

Sanctions: Fortnightly Summary



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

This edition covers, among other developments, new UK sanctions against Russia targeting its oil revenues, its "shadow fleet", illicit finance networks, and suppliers of military goods. It also covers new US sanctions against the International Criminal Court and the US decision to allow imports of Russian diesel and Belarusian potash.

UK Policy Developments

UK announces 31 new Russia sanctions designations targeting war financing, disinformation and human rights abuses [\[FCDO Press Release\]](#)

On 1 October 2026, the UK announced a new package of 31 sanctions targeted against Russia. The stated aims of the measures are to restrict funding for Russia's war effort, disrupt disinformation networks, and hold those responsible for human rights abuses to account.

- Minister for Europe, Lord Wood of Anfield, said:
 - "We are targeting both the revenues that help sustain Russia's aggression and perpetrators of horrendous crimes against Ukrainian civilians, including children. The UK will not flinch in our support for Ukraine."
- 23 individuals and entities are now subject to asset freezes, trust services sanctions, director disqualification sanctions and travel bans.
- 8 vessels now face shipping and trade sanctions. They are 3 "shadow fleet" vessels, 2 vessels said to be providing "bunkering" services to them, and 3 Russian-owned ice-class vessels.
- The package also introduces targeted licensing arrangements for LNG supplies to Japan and South Korea. These are intended to support both countries' energy security while they move away from Russian energy.

UK announces a further 38 Russia sanctions designations targeting oil, finance and military supply chains [\[FCDO Press Release\]](#)

- On 8 October 2026, the UK announced 38 additional sanctions designations targeting Russia's oil revenues and the military supply chains that sustain its war economy.
- The designations target 2 Russian oil companies, Zarubezhneft and INK Capital, as well as 12 oil tankers believed to be operating as part of Russia's "shadow fleet", bringing the total number of such vessels sanctioned by the UK to more than 600.
- The UK has also designated crypto exchanges and payment platforms which the Foreign, Commonwealth & Development Office (FCDO) said it suspected of being used by Russia to circumvent financial sanctions, two of which are said to have processed and facilitated transactions with the A7 network.
- A further 17 entities and individuals have been designated for supplying Common High Priority (CHP) goods. The UK, US and EU treat these goods as vital to Russia's continued war effort. The targets include Russia-based importers of machine tools, electronics and

materials used to make ballistic missiles and drones.

Updates on OFSI guidance

Update to FAQ 204 on licensing approach for designated Iranian banks [\[Guidance\]](#) [\[OFSI FAQs\]](#)

- We reported in our last fortnightly summary ([linked here](#)) that OFSI applies a presumption of denial to licence applications involving five banks designated under the Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2019. Licences will be granted only where required by law or in exceptional and urgent circumstances, such as a risk to life, limb or environmental safety.
- OFSI has updated its FAQ to confirm that this presumption of denial applies to all open licence applications.

New FAQ 205 on what happens to specific licences when a designated person is delisted [\[OFSI FAQs\]](#)

- OFSI has added a FAQ explaining what happens when a designated person is removed from the sanctions list. Once delisted, the person is no longer subject to UK financial sanctions. Any specific licences relating solely to them are no longer required and do not need to be formally revoked.
- If a person or entity is subsequently re-listed, previous licences will not be re-activated. New licence applications will need to be made.
- Specific licence applications pending at the time of de-listing that cease to be required will also be closed.

General licences

New Iran prohibitions and Shah Deniz general licences amended

- On 29 September 2026, OFSI amended General Licence [INT/2025/7363752](#). Subject to conditions, it permits activities necessary for the continued operation of the Shah Deniz project.
- The Iran (Sanctions) (Amendment) Regulations 2026 added regulations 17A (investments in relation to Iran) and 17C (insurance and reinsurance services) to the Iran Nuclear Regulations from 29 September 2026. Both prohibitions are now listed at paragraph 2 of the general licence.
- The Office of Trade Sanctions Implementation (OTSI) has also published a general trade licence covering services necessary for the continued operation of the Shah Deniz project, which came into force on 29 September 2026 ([linked here](#)).

Russian LNG: general trade licences for Japan and South Korea

In May 2026, the UK introduced sanctions prohibiting UK involvement in the maritime transport of Russian liquefied natural gas (LNG). From 1 January 2027, the restrictions will also apply to

certain pre-existing long-term contracts.

- On 1 October 2026, OTSI published two general trade licences, **OTSI20261001/GTL01** and **OTSI20261001/GTL02**. They authorise UK involvement in Japanese and South Korean imports of Russian LNG, provided that all of the following conditions are met:
 - the imports are from the Sakhalin-2 Project
 - they take place under a contract for the supply of LNG concluded before 17 June 2025
 - they take place between 1 January 2027, when the relevant regulations take effect, and 31 March 2028
- The licences do not authorise LNG trade under new contracts or trade involving designated persons.
- The UK has stated that it is issuing the general licences to ensure the continued energy security of Japan and South Korea while both countries reduce their reliance on Russian energy.

Oil Price Cap and Russian Oil Exempt Projects general licences amended

- On 1 October, OFSI amended the **Oil Price Cap General Licence: Exempt Projects and Countries (INT/2022/2470156)** and the **General Licence: Russian Oil Exempt Projects (INT/2025/5635700)**.
- As a reminder:
 - INT/2022/2470156 permits specified Russian oil and oil products transactions that would otherwise be caught by the maritime services ban.
 - INT/2025/5635700 permits the continuation of business with certain designated Russian-linked subsidiaries, but only in connection with specified exempt projects.

OFSI has now extended the Sakhalin-2 project exemption until 31 December 2026.

Maritime Mutual Re-Insurance Wind Down General Licence amended and extended

- On 7 October 2026, OFSI amended the Maritime Mutual Re-Insurance Wind Down General Licence **INT/2026/8893924**, which permits the wind-down of certain insurance and reinsurance arrangements entered into before designation.
- The amendments introduce a new definition of a "Qualifying Overseas Wind-down Payment" and expand the permissions available under the licence. The licence has also been extended by 12 months.

Zarubezhneft JSC Wind Down General Licence issued

- Further to the designation of **Zarubezhneft JSC** on 8 October 2026, OFSI has now issued the Zarubezhneft JSC Wind Down General Licence **(INT/2026/11080040)**.
- The general licence allows the wind-down of transactions involving Zarubezhneft JSC, or any entity it directly or indirectly owns or controls, and divestment from them. It also covers activities reasonably necessary to complete the wind-down or divestment.

De-listings and variations

- On 6 October 2026, the UK Government revoked the designation of Houmam Jazai'iri (former Syrian minister of economy and foreign trade under the al-Assad regime) under the Syria (Sanctions) (EU Exit) Regulations 2019. No reasons were given for the delisting. **[FCDO Notice]**
- On 7 October 2026, the UK Government revoked the designation of Logarcheo S.A. under the Iraq (Sanctions) (EU Exit) Regulations 2020. This followed the decision of the UN Security Council Sanctions Committee (established pursuant to Resolution 1518 (2003)) to remove the entity from the UN's sanctions list on 6 October 2026. **[UN Press Release]** **[FCDO Notice]**

US Policy Developments

US to receive potash shipment from Belarus **[FT article, behind a paywall]**

- On 4 October 2026, it was reported that a 30,000-tonne shipment of Belarusian potash had left a Russian port and was expected to arrive in the US on 14 October. It is the first such shipment to the US since Washington began easing sanctions on the Belarusian potash industry in December 2025, in exchange for the release of political prisoners.
- The shipment follows an announcement by President Trump on Truth Social in September 2026 that the US was working on a "massive deal" to buy potash from Belarus.
- Balázs Jarábik, a partner at the analysis firm R Politik, claimed that "[t]he main rationale behind Trump's big potash deal is calming down [his political] base ahead of the midterms as well as calming down the Belarusians." He noted that Minsk had been frustrated that Belarusian businesses were struggling to re-enter the global market after the US lifted sanctions.
- By way of background, in 2021, the US imposed sanctions on Belarus's potash industry, one of the country's principal exports. EU sanctions remain in force and continue to bar Belarus from using Lithuania's port of Klaipėda, its fastest route to the sea. As a result, Belarusian shipments must take a longer and more expensive route through Russia.

US sanctions the ICC

- On 9 October 2026, the US announced sanctions on the International Criminal Court (ICC). In a **press release**, Secretary of State Marco Rubio explained: "President Trump will never allow the International Criminal Court to prosecute Americans. That is why, today, the United States is sanctioning the International Criminal Court. We will ban transactions with this rogue court, cutting off their resources and crippling its ability to operate".
- The ICC called the sanctions an attack on an independent judicial institution, created by treaty and entrusted by 125 States Parties. It said it would continue to fully discharge its mandate and urged member states to take concrete steps to support it (**ICC press release**).
- The sanctions came hours after former ICC judge Navi Pillay won the Nobel Peace Prize for her work in international criminal justice.

- The US previously objected to the ICC's arrest warrants for Israeli officials, including Israeli Prime Minister Netanyahu. On 6 February 2025, Trump signed Executive Order 14203, stating the ICC has no jurisdiction over the United States or Israel, as neither country is party to the Rome Statute (the ICC's founding treaty) or a member of the ICC ([**press release**](#)). The US imposed sanctions on 17 ICC judges and prosecutors pursuant to Executive Order (E.O.) 14203.
- General Licence 13 issued by OFAC on 9 October 2026 ([**linked here**](#)) temporarily permits certain transactions that are necessary to maintain or wind-down the ICC's operations. It is valid until 7 April 2027.
- The ICC was set up in 2002 to prosecute individuals for genocide, war crimes, crimes against humanity, and aggression. The US, China, Russia, India and Israel do not recognise its jurisdiction.

Trump strikes deal with Putin to permit import of Russian diesel [\[AP article\]](#) [\[FT article\]](#) [\[BBC article\]](#)

- On 9 October 2026, President Trump announced a deal with President Putin whereby Russia will supply more than 300,000 tonnes of diesel immediately, another 500,000 tonnes in November, 1 million tonnes immediately thereafter, and an additional 3 million tonnes soon after.
- The US Treasury Department said it was issuing a general licence (**[General Licence 135](#)**), effective immediately, permitting Russian diesel to be supplied to the global market. This licence is valid until 7 April 2027.
- Ukrainian President Zelenskyy warned that Trump's deal would allow Russia to buy new military equipment and to recruit more mercenaries. It would also suggest to Putin that Moscow "could simply keep attacking".
- While UK Defence Secretary Wes Streeting called on the US to step up pressure on Russia, he also highlighted Washington's support for Ukraine, saying there was "often an understatement" of how much help it had provided.

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