

Sanctions: Fortnightly Summary



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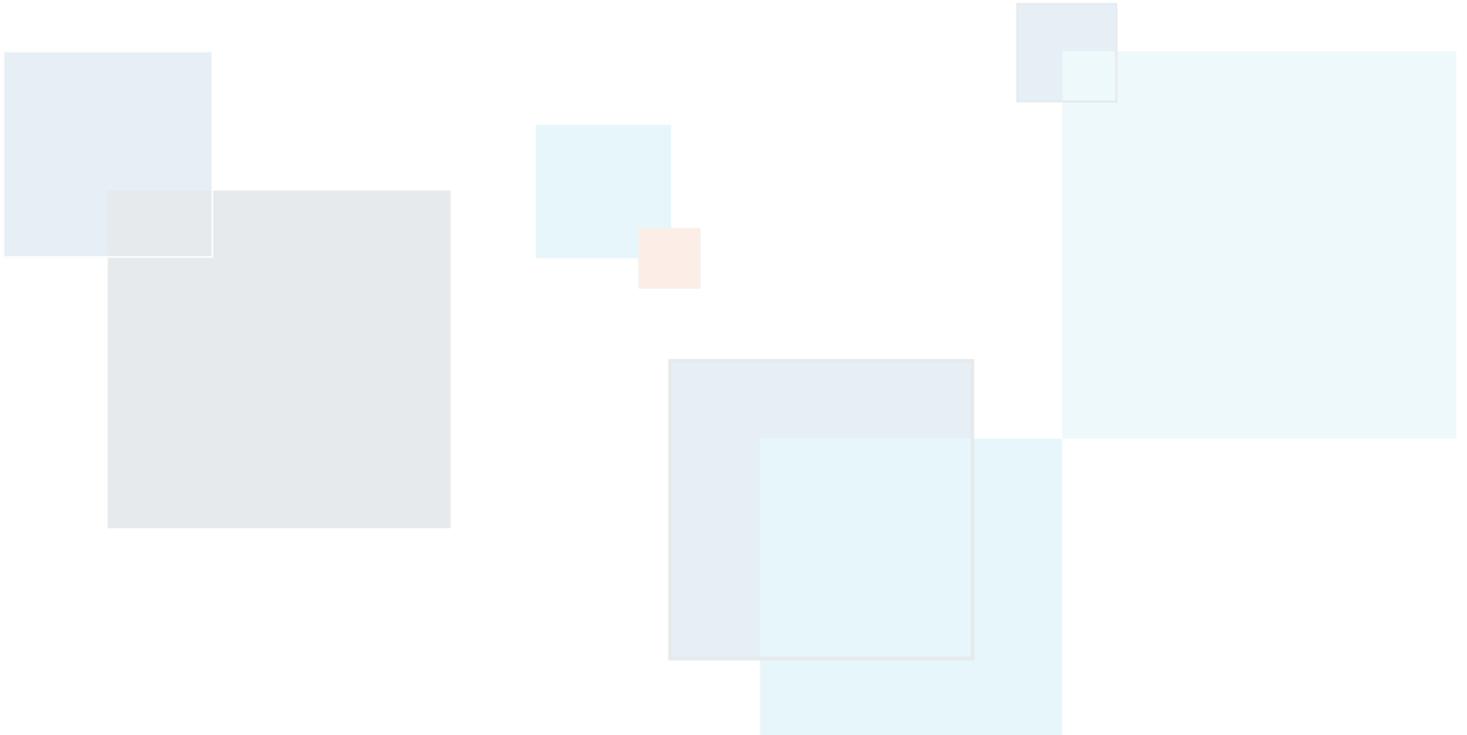
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Welcome to BCL's latest sanctions and export controls round-up, highlighting key UK and international developments in sanctions law and compliance.

This edition covers, amongst other matters, updates to OFSI's public enforcement guidance, new designations under the Iran and Sudan sanctions regimes, and the UK's first investigation into a suspected breach of cyber sanctions.

Enforcement

Update to OFSI's public enforcement guidance

- On 9 February 2026, OFSI published proposals to change its enforcement framework, following its consultation on measures to strengthen the effectiveness of its civil enforcement processes.
- These changes include increasing transparency in case assessments, introducing enhanced penalty discounts for voluntary disclosure, settlement, and early cooperation, streamlining the handling of information and reporting offences, and doubling the statutory maximum penalty (subject to legislative change) to improve deterrence and proportionality.
- As indicated in earlier **publications**, all proposed changes, other than amendments to the statutory maximum penalty, are implemented through revisions to OFSI's public enforcement guidance. Any change to the statutory maximum civil monetary penalty requires legislative amendment and will therefore be introduced at a later stage. **[Guidance]**

Financial Services Firms Face Scrutiny in First Suspected UK Cyber Sanctions Cases **[The Record article]**

- Media reports indicate that following a Freedom of Information request to HM Treasury, OFSI is investigating up to five suspected breaches of the UK's cyber sanctions regime, all involving firms in the financial services sector.
- Although OFSI has not yet concluded any enforcement action, the investigation represents the first known potential breaches of the cyber sanctions regime which was introduced more than five years ago.

UK Government policy

The **UK Sanctions List** (UKSL) is now the only sanctions list which details sanctions designations published by the UK government.

- On 28 January 2026, the UK government's sanctions lists were consolidated into a single list. UK sanctions designations are now only detailed in the **UK Sanctions List** (UKSL), published by the Foreign, Commonwealth and Development Office.
- The Consolidated List of Asset Freeze Targets, which was published for HM Treasury by OFSI is no longer being updated, but is still available for reference purposes. **[Guidance]**

- On 12 February 2026, a user guide to accompany the UK Sanctions List search tool was published. It sets out the functions and features of the search tool to help determine if a person, entity, or ship is included on the UK Sanctions List. **[Guidance]**

UK designations

- On 2 February 2026, the UK imposed new sanctions against ten individuals and one organisation (including the Minister of the Interior, Police Chiefs, and prolific Islamic Revolutionary Guard members) under the Iran (Sanctions) Regulations 2023 for their suspected roles in actions taken against protestors in Iran. Foreign Secretary Yvette Cooper said: “We were clear that we would hold the Iranian authorities to account – and today’s package does just that”. These designations follow the commitment set out by the G7 Foreign Ministers and the EU High Representative to hold the Iranian authorities accountable for serious human rights violations. **[FCDO Press release][FCDO sanctions notice]**
- On 5 February 2026, the UK designated 6 individuals, including senior military commanders, under the Sudan (Sanctions) (EU Exit) Regulations 2020. The individuals are suspected of committing violations of international humanitarian law in the war in Sudan, or of fuelling the conflict through the supply of mercenaries and military equipment. Foreign Secretary Yvette Cooper said: “Through these sanctions, we will seek to dismantle the war machine of those who perpetrate or profit from the brutal violence in Sudan, and we will send a message to every individual responsible for commanding these armies and committing these atrocities that they will one day be held to account.” **[FCDO Press release][FCDO sanctions notice]**
- On 6 February 2026, the UK revoked Alexey Panferov’s designation, and he was removed from the Russia sanctions list. He had been designated since May 2022 for his role at Sovcombank. **[FCDO sanctions notice]**

Compliance

General Licence updates

- On 2 February 2026, General Licence **INT/2025/7328184** (Payments by Revenue Authorities) which allows a Revenue Authority to make permitted payments to UK designated persons’ (“DP”) frozen UK bank accounts, was amended. The definition of “Revenue Authority” was updated to include the Welsh Revenue Authority and Revenue Scotland.
- On 5 February 2026, General Licence **INT/2022/1947936** (Humanitarian Assistance), relating to the delivery of humanitarian assistance, was amended. Annex I was amended to remove Bank FC Otkritie and replace it with BM-Bank, reflecting their merger.
- On 10 February 2026, General Licence **INT/2025/7895596** (Continuation of Business of Lukoil Bulgaria Entities) was extended to 13 August 2026. This licence allows for the continuation of business operations with the Lukoil Bulgaria Entities (Lukoil Bulgaria EOOD and Lukoil Neftochim Burgas AD, which are subsidiaries of PJSC Lukoil).

OFSI updates FAQ to clarify reporting requirements for refused business

- On 2 February 2026, OFSI updated FAQ 133 to include scenario-based examples clarifying when OFSI expects to receive a report. The report clarifies that certain firms that are legally required to report if they identify a DP in the course of business should exercise judgement based on the information available, and must always report suspected sanctions breaches or information likely to be of interest to OFSI. [\[FAQ\]](#)

The SRA updates its guidance on complying with the UK Sanctions Regime

- On 28 January 2026, the Solicitors Regulatory Authority (“SRA”) refreshed its guidance to assist SRA-regulated firms, solicitors and registered foreign and European lawyers to avoid breaches and operate in compliance with the UK sanctions regimes. Key updates include:
 - New case study showing how firms can inadvertently fall foul of sanctions.
 - Expanded red flags, including self-reporting duties and staff screening during onboarding.
 - Clearer reporting rules, with a new section on when firms must report to the SRA.
 - Further guidance on complying with licence conditions. [\[SRA Guidance\]](#)

Parliamentary commentary

Debate over potential sanctions on refineries purchasing Russian crude oil

- On 9 February, FCDO Minister, Stephen Doughty, answered a question, initially posed to the Secretary of State, requesting whether the Foreign Secretary would consider the merits of introducing sanctions against refineries that are buying Russian crude oil.
- Mr Doughty’s response said that, in 2025, the UK government had sanctioned several refineries and terminals in third countries for importing Russian energy, a move it claims is having an impact on Russia’s oil export revenues and Russia’s overall energy revenues. In October 2025, the UK government also announced its intention to ban the import of oil products refined in third countries but derived from Russian-origin crude oil. The potential for further sanctions was being kept under review. [\[UK parliament written questions\]](#)
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UK sanctions trends and developments

Inside the Russian ‘Monopoly money’ network moving billions over borders [\[Financial Times article\]](#)

- A7, a Kremlin-linked business founded in 2024, has built a vast alternative payments network, according to a Financial Times report. The network is intended to help Russian businesses bypass western sanctions and SWIFT restrictions by issuing imitation banknotes, promissory notes and a rouble-pegged stablecoin, enabling cross-border transactions outside the traditional banking system. Claiming to have processed trillions of roubles and a significant share of Russia’s foreign trade, A7 relies on cash and cryptocurrency to move funds.

- Despite US, UK and EU sanctions, the report says, A7 is expanding. It is state backed, with its stablecoin being formally recognised by Russia's Central Bank for use in foreign trade. Recently, it partnered with the finance ministry on a promissory-note venture. The company has already opened offices in at least two African countries and announced plans to target Latin America and expand to 20 countries within two years.

UK threatens to seize Russia-linked shadow fleet tanker [[The Guardian article](#)] [[BBC News article](#)]

- A large “shadow fleet” of ageing, poorly maintained tankers is helping Russia and Iran evade sanctions by transporting (in the case of Russia) 5–6 million barrels of oil daily, mainly to China and India, as reported in The Guardian and by the BBC. These ships often use false flags, opaque ownership structures, and manipulated tracking systems, exposing crews to abuse and “modern-day slavery.”
- The UK is considering seizing these Russia-linked vessels, potentially escalating pressure as Moscow's oil revenues have fallen 24% in 2025. Although more than 200 shadow fleet ships remain and Russia is expanding its own-flagged fleet, experts say coordinated seizures and tighter EU maritime restrictions could significantly strain the Kremlin.
- However, enforcement remains difficult: the shadow fleet is estimated at nearly 1,500 vessels carrying 17% of global seaborne crude. Western responses have largely relied on sanctions, insurance controls, and limited interceptions, but analysts warn stronger, more decisive action is urgently needed.

UK exports to Armenian firm face scrutiny over possible Russian links [[The Guardian article](#)]

- The Guardian reported that the UK government is facing pressure to reconsider an export licence granted to Cygnet Textimp, a Cheshire-based engineering company, to supply carbon fibre manufacturing machinery to Rydena, an Armenian company. Rydena was founded by former executives of Umatex, a major Russian carbon fibre producer sanctioned by the US and UK for its suspected role in supplying critical materials to Russia's military.
- Although Cygnet says it received full government approval and end-use assurances for civilian purposes, experts and MPs warn there is a clear diversion risk given Rydena's ties to Russia's military supply chain, raising concerns about the robustness of UK export controls.

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