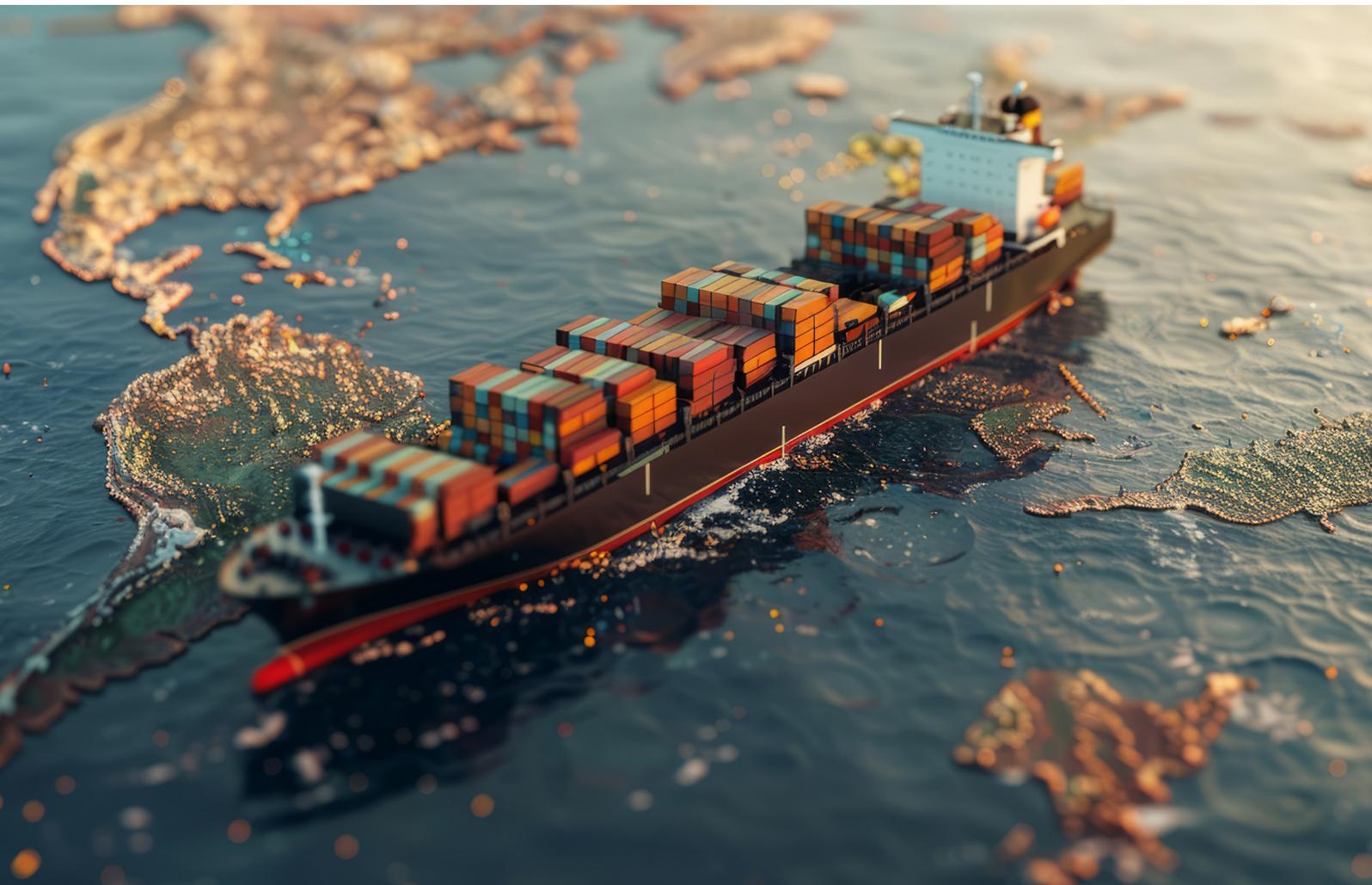


Sanctions: Fortnightly Summary



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

This edition covers, amongst other matters, updates to the UK's sanctions list and developing trends in designation methodology.

UK designations

Russia: largest UK sanctions package since 2022

- On 24 February, the Foreign, Commonwealth & Development Office ("FCDO") updated the UK sanctions list with the designations of 240 entities, 7 individuals and 50 ships, constituting the largest UK sanctions package since the early months of 2022. The designations predominantly target Russia's ability to generate energy revenues, being aimed in part at a "shadow fleet" network, Transneft (which the FCDO asserts transports 80% of Russian oil exports), and key suppliers of military equipment and dual use goods, some based in China and Hong Kong. Disinformation networks including Georgian TV channels were also targeted. This brings the total number of designations under the UK's Russia sanctions regime above 3,000. The FCDO commented that international sanctions have deprived the Russian economy of \$450 billion to date. **[FCDO press release](#)**; **[FCDO sanctions notice](#)**
- Notably, 175 of the designations target the "2Rivers" oil network, described as part of a "dark web" of illicit oil traders. These designations may relate to a Financial Times report published on 20 February, which described a smuggling ring that it said has moved at least \$90 billion of Russian oil through seemingly independent companies which (in what was described as an "IT blunder") shared a single private email server. **[Financial Times article](#)**
- Similarly, the designations included Maritime Mutual, a New Zealand-based marine insurer that was the subject of an October 2025 special report published by Reuters into how the entity and those associated with it had facilitated the trade of "tens of billions of dollars of Iranian and Russian oil". **[Reuters article dated 24 February](#)**; **[Reuters article dated 28 October](#)**
- The designation of Maritime Mutual is indicative of a developing trend in the UK's sanctions strategy of targeting sanctions circumvention channels, "enablers" and "middle economies", said to function as transit, trading, financing and service hubs via which goods and funds may be routed. The strategy was foreshadowed to a degree in a recent House of Commons research briefing. **[Research briefing](#)**

Other designations

- On 25 February, the UK varied 4 designations of individuals linked with the Rapid Support Forces (a Sudanese paramilitary group engaged in the ongoing civil war against the Sudanese armed forces) under its Sudan sanctions regime, to reflect their addition to the UN Sanctions List. **[Sanctions notice](#)**
- On 27 February, the UK varied the designation of Kamlesh Mansukhlal Damji Pattni, initially issued under the Global Anti-Corruption regime in relation to allegations of involvement in the illicit gold trade. In the 1990's, Patni was implicated in the Goldenberg corruption scandal which brought the Kenyan economy to near collapse. **[Sanctions notice](#)**

Reporting

Russia's trade continues through UK overseas territories

- On 25 February, Transparency International published a report claiming that Russian foreign trade in goods funnelled through entities registered in British Overseas Territories amounted to at least \$8 billion between 2022 and 2025. The report says over 90% of this trade involved entities registered in the British Virgin Islands and Bermuda, with the Cayman Islands and Gibraltar being involved to a lesser degree. It frames beneficial ownership opacity and delayed public access to such information as impeding appropriate levels of scrutiny, resulting in transparency gaps and ensuing enforcement shortcomings. The report indicates that the main groups of traded commodities that may be prone to sanctions circumvention include petroleum products, coal from occupied territories of Ukraine, helicopters, jets and yachts. [[Transparency International report](#)]

Parliamentary commentary

House of Commons debate concerning Ukraine

- This debate, held on 25 February, contained a number of sanctions-related points, including calls to mobilise Russia's frozen sovereign and oligarch linked assets, of which £30 billion is held in the UK, towards humanitarian, financial and military support for Ukraine. Notably, the debate also featured calls to "confront the reality that Russia is actively circumventing sanctions through third countries", with Georgia, China, India, Turkey and Brunei being explicitly categorised as such states. [[House of Commons debate](#)]

Oral evidence on the UK's trade sanctions regime

- On 25 February, the Business and Trade Sub-Committee on Economic Security, Arms and Export Controls held an oral evidence session framed around whether the UK's trade sanctions regime is effectively preventing UK goods, finance and markets from supporting Russia's war effort, with a particular focus on circumvention through third countries (e.g. Turkey, Central Asia), possible Russian-origin gold entering UK markets, and whether enforcement bodies are adequately resourced and coordinated. The Committee also indicated it would examine the role and impact of the Office of Trade Sanctions Implementation. The session can be viewed [here](#).

Enforcement

- On 23 February, the Office of Financial Sanctions Implementation ("OFSI") published a blog post covering the lessons learnt in connection to the £160,000 penalty imposed in January on the Bank of Scotland PLC for breaching the UK's Russia financial sanctions regime. The lessons highlighted by OFSI suggest that (i) firms should optimise screening processes, noting that the banking group's automated systems failed to detect a spelling variation of a designated person's ("DP's") name; (ii) such automated processes are not a robust safety net, and that internal policies should provide escalation guidance; (iii) training of staff must match current sanctions landscapes, noting that the topography had evolved significantly since February 2022; and (iv) prompt, voluntary disclosure of potential breaches is a factor that OFSI aims to reward. [[OFSI blog post](#)]

UK Government policy

- On 16 February, OFSI published a call for evidence seeking the views of firms, representative bodies and other stakeholders concerning the ‘ownership and control’ test in UK financial sanctions regulations. The focus of the information gathering exercise appears to be on (i) how often stakeholders encounter “hypothetical control” in sanctions cases (i.e. situations where a DP does not appear to exercise any control, yet may be able to do so); (ii) the impact that ‘ownership and control’ assessments have on compliance costs, legal risk and business decisions; and (iii) whether existing legal concepts and typologies of control are helpful in applying ownership and control regulations. Participants are asked to answer 14 questions by 13 April, with associated guidance being provided to assist. [\[OFSI call for evidence\]](#).

OSFI Licencing

How OFSI prioritises licence applications [\[OFSI blog post\]](#)

- On 27 February, OFSI published a short blog post to help applicants understand how it manages competing licensing demands. According to OFSI, each application is assessed against 7 criteria, which results in the application being categorised as high, medium or low priority. OFSI notes that, while this framework creates structure, caseworkers may “adjust prioritisation where circumstances require a different approach”. OFSI summarises that “high-priority cases generally meet at least two of the criteria at a high level”, with humanitarian cases or those involving risk to life almost always being classified as high priority. “Medium-priority cases demonstrate a moderate level of impact across several criteria, while low-priority applications generally show limited impact in most areas”. The 7 criteria are:
 1. Nature of the licensing purpose – is the application for a humanitarian purpose; will delay affect access to justice?
 2. Materiality to the applicant or affected parties – how significant is the application in real terms?
 3. Timing considerations – is the application time sensitive?
 4. UK economic impact – does the application affect UK jobs, business continuity or wider economic welfare?
 5. Administrative impact on OFSI – does the application form part of a series of related applications?
 6. Reputational or strategic impact – will a delay in granting a licence undermine confidence in the UK sanctions regime, affect relationships, or impact considerations such as foreign policy?
 7. Complexity of the application – will the application result in a precedent being set?

General Licence updates

- On 23 February, OFSI extended General Licence [**INT/2024/4761108**](#) (concerning the use of funds of non-designated third parties involving designated credit or financial institutions). The amendments introduced a new permission for entities (as well as individuals) to use the retail banking services of a designated credit/financial institution to make or receive payments, albeit only (a) for the personal use of an individual, and (b) if the final account in the payment chain is a UK bank account (or equivalent in certain other countries). The payments cap for transfers as authorised under this general licence has also been raised to £55,000, an increase of £5,000 on the previous iteration of the cap.
- On 24 February, in correlation with the latest round of designations, OFSI issued General Licence [**INT/2026/8889196**](#) (PJSC Transneft Wind Down) permitting certain stakeholders to wind down or divest from any transactions involving Transneft and its subsidiaries. On the same day, the FCDO had asserted that Transneft is responsible for transporting over 80% of Russian oil exports.
- On 24 February, OFSI issued General Licence [**INT/2026/8893924**](#) (Maritime Mutual Re-Insurance Wind Down) permitting UK insurers and insurance brokers to complete and terminate contracts with Maritime Mutual Association Limited, and certain associated entities, entered into prior to the issue of the licence.
- On 25 February, OFSI extended the expiry date of General Licence [**INT/2025/8031092**](#) (Continuation of Business of Lukoil International Entities) until 25 August 2026, facilitating the continuation of certain business operations involving Lukoil International and certain of its subsidiaries. OFSI's UK Financial Sanctions [**FAQ 174**](#) was updated accordingly.

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