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Sanctions: Fortnightly Summary



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Welcome to BCL's latest sanctions round-up, highlighting the key developments in UK, EU and US sanctions between 26 October and 8 November 2026.

This edition covers, among other developments, the Court of Appeal's judgment in PJSC VTB Bank v HM Treasury, new designations under the Sudan regime, the renewed Legal Services General Licence, Parliament's approval of the expanded Global Human Rights and International Humanitarian Law sanctions regime, an EU General Court judgment concerning the Russian Maritime Register of Shipping, and the first "near miss" non-prosecution agreement announced by the US Department of Justice's National Security Division.

UK Developments

Court of Appeal holds that sanctions licences are purely permissive (PJSC VTB Bank v HM Treasury)

- On 30 October, the Court of Appeal dismissed PJSC VTB Bank's appeal in its challenge to an amendment by the Office of Financial Sanctions Implementation ("OFSI") to General Licence INT/2022/1280876, which permits payments in connection with the administration of VTB Bank's UK subsidiary, VTB Capital plc. The amendment envisaged that distributions on VTB Bank's claim would be reduced by the value of VTB Capital assets that have been or are subject to enforcement action. VTB Bank said that OFSI had wrongly (a) prejudiced its rights under the insolvency process and (b) sought to restrict the administrator of VTB Capital from making provision for debts owed to VTB Bank.

- The Court held that the amendment was "only permissive" in that it decriminalised conduct that would otherwise breach sanctions, but did not override insolvency law, extinguish a designated creditor's rights, or predetermine how VTB Bank's claim could be treated, which is a matter for the insolvency court. The Court also held that making provision for a designated creditor's claim in an administration does not amount to making funds or economic resources available to that creditor. Although the scope of OFSI's licensing powers was broad, they could not dictate the insolvency process or ban the administrators from making provision for debts owed to VTB Bank. **[Judgment]**

UK Sanctions List updates

UK designates 15 individuals under the Sudan sanctions regime

- On 26 October, one year after the fall of El Fasher to the Rapid Support Forces ("RSF"), the Foreign, Commonwealth & Development Office ("FCDO") designated 15 individuals, including senior commanders of both the RSF and the Sudanese Armed Forces ("SAF"), for suspected atrocities including conflict-related sexual violence. All 15 are subject to an asset freeze, a travel ban and director disqualification. The designations follow UK-funded reporting by the Centre for Information Resilience on systematic starvation and conflict-related sexual violence by both sides to the conflict.

- Foreign Secretary Ed Miliband said that "whether famine takes hold is in the hands of the RSF and SAF", which "must stop attacking aid convoys and let food reach communities". The UK is also allocating £5 million to support survivors of conflict-related sexual violence and £10 million to support the humanitarian response. **[FCDO press release; FCDO Notice]**

Revocations

- On 27 October, following their removal from the UN list on 24 October, the designations of Shafi Sultan Mohammed Al-Ajmi, Bassam Ahmad Al-Hasri and Iyad Nazmi Salih Khalil under the ISIL (Da'esh) and Al-Qaida regime were revoked. **[Sanctions Notice]**

Amendments

- On 27 October, the statements of reasons in respect of designations made under the ISIL (Da'esh) and Al-Qaida regime concerning Emilie Konig, Oumar Diaby and Peter Cherif were updated, and on 29 October Peter Cherif's entry was further amended to reflect a correct address. **[FCDO Notice; FCDO Notice]**

- Under the Russia regime, the statement of reasons for Chingiz Aliyev was varied on 29 October, and one entry concerning Zenith Global Corporation Limited was corrected on 3 November. **[FCDO Notice; FCDO Notice]**

- On 30 October, the entries for five individuals designated under the Afghanistan regime were varied to update passport details. **[FCDO Notice]**

General Licences

New General Licence issued

- On 26 October, OFSI issued Legal Services General Licence INT/2026/11112108, which took effect on 29 October 2026 on the expiry of INT/2026/9512597, the previous iteration of the licence, and is to run until 28 April 2027. It continues to permit UK law firms and counsel to receive payment for legal services from persons designated under the sanctions regimes listed in its Annex 1. The caps are unchanged but apply afresh: fees of up to £2 million (including VAT where applicable) per law firm or directly engaged Counsel under each of Part A and Part B, with expenses under each Part capped at the lower of 10% of fees paid or £200,000 (whichever is lower).

- The amendments include an addition for "Expenses" (associated with the provision of Legal Services for a designated person – but excluding Counsel's fees) to cover payments to other legal professionals instructed by the law firm or Counsel for third-party legal assistance. Reporting has also been aligned with other OFSI general licences and payments must now be reported to HM Treasury within 14 days of the end of each calendar month through the online reporting form with the details and supporting evidence requested in Part A or Part B of the General Licence. **[General Licence and Publication Notice]**

Extension

- On 28 October, OFSI extended General Licence INT/2025/7895596, permitting the continuation of business operations involving Lukoil's Bulgarian entities and their subsidiaries, until 26 February 2027. The equivalent US licence, the Office of Foreign Assets Control's ("OFAC") General License No. 130B, runs until 24 April 2027. **[General Licence and Publication Notice; OFAC General License 130B]**

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Sanctions Guidance

- On 26 October, OFSI added FAQ 206 and amended FAQs 64, 71 and 75 to reflect the new Legal Services General Licence and withdrew FAQ 184. **[OFSI FAQs]**

- On 27 October, the Office of Trade Sanctions Implementation ("OTSI") published new guidance on:

    - Complying with trade sanctions relating to specified ships, concerning ships specified under the Russia, Iran and Democratic People's Republic of Korea regimes, and the trade prohibitions applicable to UK persons in respect of such specified ships. **[Guidance]**

    - Complying with construction services prohibitions related to Russia, covering the definition of construction services, exceptions and licensing. **[Guidance]**

- On the same day, the guidance on professional and business services sanctions related to Russia was updated to reflect the construction services guidance and to clarify the scope of the business and management consulting and public relations services prohibitions, with examples addressing intra-group support and divestment advice. **[Guidance]**

Parliamentary Commentary

Parliament approves expanded human rights sanctions regime; Lords passes regret motion

- Parliament has approved the Global Human Rights and International Humanitarian Law Sanctions Regulations 2026, which replaced the Global Human Rights Sanctions Regulations 2020 on 15 October, under the 'made affirmative' procedure. The new Regulations add three designation grounds (serious violations of the right to liberty and security of person, serious violations of international humanitarian law, and obstruction of humanitarian assistance) and allow designation by description. Following a Delegated Legislation Committee debate on 28 October, the Commons approved the Regulations on 3 November and the Lords on 4 November. **[Regulations; Hansard]**

- In the Lords, a 'regret amendment' moved by Lord Leigh of Hurley was agreed by 94 votes to 90. It regrets that the regulations "permit designation on suspicion of indirect involvement, benefit or association without clearly defining those terms", notes the absence of safeguards for lawful trade with Israel within its pre-1967 lines, and calls for, among other things, clear designation criteria, an impact assessment and an annual report to Parliament. A regret motion does not affect the validity of the regulations. **[Hansard]**

Private Notice Question on the Russian shadow fleet vessel Leruo

- On 26 October, responding to a question from Baroness Goldie on the Russian shadow fleet vessel Leruo (which is said to have been involved in shipping Russian diesel to the US) not being intercepted, Lord Wood of Anfield (for the government) said that, without making any specific comment on operational decisions or assessments, any UK interception "would be subject to strict legal procedures" and that "serious legal, operational, diplomatic and other concerns go into the decision about interdiction and interception", noting that the UK had challenged more than 700 suspected shadow fleet vessels since 2024. **[Hansard]**

Foreign Office questions: Chelsea sale proceeds, Russian sovereign assets and the E1 settlement plan in the West Bank

- On 27 October, Calum Miller MP asked what was "holding the Government back from enforcing their own legal contract with [Roman] Abramovich through the courts", 314 days after giving him 90 days to hand over the proceeds of the sale of Chelsea Football Club for the benefit of Ukrainians. The Foreign Secretary said he would be "careful" what he said "because of legal processes", but that the Government was "absolutely determined to take action", and that it would urge EU partners, along with the UK, to "move on Russian sovereign assets more generally". **[Hansard]**

- The Foreign Secretary also said that those bidding for E1 settlement construction tenders in the West Bank "risk facing the full force of UK sanctions", and that the Global Human Rights regime had been extended "precisely so that we can take swift action". **[Hansard]**

EU Developments

General Court largely upholds EU sanctions against the Russian Maritime Register of Shipping

- On 4 November, the General Court of the EU largely dismissed a challenge by the Russian Maritime Register of Shipping ("RMRS"), a St Petersburg-based non-profit organisation wholly owned by the Russian State, to the restrictive measures imposed on it, upholding the ban on investment in and transactions with RMRS. The Court annulled the measures only in so far as they withdrew RMRS's EU recognition as a ship inspection, survey and certification organisation, finding withdrawal disproportionate because suspending that recognition could have achieved the same objective. RMRS' challenge to the ban on ships it certifies accessing ports and locks was inadmissible. **[CJEU Press Release]**

US Developments

OFAC and Department of Justice ("DOJ") resolve sanctions case against Extreme Networks

- On 27 October, OFAC announced a $1,529,685 settlement with Extreme Networks, Inc. ("Extreme"), a US cloud networking provider, for nine apparent violations of Russia-related sanctions between September 2018 and March 2022, involving exports of networking equipment and related services to JSC Moskovskiy Mashinostroitelniy Zavod Avangard, a Russian defence manufacturer subject to sanctions on the basis that it is majority owned by the designated JSC Concern Almaz-Antey. OFAC found the apparent violations to be voluntarily self-disclosed and egregious. **[OFAC]**

- In a parallel resolution, the DOJ National Security Division announced its first "near miss" non-prosecution agreement under a department-wide Corporate Enforcement Policy, with Extreme paying a criminal fine and a forfeiture or a total criminal penalty of $975,721.84. The DOJ found that the disclosure "was not timely because it occurred under imminent threat of disclosure by a news publication", but credited Extreme's full cooperation and timely remediation. According to the DOJ, employees concealed the customer's identity from Extreme's global trade compliance group. **[DOJ press release]**

Treasury targets Prince Group network with UK and BVI assistance

- On 5 November, OFAC designated four individuals and 41 entities supporting the business network of the Prince Group Transnational Criminal Organization, previously sanctioned by the US for cyber-enabled fraud, money laundering and human trafficking. OFAC credited the cooperation of the British Virgin Islands' Financial Investigation Agency and the FCDO, whose "timely assistance and information sharing were instrumental in supporting this sanctions action", and noted that one of those designated, Visal Pang, was designated by the UK on 26 March 2026. **[Treasury press release]**

FinCEN severs MEXC Global's access to the US financial system

- On 6 November, the Financial Crimes Enforcement Network ("FinCEN") issued an order under the Combating Russian Money Laundering Act prohibiting US financial institutions from transmitting funds to or from MEXC Global, a virtual currency exchange which FinCEN says facilitated at least $16 billion in illicit transactions linked to Iranian, North Korean and Russian sanctions evasion, as well as cybercrime. The order takes effect 30 days after publication in the Federal Register. **[Treasury press release; FinCEN press release]**

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