

Sanctions: Fortnightly Summary



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Authors:



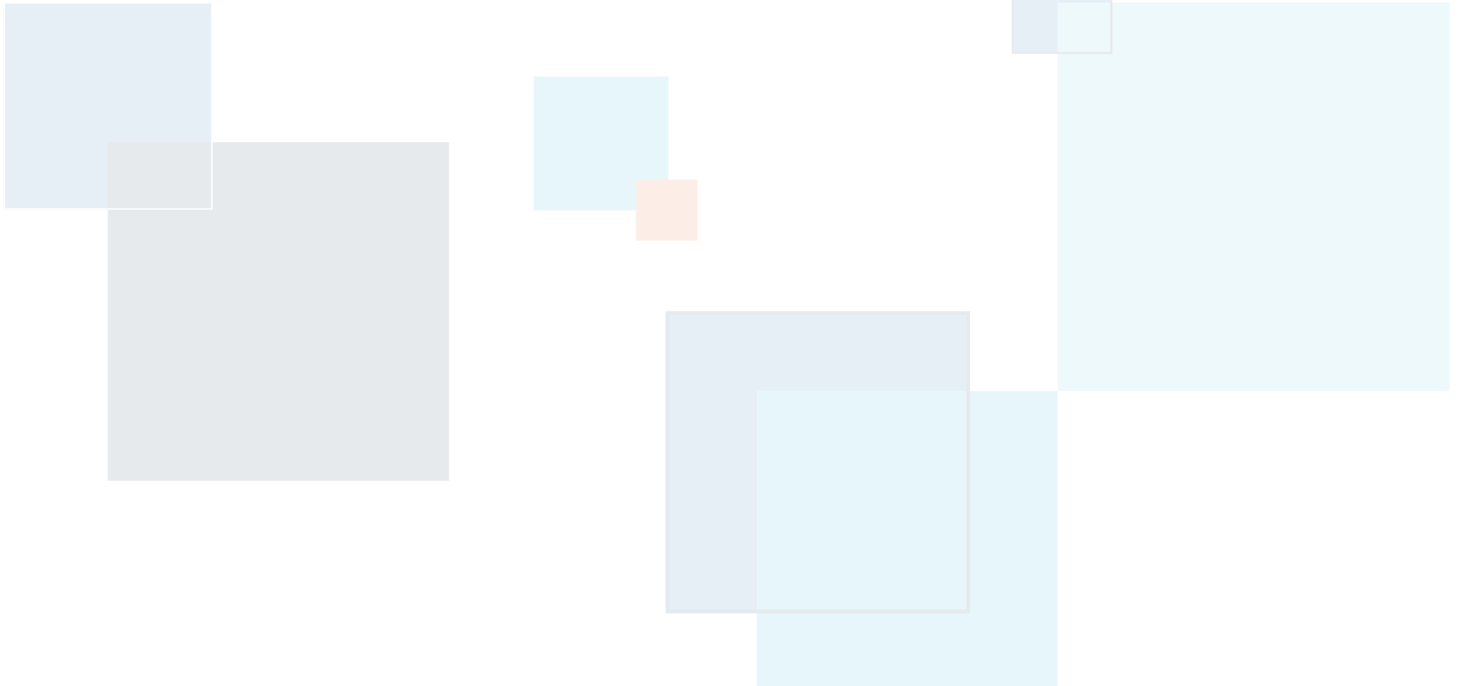
John Binns
Partner



Alexander Gorst
Senior Associate



Magali Sharma
Associate



Welcome to BCL's sanctions and export controls fortnightly round-up, highlighting the notable developments in UK and global sanctions and export controls policy and enforcement.

This edition includes the publication of OFSI's Annual Review for 2024-25, the UK Government's designation of Lukoil and Rosneft, and policy discussion on the use of frozen Russian assets to support Ukraine's war efforts.

UK Government policy

On 15 October, OFSI published its Annual Review for 2024-25 [\[OFSI report\]](#).

The report highlighted OFSI's 'consistent focus' on "improving compliance through clear guidance and support for industry, building OFSI's capability to provide a better service and deliver our functions more effectively, and enforcing sanctions proportionately and robustly". Key takeaways from the report include:

- **Reporting:** over £37 billion of frozen assets have been reported to OFSI (up from £24.4 billion in 2023-24). Since the full-scale invasion of Ukraine in February 2022, £28.7 billion of frozen assets have been reported to OFSI under the UK's Russia sanctions regime.
- **Licensing:** in 2024-25, OFSI issued 19 general licences and processed 904 specific licensing decisions, compared with 16 general licences and 1,401 specific licence decisions in 2023-24; a shift which OFSI attributes to improved responsiveness.
- **Enforcement:** OFSI is adopting an "increasingly targeted, intelligence-led and proactive" approach to enforcement. As of April 2025, OFSI recorded 240 active cases, of which 151 cases were identified through non-self-reported sources (up from 108 cases the previous year).

Moving to a single list for UK Sanctions Designations [\[Guidance\]](#)

- UK designations are currently detailed in two separate lists: the FCDO's UK Sanctions List (UKSL); and OFSI's Consolidated List of Asset Freeze Targets (Consolidated List).
- The UKSL provides a comprehensive list of sanctions measures imposed under regulations made via the Sanctions and Anti-Money Laundering Act 2018. This has been the primary list of sanctions designations, listing persons designated under financial, immigration, trade, and transport sanctions. The Consolidated List only includes those subject to UK financial sanctions measures.
- In response to industry feedback, a cross-government review of sanctions implementation and enforcement announced that the UK will be moving to a single list for all sanctions designations, in order to remove duplication and simplify sanctions screening (OFSI has recommended switching to the UKSL as the primary source of designations by 28 January 2026). [\[Policy Paper\]](#)

Compliance Clarity: Real World Lessons in Trade Sanctions Breach Detection [\[OFSI blog\]](#)

- On 13 October, OFSI published on its blog a case study where a UK branch of a multinational bank identified and blocked payments linked to sanctioned Russian goods. By conducting enhanced due diligence and reporting the incident, the bank was able to avoid breaching UK

trade sanctions. Using this case study as an example of compliance, OTSI urged businesses to adopt robust screening, understand their sanctions obligations, and report concerns promptly.

Emerging Trends and Developments

Use of frozen assets to support Ukraine [\[BBC press report\]](#)

- On 11 October, Keir Starmer announced that the UK is “ready to progress” to using the full value of frozen Russian state assets to support Ukraine’s war effort. Until now, only the revenues generated by the assets (profits and interest on the frozen assets) have been made available to benefit Ukraine, while the principal remained untouched. In a joint statement, the UK, France, and Germany committed to coordinating efforts to increase pressure on Russia and explore ways to “unlock” the principal value of these assets.
- Despite concerns surrounding the legality of using frozen assets to support Ukraine, this move follows a broader European shift toward a proposed “reparations loan” for Ukraine, which would use frozen Russian assets as collateral. Belgium, where around €190 billion of Russian state assets are held by Euroclear, is under growing pressure to support the plan. The European Commission claims the loan is structured in a way that does not amount to asset confiscation.

Russia backed A7A5 cryptocurrency [\[Financial Times article\]](#)

- A new Russia cryptocurrency, A7A5, has facilitated over \$6 billion in transactions since August 2025, with \$9.3 billion moved in its first four months, primarily via the Kyrgyz exchange Grinex. Following US sanctions, over 80% of A7A5 tokens linked to sanctioned wallets were destroyed and reissued under new addresses to obscure traceability. Russia has officially recognised A7A5 as a digital financial asset, enabling its use in international trade.
- The development of this crypto currency highlights how Russian entities are adapting and bypassing sanctions by providing an alternative cross-border payment method outside traditional financial systems.

Investigation into possible sanctions breaches by Benfica [\[Veritas article\]](#)

- Portuguese authorities are investigating potential sanctions breaches by the football club Benfica and its President, Rui Costa, following payments made to the Russian club Lokomotiv Moscow. Lokomotiv Moscow is owned by RZD, a Russian state-owned railway company sanctioned by the EU.

Designations

The UK imposes sanctions under the Russia and Global Human Rights sanctions regimes

- On 15 October, the UK designated 34 entities and 5 individuals, and specified 51 ships under the Russia (Sanctions) (EU Exit) Regulations 2019. Russia’s two largest oil companies, Lukoil and Rosneft, were included in this latest round of designations. [\[FCDO press release\]](#)
- According to the UK Government, the sanctions imposed on Russian oil companies and global

businesses were aimed at reducing revenue streams to the Russian government.

- On 14 October, the UK Government designated six individuals and six entities under its Global Human Rights sanctions regime. These designations, coordinated with US sanctions measures, target a Southeast Asia-based network accused of operating online scam centres that defrauded victims globally and exploited trafficked individuals. [\[FCDO press release\]](#)

HM Treasury Licences

OFSI issues two new General Licences and updates two General Licences

On 15 October, OFSI issued:

- General Licence [INT/2025/7539056](#) (Russian Oil Majors Wind Down), which permits wind down from transactions involving PJSC Lukoil Oil Company and PJSC Rosneft Oil Company (and their subsidiaries); and
- General Licence [INT/2025/7538856](#) (Energy Entities Wind Down), which permits wind down from transactions involving Nayara Energy Ltd, National Pipeline Group Beihai Liquefied Natural Gas Co Ltd, Shandong Yulong Petrochemical Company, Shandong Baogang International Port Co, Jingang Port Co, Shandong Haixing Port Co (and their subsidiaries).

On 15 October, OFSI also amended the definitions of a 'Designated Person' and a 'Subsidiary' in General Licences [INT/2025/5886860](#) and [INT/2025/5635700](#) to include PJSC Lukoil Oil Company and PJSC Rosneft Oil Company following their designation by the UK. These General Licences permit UK nationals in Kyrgyzstan and Tajikistan to purchase petrol, and allow the continuation of certain business operations.

Sanctions legislation

Parliamentary debate on The Global Irregular Migration and Trafficking in Persons Sanctions Regulations 2025 [\[Hansard\]](#)

- On 13 October, the UK Parliament debated the implementation of The Global Irregular Migration Sanctions regime, which targets individuals and entities involved in people smuggling and human trafficking. The regime enables asset freezes, travel bans, and disqualification from company roles, aiming to disrupt global smuggling networks and deter future activity.
- On the regime's effectiveness, FCDO Minister Stephen Doughty said they are monitoring the first round of designations imposed on 25 individuals and entities, including boat suppliers and gang leaders. He indicated there are more designations to come, with combined efforts being undertaken by the FCDO, the Home Office, law enforcement agencies and international partners

Get in touch

+44 (0)20 7430 2277
law@bcl.com

51 Lincoln's Inn Fields
London WC2A 3LZ
DX 37981 Kingsway

www.bcl.com

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London WC2A 3AA

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