

Sanctions: Fortnightly Summary



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Authors:



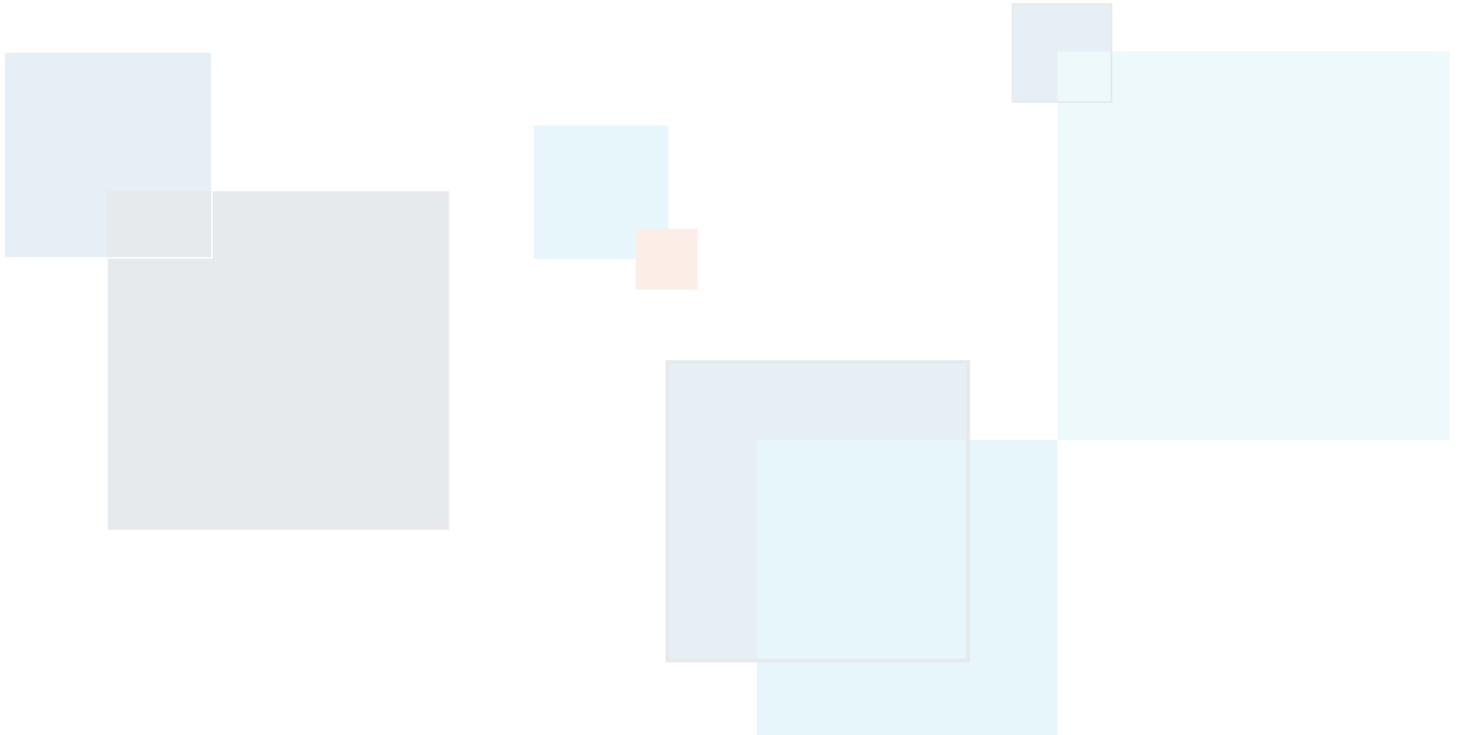
John Binns
Partner



Alexander Gorst
Principal Associate



Dimitri Naumenko-Pronin
Trainee Solicitor



Welcome to BCL's latest round-up, highlighting the key developments in UK and international sanctions and export controls.

This edition covers, amongst other matters, coordinated efforts to pressure Iran over the Strait of Hormuz, the restructuring of the UK Foreign Office, the first settlement reached under OFSI's new enforcement framework, and changes to trade licence arrangements.

US Conflict with Iran

UK and allies discuss sanctions to pressure Iran into reopening Strait of Hormuz

- On 2 April, the UK hosted a virtual meeting of 41 countries – which did not include the US – to discuss proposed coalition efforts to manage the flow of shipping through the Strait of Hormuz. The UK and its allies have agreed to explore using sanctions to pressure Iran into reopening the Strait of Hormuz, according to Foreign Secretary Yvette Cooper. [\[BBC News\]](#)
- Yvette Cooper noted the focus of the talks was on diplomatic measures as opposed to military options, adding the countries want to use “every possible diplomatic, economic and coordinated measure” to reopen the Strait. She said this includes increased pressure through the United Nations, and exploring the possibility of sanctions to “bear down on Iran if the Strait remains closed”.

US and Iran agree to conditional two-week ceasefire to reopen Strait of Hormuz

- On 8 April, the US and Iran agreed to a conditional two-week ceasefire during which shipping would be allowed through the Strait of Hormuz. A 10-point plan issued by Iran for the conditional ceasefire was said to have included a “full commitment” to lifting sanctions on Iran; and following the announcement of the ceasefire, President Trump said that the US will be working closely with Iran and “talking tariff and sanctions relief”. [\[BBC News\]](#)
- Some reports said that Iran's included allowing it to charge tolls of \$2 million on ships passing through the Strait of Hormuz as a condition for a permanent ceasefire. However, oil industry executives have cited legal risks to companies paying the toll of violating sanctions on Iranian officials and organisations, including the Iranian Revolutionary Guards Corps (IRGC) which is heavily sanctioned by the US, EU and UK. [\[BBC News\]](#) [\[Politico\]](#)
- On 12 April, President Trump announced that the US was going to start blockading the Strait of Hormuz after negotiations with Iran failed to reach agreement on a permanent ceasefire. Trump also said that he had “instructed our Navy to seek and interdict every vessel in international waters that has paid a toll to Iran. No one who pays an illegal toll will have safe passage on the high seas”. [\[BBC News\]](#)

UK Sanctions Policy

Russia diverts ‘shadow fleet’ tankers around the UK

- As noted in the previous edition of the Sanctions Summary, on 25 March the Prime Minister announced that British armed forces had been authorised to board, intercept and detain sanctioned Russian ‘shadow fleet’ tankers in transit through UK waters. According to reports, ministers believe the Sanctions and Anti-Money Laundering Act 2018 can be used to approve the use of military force. [\[BBC News\]](#)

- No vessels have been intercepted as yet, and since the announcement was made, tracking of shadow fleet tankers indicates that Russia has established a diversionary route which avoids the English Channel by sailing around the north and west of the British Isles to reach the Baltic or Atlantic. **[Windward]**
- On 9 April, the Kremlin responded to reports that a Russian navy frigate had escorted sanctioned oil tankers through the English Channel, by stating that Russia had the right to defend itself against “repeated incidents of piracy in international waters” and “will certainly take measures to protect its interests”. **[Reuters]**

Foreign Office restructuring results in merging of Sanctions Directorate

- Last month, the Foreign, Commonwealth and Development Office (FCDO) unveiled a planned restructuring programme named ‘FCDO 2030’, which it is reported will result in staff reductions of up to 25%.
- Under the restructuring programme, the FCDO is reported to have closed down four stand-alone directorates – including security and sanctions – and brought these departments under a single humanitarian banner which sits within the global issues directorate. **[The Observer]**
- On 26 March, an early day motion was tabled in the House of Commons seeking to halt the restructuring exercise, citing its considerable risk to the FCDO’s ability “to tackle pressing issues arising from the conflict in the Middle East alongside emerging and ongoing crises across the globe”. **[UK Parliament]**

Office of Financial Sanctions Implementation (OFSI) celebrates 10-year anniversary

- On 31 March, Giles Thompson, the director of OFSI, published a blog post reflecting on the department’s work in response to the changing sanctions landscape over the past ten years **[OFSI Blog]**. In particular, Mr Thompson noted the scale of recent expansion in sanctions regimes and designations, reflected in the latest OFSI Annual Review recording £37 billion in assets reported to OFSI as frozen across all UK sanctions regimes.
- Mr Thompson highlighted the evolution in OFSI’s approach to licensing and enforcement, citing a “much-enhanced use of General Licences which has brought greater flexibility and efficiency for both public and private sectors” and an enforcement framework which he said has become “increasingly targeted, intelligence-led and proactive, using a range of tools – including guidance, warning letters, public disclosure and civil monetary penalties”.

US Sanctions Policy

Temporary waiver on Russian crude imports to India

- In recent weeks, it has been reported that at least four Russian ‘shadow fleet’ tankers have diverted towards India to take advantage of the 30-day US waiver on Russian crude imports to India. **[Lloyds List Intelligence]**
- On 5 March, the US Department of the Treasury’s Office of Foreign Assets Control (OFAC) issued a temporary general licence **(Russia General License 133)** authorising the delivery and sale of certain Russian oil and petroleum products to India for 30 days.

- Treasury Secretary Scott Bennet said then that the temporary licence was intended as a *“stop-gap measure [to] alleviate pressure caused by Iran’s attempt to take global energy hostage [by] enabl[ing] oil to keep flowing into the global market. This deliberately short-term measure will not provide significant financial benefit to the Russian government as it only authorizes transactions involving oil already stranded at sea”*. **[Statement via X]**

Sanctions lifted on acting Venezuelan President

- On 8 April, the US removed sanctions on Delcy Rodríguez, who is currently the acting President of Venezuela, following the US abduction of Nicolás Maduro and his wife. **[The Guardian]**
- Delcy Rodríguez remains sanctioned by the UK. According to the UK Statement of Reasons, her actions on the Presidential Commission and then as President of the Constituent Assembly undermined democracy and the rule of law in Venezuela, including by usurping the powers of the National Assembly and using them to target the opposition and prevent them taking part in the political processes. **[UK Sanctions List]**

UK Designations

- On 31 March, the UK designated Hamidah Nabagala under the Isil (Da'esh) and Al-Qaeda (United Nations Sanctions) (EU Exit) Regulations 2019. Ms Nabagala is said to be working as a mediator in financing channels for ISIL in Central Africa, to have been charged with financing a bombing that occurred in the Ugandan capital, Kampala, in 2021, and to have attempted to coerce her three children in Uganda to go to ISIL camps in the Democratic Republic of the Congo. **[UK Sanctions List]**

UK Enforcement

OFSI issues monetary penalty of £390,000 to Irish subsidiary of Apple

- On 30 March, OFSI announced that it had imposed of a Monetary Penalty of £390,000 on Apple Distribution International Limited ('ADI'), a subsidiary of US technology company Apple Inc. incorporated in the Republic of Ireland. **[OFSI Penalty Notice]**
- ADI, which is a non-UK person, instructed a UK based bank to make two payments (in June and July 2022) totalling £635,618.75 to Okko LLC ('Okko'). At that time, Okko was wholly owned by JSC New Opportunities, a designated person under the Russia (Sanctions) (EU Exit) Regulations 2019. ADI did not cancel the payment instructions, leading to the subsequent release of funds to Okko. This conduct, in particular the failure to cancel (an omission), amounted to conduct in the UK by ADI.
- On 4 October 2022, ADI voluntarily disclosed these payments to OFSI, along with other similar payments occurring in different timeframes. Following exchanges in 2023 and 2024 in which ADI responded to information requests from OFSI, OFSI issued a Notice of Intention to impose a monetary penalty on 11 November 2025. ADI submitted formal representations to OFSI on 5 January 2026.
- On 9 February 2026 OFSI introduced a new enforcement framework enabling the settlement of penalty cases. OFSI and ADI agreed to enter formal settlement discussions on 16

February 2026 under transitional arrangements, with a settlement agreed on 19 March 2026 for the imposition of a monetary penalty of £390,000.

- This represents the first case resolved by means of settlement through OFSI's new enforcement framework, seen by OFSI as a means to achieve timely and efficient enforcement outcomes. The key compliance takeaways are:
 - UK financial sanctions can apply to any conduct in the UK and to all UK persons anywhere in the world. In this case, where a non-UK entity was using UK financial institutions to make payments, even if the non-UK entity manages the account from outside the UK, there is still a UK nexus where the funds are held in a UK-based account.
 - Businesses operating with a UK nexus should ensure that sanctions screening and customer due diligence frameworks are sufficiently robust to identify ownership and control, amidst ever-changing geo-political developments. While third-party sanctions screening and ownership due diligence providers play a vital role, there are still risks where ownership structures may change frequently or inputted data is incomplete.

OFSI General Licences

- On 9 April, OFSI General Licence **INT/2026/8893924** (Maritime Mutual Re-Insurance Wind Down General Licence) was extended to 8 July 2026. The licence allows for the winding down of insurance policies written by Maritime Mutual entities and their subsidiaries before their designation.
- On 31 March, OFSI General Licence **INT/2022/2300292** (Payments to Utility Companies for Gas and Electricity by UK Designated Persons who Own or Rent Properties in the UK) was amended to expand the payment methods available to UK designated persons (DPs) making utility payments for gas and/or electricity, by removing the requirement for payments to only be made by bank transfer or direct debit.
- This General Licence was first issued in November 2022 under all UK Autonomous Sanctions Regulations to allow for payments to utility companies for gas and electricity by UK designated persons who own or rent properties in the UK. The licence has since been extended and no longer has an expiry date.
- On 31 March, OFSI General Licence **INT/2022/2009156** (Permitted Payments to UK Insurance Companies) was amended to include:
 - A definition of Insurance Premium Finance – funds provided by a Relevant UK Institution, UK Insurer, or UK Insurance Broker for the purpose of motor insurance payments, including policy premiums, excesses, and credit interest payments.
 - Reference to payments relating to Insurance Premium Finance within the definition of Permitted Payments.
- This General Licence was first issued in July 2022 under all UK autonomous sanctions regulations, to allow individuals or entities designated under those regimes to make payments to UK insurers for insurance premiums and broker commissions relating to the provision of building and engineering insurance cover provided in respect of UK properties. This licence is not applicable to those sanctioned by the United Nations.

Export Controls and Trade Sanctions

Update of the Open General Licence (Export Controls) for AUKUS nations

- On 8 April, a new **Open General Licence** for exports of dual-use items and military goods, software and technology between Australia, the US and the UK came into force. Replacing the previous October 2025 version, this permits exports to Australian, UK and US deployed forces.
- The licence permits the export or transfer of dual-use items or military goods, software or technology, and trade of military goods, between and among permitted destinations. This includes re-exporting goods, software or technology to and from permitted destinations, even if they have been incorporated into other products.

General trade licence (Russia sanctions: sectoral software and technology)

- On 1 April, the UK extended the General Trade Licence under the Russia sanctions regime for sectoral software and technology (**NTE 2026/08**). This licence first came into force in July 2025 and was due to expire on 17 April 2026 but has now been extended until 30 October 2026 on the same terms as the original licence.
- This licence is related to prohibitions under Chapter 4N of The Russia (Sanctions) (EU Exit) Regulations 2019 on business enterprise software and technology to multinational clients headquartered outside of Russia (with global subsidiaries and affiliates, including in Russia). Subject to exclusions, conditions and requirements, this licence authorises:
 - The transfer of technology of business enterprise software and technology.
 - The making available of business enterprise software and technology.
 - Ancillary services relating to business enterprise software and technology subject to certain terms and conditions.

Office of Trade Sanctions Implementation (OTSI) expanding its licensing remit

- On 9 April, OTSI published an update on its expanding licensing remit, explaining what the changes means for exporters when applying for an export licence for sanctioned destinations via SPIRE [**OTSI**]. The key takeaways are:
 - From 27 April, OTSI will become responsible for licensing sanctioned goods (and associated ancillary services) for export to sanctioned destinations, in addition to its existing remit for licensing sanctioned standalone services, such as professional business services.
 - Licensing goods and ancillary services which are subject to both strategic export controls and sanctions, as well as goods and ancillary services subject to export controls only, remains the responsibility of the Export Control Joint Unit (ECJU).
 - OTSI will publish further information and updated guidance on export sanctions licensing ahead of 27 April and will also update statutory guidance to set out which licensing body has responsibility for specific prohibitions.

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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