BCL Solicitors LLP

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 9 and 24 October 2026.

This edition covers, among other developments, the UK's new Global Human Rights and International Humanitarian Law sanctions regime, new UK designations targeting Iranian hostile activity, the US waiver of the Graham Act's Russia sanctions, and the EU's largest-ever package of Russia listings.

UK Policy Developments

UK introduces the Global Human Rights and International Humanitarian Law Sanctions Regulations 2026 [Legislation]

- The Global Human Rights and International Humanitarian Law Sanctions Regulations 2026 came into force on 15 October 2026. They revoke and replace the Global Human Rights Sanctions Regulations 2020.

- The regime has been expanded to target serious violations of international humanitarian law ("IHL"), obstruction of humanitarian assistance, and serious violations of the right to liberty and security of person. The Regulations also introduce the power to designate persons by description.

- The Explanatory Memorandum states that the regulations give the UK Government global reach to address serious IHL violations across the globe, and the flexibility to respond to them.

UK designates two individuals under the Iran sanctions regime [FCDO Press Release] [FCDO Notice]

- On 12 October 2026, the UK designated two Iranian nationals under the Iran (Sanctions) Regulations 2023 for facilitating or engaging in hostile activity on behalf of the Iranian regime:

    - Ruhollah Bazghandi, the Head of Counterespionage Operations within the Islamic Revolutionary Guard Corps ("IRGC"). The FCDO's designation notice for Mr Bazghandi states, inter alia, that he has been involved in hostile activity by the Government of Iran, namely threatening, planning or conducting attacks against persons and assets in the United Kingdom or a country other than Iran.

    - The second, Shahram Ali Reza Tamarzadeh Jakki, is alleged to be a facilitator of the Zindashti criminal network, which has been involved in several plots against Iranian dissidents.

- Both are subject to an asset freeze, travel ban and director disqualification.

OFSI issues General Licence for Ground Rent and Service Charge Payments [OFSI General Licence INT/2026/10050568]

- On 12 October 2026, the Office for Financial Sanctions Implementation ("OFSI") issued General Licence INT/2026/10050568, relating to payment of Ground Rent and Service Charges. The General Licence applies to the 26 UK autonomous sanctions regulations listed in its Annex I, which include the Russia, Iran and Global Anti-Corruption regimes.

- Subject to its conditions, the General Licence permits designated persons (DPs), or persons acting on their behalf, to pay ground rent, service charges and certain late payment fees in respect of eligible leases of relevant properties in England and Wales.

- Payments must be made to a UK bank account held by a UK landlord, a managing agent or a person acting on the landlord's behalf. Landlords and managing agents may receive the funds, pass them to superior landlords where applicable, and hold overpayments as credit against future liabilities.

- The licence took effect on 12 October 2026 and expires at 23:59 on 11 October 2027. Reporting and record-keeping obligations apply.

EU Policy Developments

EU adopts largest-ever package of Russia listings, targeting almost 1,600 individuals and entities [Council Press Release]

- On 12 October 2026, the EU listed 826 Russian companies and 743 individuals in Russia's military-industrial complex.

- The package specifically targets mid-level suppliers at the core of Russia's defence industry, which generates an annual turnover of at least €20 billion and employs more than 250,000 people. Over half of the listings relate to Russia’s ballistic missile production chain.

- It is the largest single set of listings the EU has adopted since 2022, bringing the total under its Ukraine territorial integrity regime close to 4,600.

EU lists 77 individuals over State Duma elections in occupied Ukraine [Council Press Release]

- Also on 12 October 2026, the EU listed 74 candidates who stood in what the EU and its allies call are “sham elections” in September 2026 for the Russian State Duma elections, held in occupied Donetsk, Luhansk, Zaporizhzhia, Kherson and Crimea. The EU press release states that the 74 candidates have, by running in these 'elections', actively contributed to efforts to legitimise Russia’s war of aggression against Ukraine and to sustaining Russia’s illegal occupation of territories of Ukraine.

- The EU also listed three members of Russia's Central Election Commission, for organising the sham elections.

- Those listed include Serhiy Arbuzov, who briefly served as acting Ukrainian Prime Minister in 2014 and now lives in exile in Russia. All are subject to asset freezes and travel bans.

US Developments

United States eases sanctions on Russia by waiving the Graham Act [Executive Order]

- On 16 October 2026, two days before its measures were due to take effect, US President Donald Trump issued an Executive Order implementing the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, which he signed on 18 September 2026, while waiving almost

all of its Russia-related provisions 'in the US' national interest'.

- The Order waives the Act's sanctions on Russian officials, financial institutions and state-owned entities, and its restrictions on energy investment, sovereign debt, financial messaging and uranium imports.

- The waivers have no fixed end date. Sanctions imposed under earlier Executive Orders are unaffected.

- The White House said enforcement would impede efforts to negotiate a peace agreement. The waiver drew bipartisan criticism in the US Congress and from President Zelenskyy, and was welcomed by the Russian Government.

Bank of America fined USD 1.21 billion over AML and sanctions failures [Treasury Press Release]

- On 13 October 2026, the US Department of the Treasury announced three penalties, totalling approximately USD 1.21 billion against Bank of America, the second-largest US bank, for violations of anti-money laundering ("AML") and sanctions law.

- The Office of Foreign Assets Control ("OFAC") separately announced a USD 11.6 million settlement with Bank of America over 475 apparent violations of multiple sanctions programmes, including those relating to Iran, Russia, narcotics and global terrorism. OFAC stated that the bank's failures included allowing designated individuals to make payments and withdraw funds due to poor sanctions alert calibration, failing to promptly update watchlists following OFAC designations, and mishandling business accounts associated with blocked persons due to human error.

- The US Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") imposed a USD 1.2 billion penalty, the third largest in Treasury's history, for the bank's failure to mitigate and report priority national security risks, including Chinese money laundering networks and illicit finance along the southwest border. The bank admitted failing to report more than USD 5 billion of suspicious transactions in time, over USD 1 billion of which involved the aforementioned priority-risks. It had also failed to remediate deficiencies identified in a 2024 cease-and-desist order.

- The US Treasury's Office of the Comptroller of the Currency ("OCC"), one of the top US bank regulators, also imposed a USD 750 million penalty against Bank of America, credited against FinCEN's penalty. The OCC found that Bank of America had wilfully violated the Bank Secrecy Act ("BSA") and had a deficient and ineffective AML programme. For example, the bank's deficient transaction monitoring system resulted in the bank failing to properly monitor trillions of dollars in transactions and led to the bank filing a large number of late suspicious activity reports (SARs).

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