

Sanctions: Fortnightly Summary



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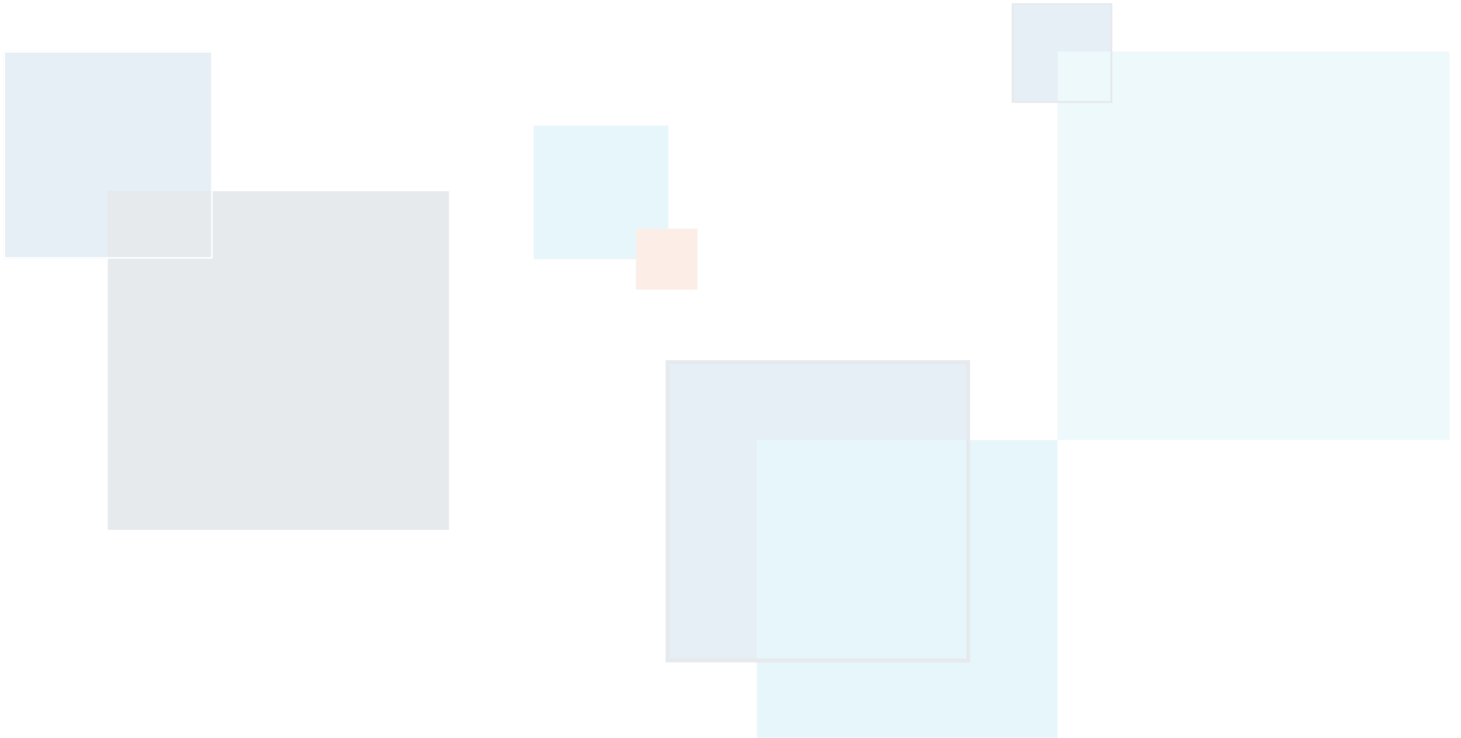
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Welcome to BCL's latest sanctions round-up, highlighting key UK and international developments in sanctions law, policy, and compliance. This edition covers, amongst other matters, updates to the UK's sanctions list, developments in the US's oil-related sanctions regimes and enforcement updates.

International developments

US excludes Rosneft Germany from Russia sanctions indefinitely

- On 5 March 2026, the US Department of Treasury's Office of Foreign Assets Control ("OFAC") issued a general licence that indefinitely exempts Rosneft Germany from US sanctions.
- OFAC's General Licence No. 129A exempts all transactions involving Rosneft Germany that are prohibited by US sanctions law. The licence does not contain an expiration date. [**\[OFAC General Licence No. 129A\]**](#)

UK developments

Designation challenges

The UK lifts sanctions on British financier

- On 2 March 2026, the UK Government revoked the designation of Mr John Ormerod, a British national, under the Russian sanctions regime. The basis for the revocation is not published, which is standard practice for the Foreign, Commonwealth and Development Office ("FCDO").
- Mr Ormerod said the designation had a "devastating impact" on him and his family while reaffirming his opposition to Russia's war in Ukraine. He added, "I encourage others to learn from my experience and avoid any actions that may support the Russian energy sector or other sectors of strategic significance".
- Mr Ormerod was sanctioned on 20 May 2025 as part of a wide-scale sanctions package that the FCDO press release said had "targets across Russian military, energy, [and] financial sectors". It said Mr Ormerod was "a British national who procured ships for Russia's shadow fleet, and 2 Russian captains of shadow fleet tankers." It said that the designations imposed "a personal cost on those who are supporting Russia's trade in oil" and were "another step in the Foreign Secretary's personal mission to constrain the Kremlin and a crucial part of the Plan for Change to ensure a secure Britain". [**\[OCCRP article\]**](#)

China urges UK to lift sanctions on Chinese companies

- On 2 March 2026, China's Ministry of Commerce issued a statement urging the UK Government to revoke Russia-related sanctions on Chinese companies.
- This statement follows the FCDO's Russia-related designation on 24 February 2026. The FCDO designated over 240 entities, 7 individuals and 50 ships, which included multiple companies said to be key suppliers of military equipment and dual-use goods, some based in

China and Hong Kong.

- China's Ministry of Commerce stated that China has been strictly controlling the export of dual-use items "in accordance with laws and regulations", but that "normal exchanges and cooperation" between Chinese and Russian companies should not be interfered with or disrupted. **[[Global Times China](#)]**

Enforcement

OFSI investigating cyber sanctions breaches

- The Office for Financial Sanctions Implementation ("OFSI") has disclosed, via a request made under the Freedom of Information Act 2000, that it is actively investigating suspected cyber sanctions breaches under the Cyber (Sanctions) (EU Exit) Regulations 2020 **[[Article by Recorded Future News](#)]**.
- This is the first publicly available information about an OFSI investigation into breaches under this regime, since it was introduced in 2020. **[[Mischon de Reya article](#)]**

UK Government's Strategic Approach to Sanctions Enforcement (March 2026)

- On 10 March 2026, the UK Government published a policy paper that sets out the UK government's cross-government framework for sanctions enforcement. Robust enforcement is identified as a government priority, underpinning both domestic and global security.
- The document outlines the roles of OFSI, its sister Office for Trade Sanctions Implementation ('OTSI'), HM Revenue and Customs, the National Crime Agency, and other enforcement bodies, covering civil and criminal responsibilities across financial, trade, and other sanctions types.
- Enforcement, the paper says, is guided by four principles: driving compliance; proportionality and fairness; transparency; and due process. Civil tools include warning letters, monetary penalties (currently up to £1 million or 50% of breach value, whichever is higher), and referrals to regulators. Criminal enforcement, carrying maximum sentences of up to 10 years, is reserved for the most serious or deliberate breaches. Voluntary disclosure and cooperation are recognised as key mitigating factors. **[[UK Government enforcement policy paper](#)]**

Civil action

British American Tobacco faces UK shareholder lawsuit over alleged North Korea sanctions breaches

- British American Tobacco (BAT) is facing a London lawsuit brought by more than 100 current and former shareholders. The claim, filed on 27 February 2026, alleges that BAT failed to properly publish information to the stock market about its business operations in North Korea between 2007 and 2023.

- This follows on from BAT's 2023 agreement with US authorities to pay more than \$635 million, after a subsidiary admitted conspiring to violate US sanctions by selling tobacco products to North Korea (and to commit bank fraud) between 2007 and 2017.
- BAT said in a statement that it was aware of the lawsuit, and added that, under the 2023 agreement, "BAT cannot make any comment on the documentation published by the investigating authorities, the contents therein, or on related factual matters". [\[Reuters article\]](#)

Guidance

Reasonableness in licensing – updated approach

- On 13 March 2026, OFSI published updated guidance on its approach to assessing reasonableness in licensing. The guidance addresses the reasonableness criteria for obtaining specific licences under the licensing grounds of “legal services” and “maintenance of frozen funds and economic resources”. [\[OFSI updated blog\]](#)
- In relation to “legal services”, OFSI now require an independent Costs Draftsperson's Report (“CDPR”) from a regulated Costs Lawyer where a law firm's fees exceed £2 million (inclusive of VAT) within any six-month period, or where directly instructed Counsel costs exceed £1 million within the same period. If the applicant seeks a licence to pay the CDPR's fees, OFSI will assess the CDPR's fees on the basis of its normal reasonableness test, as set out in its previous blog. [\[OFSI's normal reasonableness test\]](#)
- OFSI will also require administration or similar fees charged by law firms to be supported by a clear, itemised breakdown of what the administration charge covers with supporting evidence for the basis for, and level of, those.
- In relation to “maintenance of frozen funds and economic resources”, OFSI encourages applications to submit an independent expert report for high-value, novel, or complex payments. Supporting evidence must generally be no older than six months. Experts' fees, similar to CDPR fees, will be based on OFSI's normal reasonableness test.

UK Government publishes revised statutory guidance for UK sanctions regimes

- On 12 March 2026, the FCDO, OFSI, and OTSI jointly announced four structural and presentational changes to statutory guidance across UK sanctions regimes. The changes are intended to only improve accessibility and readability, and do not alter the meaning of existing regulations or the scope of any sanctions.
- Key updates include minor revised textual changes in the prohibitions and requirements section, removal of duplicated enforcement content (to be replaced with links to departmental guidance), and additions licensing and exceptions section (including new "lookup" guides for Belarus trade and transport sanctions). A simplified further information section now directs users to a single centralised contact point.

Parliamentary commentary

Potential for future sanctions against Georgian officials?

- On 2 March 2026, Baroness Curran tabled a written question on whether the UK Government will take further action against Georgian officials who she said continue to cooperate with recently sanctioned Georgian broadcasters Imedi TV and Post TV. Both entities were sanctioned under the Russia regime, both for disseminating pro-Russian news regarding the conflict in Georgia.
- In her response, the minister, Baroness Chapman of Darlington, stopped short of signalling future sanctions against Georgian officials who are cooperating with the sanctioned broadcasters. Her response said that “the UK takes a strong stand against those promoting the destabilisation of Ukraine, including entities in Georgia that use Russia-aligned misinformation. It is our long-standing policy not to comment on the potential targets of future sanctions, as to do so could undermine their impact.” **[UK Parliament]**.

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