

Sanctions: Fortnightly Summary



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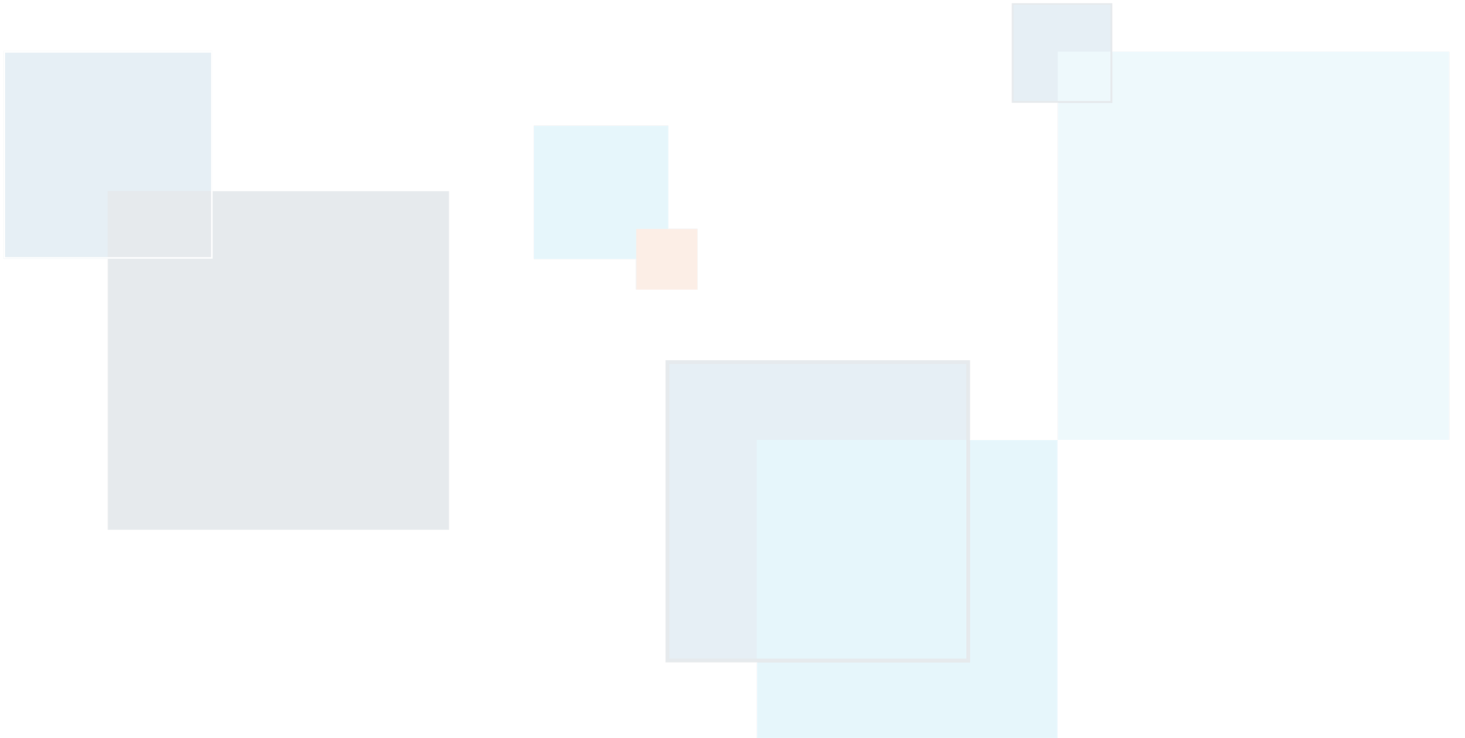
Authors:



John Binns
Partner



Amelia Clegg
Senior Associate



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 on OFAC's activities in the US, OFSI's 2026-2029 strategic plan and the decision to prosecute a British financier who was previously removed from the UK sanctions list.

US developments

OFAC Licences and Designations

- The Office of Foreign Assets Control (OFAC) of the US Department of the Treasury have issued new counterterrorism and Russia related general licences:
 - OFAC issued several Russia related general Licences: **GL 128C**, **131D**, and **130A** covering certain transactions involving Lukoil retail service stations and entities outside of Russia as well as authorising transactions involving certain Lukoil entities in Bulgaria.
 - GL 130A extends earlier authorizations relating to transactions involving specified Lukoil affiliated entities incorporated in Bulgaria, and entities in which they hold, directly or indirectly, a 50% or greater interest. As with GL 128C, GL 130A extends the expiration of the authorization from 29 April 2026 to 12:01 am EDT on 29 October 2026.
 - OFAC clarified the reasons as to the issuing of licences, by way of an amendment to **FAQ 1225**, which stated that:
 - GL 128C was issued to extend GL128B. GL 128B was issued on 4 December 2025 to authorise maintenance, operation, and wind down activities for a narrow range of LIG entities, specifically Lukoil retail automobile service stations outside of the Russian Federation. GL 128C extended that authorisation until 29 October 2026.
 - GL 131D was issued to extend GL 131A. OFAC issued GL 131A on 10 December 2025 to authorise, among other things, maintenance and wind down activities of all LIG Entities, this enabling Lukoil to divest its assets outside of Russia to non-blocked parties. OFAC subsequently issued GL 131B, GL 131C, and now GL 131D to extend the existing authorization until 1 May 2026.
 - OFAC issued **Cyber-related General License 2** "Authorizing Certain Transactions Involving Anco Water Supply Co. Ltd. Related to the Treatment and Distribution of Drinking Water" on 23 April 2026.
- OFAC also updated its Specially Designated Nationals and Blocked Persons (SDN) List to include:

Added on 17 April 2026 [OFAC Recent Actions]

- Seven Iraq nationals linked to paramilitary groups: Ammar Jasim Kadhim Al Rammahi, Khalid Jameel Abed Albakhatra, Radhwan Yousif Hameed Almohammed, Hasan Dheyab Hamzah Hamzah, Husham Hashim Jaythoom, Saeed Kadhim Mukhamis and Safaa Adnan Jabbar Suwaed.

Added on 21 April 2026 [OFAC Recent Actions]

- Two Iranian entities Saman Air Services Company and Sepehr Kabeh Kish International Trading Company;
- Eight Iranian nationals Gholam Abbas Ataei Aghdam, Kamal Sabah Balkhanlu, Jamshid Hosseinzadeh, Danial Khalili, Mohammed Hossein Mahdian, Hamidreza Roknifard, Mostafa Rokinfard and Muhammad Vahdi;
- Aircraft EP-MTB and EP-MTE.

Added on 23 April 2026 [OFAC Recent Actions]

- Indian entities Agrat Chemicals and Pharmaceuticals and SR Chemicals and Pharmaceuticals;
- US entity E-RAM Group LLC;
- Chinese entity Brilliancy Sihanoukville Investment and Development Co Ltd.

OFAC expands sanctions on Iran's illicit oil shipping network

- As part of operation 'Economic Fury', OFAC **sanctioned** more than two dozen individuals, companies, and vessels tied to an illicit oil shipping network led by Mohammad Hossein Shamkhani, targeting efforts to smuggle Iranian oil and finance the Iranian regime and its proxies.
- The action builds on prior designations of the Shamkhani network and also targets what OFAC says is a related money laundering scheme involving Iranian oil, Venezuelan gold, and support for Hezbollah and the IRGC Qods Force, using authorities under Executive Orders 13902 and 13224.

OFAC sanctions network supplying foreign fighters to Sudan

- OFAC **imposed sanctions** on five individuals and entities said to have been involved in recruiting and deploying former Colombian military personnel to fight for Sudan's Rapid Support Forces, fuelling a conflict that has driven mass displacement, famine, and widespread human rights abuses.
- The action, taken under **Executive Order 14098**, targets a network that OFAC says has helped sustain the war and exacerbate one of the world's worst humanitarian crises, with the United States again calling for an immediate humanitarian truce and an end to external support for the fighting.

UK developments

Designation challenges

Russian businessman sues OFAC in designation dispute

- Swiss resident Murat Aliev has argued in a **filing dated 14 April** that OFAC wrongly designated him in late 2022 for alleged links to Russian oligarch Suleiman Kerimov and has since failed to act on a delisting application filed over a year ago. **[Global Investigations Review]**
- In the lawsuit against OFAC, the US Treasury Department, and the State Department, Aliev's lawyers argued that OFAC had wrongly relied on a "single passing reference" in a 2018 news report, describing one of Aliev's companies as "affiliated with Russian businessman Suleiman Kerimov", to establish the existence of an ongoing relationship between the two.
- OFAC rejected Aliev's first delisting petition in 2024 based on information that was "outdated, misconstrued, or contradicted by the record".
- OFAC has yet to act on a second delisting petition, filed in February 2025, according to Aliev's lawsuit.

Enforcement

British financier prosecuted for sanctions breach

- On 16 April 2026, it was announced that the Crown Prosecution Service has charged a British shipping financier, John Michael Ormerod, for alleged money laundering and breach of sanctions regarding Russia, following an investigation by the National Crime Agency (NCA). Mr Ormerod, 75, was added to UK sanctions lists on 20 May 2025. **[Financial Times]** **[NCA announcement]**
- The NCA has alleged that on the day he was designated, Ormerod "dealt with the transfer of £200,000 in contravention of financial prohibitions" for sanctioned individuals.
- The NCA also alleged that on the same day, Mr Ormerod "transferred £100,000 which he knew or suspected was benefit from criminal conduct, a money laundering offence under s.327(1) Proceeds of Crime Act 2002".
- This prosecution is notable not merely because prosecutions for a breach of sanctions regulations are a rare occurrence, but because Mr Ormerod's designation was formally revoked on 2 March 2026.

Government Strategy

OFSI Strategy: 2026 – 2029

On 15 April 2026, OFSI published its **strategy** for the next three years. The strategy marked OFSI's 10-year anniversary. The strategy is built around the following four pillars:

- **Promote** – making sanctions rules and expectations clearer to encourage compliance, including through clear guidance, co-operation with other regulators and enforcement agencies in the UK and overseas, and conducting sector-specific engagement;
- **Enable** – removing friction for legitimate activity, including encouraging engagement and providing compliance advice, as well as enhancing OFSI's licensing offering;
- **Respond** – enhancing enforcement, including through better case prioritisation, fast enforcement, and using the entire enforcement toolkit available; and
- **Change** – embedding lasting behavioural change, including by shaping guidance based upon real-world experience.

OFSI has also set itself some key targets for the next three years, including:

- **Licensing:** closing 50% of licensing cases within 6 months;
- **Outcomes:** increasing the pursuit of intelligence-originated case outcomes;
- **Enforcement Timelines:** submitting 90% of new enforcement investigations for decision within 18 months of the commencement of each investigation; and
- **Technology:** “working to embed” artificial intelligence (AI) tools as it strives to “ensure UK financial sanctions remain effective, resilient and impactful.”

Sanctions End-Use Controls: guidance for business

On 22 April, legislation was laid before Parliament to introduce Sanctions End-Use Controls into specified trade sanctions regimes. These powers will come into force on 12th May 2026. The Office for Trade Sanctions Implementation (OTSI) has published **guidance** on how these controls will be used, which says that:

- Sanctions End-Use Controls constitute a new licensing requirement for export to a non-sanctioned third country where the exporter has been informed by the government that there is a risk of ultimate diversion of the goods or related technology, via that route, to a sanctioned destination. These controls build upon current ‘making available’ prohibitions, that make it an offence to make available restricted goods and technology to a sanctioned destination by direct or indirect means...
- This measure will only apply to goods, or technology related to the export of a good, that are not otherwise subject to strategic export controls (i.e., items that are not included on the UK's strategic control lists for military and dual-use items, or subject to the UK's WMD or Military End-Use Controls)...

Currently, the highest risks identified by the government are related to circumvention of our Russia regime. The government has published guidance on the highest risk goods and export destinations in our **Countering Russian Sanctions Evasion: Guidance for Businesses**, which is kept up to date as patterns of circumvention change and will inform OTSI's application of sanctions end-use controls. You can also check the **Russia Common High Priority List**, an internationally agreed list of Western items critical to Russian weapons systems and its military development.

- What to do when you get “informed”
 - ...If you are informed by the Department for Business and Trade (DBT), which may come through HMRC's national clearance hub or through direct contact with DBT (through the Office of Trade Sanctions Implementation, OTSI), that your export is at risk of sanctions circumvention you will receive a written informing notice which will:
 - identify the shipment or transaction in scope,
 - set out that an export licence is required before the goods or technologies can be exported
 - From the point you are informed, you **must not** proceed with export of the goods or technologies covered by the notice unless a licence is granted.
 - If you choose not to apply for a licence and still seek to export the goods or technologies after being informed, you will be in breach of UK sanctions law and subject to enforcement action.
 - When you are informed, you will be given information on how to apply for a licence, and any evidence you should provide to help DBT assess the risk of diversion...

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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BCL Solicitors LLP
51 Lincoln's Inn Fields
London WC2A 3AA

www.bcl.com



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