]](#)

## Research briefing on sanctions on Iran

- On 5 December, the House of Commons published a research briefing report summarising the UK Government's response to Iranian state-threatening activities. Amongst other things, the report states that since the introduction of the Iran (Sanctions) Regulations 2023, a range of sanctions measures have been imposed including asset freezes, travel bans and director disqualification bans. As of December 2025, 547 individuals and entities had been sanctioned under the regime (with the majority relating to nuclear activity). [\[Research briefing\]](#)

## Export controls

### HMRC announces a compound settlement in relation to a breach of export controls

- On 1 December, HMRC announced that in September 2025, a UK exporter paid a compound settlement of £620,515.04 to HMRC in relation to unlicensed exports of military goods controlled by [The Export Control Order 2008](#).
- Where deemed appropriate by HMRC, compound settlements can be offered to an exporter in lieu of prosecution where a committed breach was inadvertent, and exporters voluntarily tell HMRC about such breaches. [\[ECJU notice\]](#)



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