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1 Overview of financial sanctions

1.1 Why do we have financial sanctions

Financial sanctions are restrictions put in place by the UN or UK to achieve a specific foreign policy or national security objective. They can:

- limit the provision of certain financial services
- restrict access to financial markets, funds and economic resources.

Financial sanctions are generally imposed to:

- **coerce** a regime, or individuals within a regime, into changing their behaviour (or aspects of it) by increasing the cost on them to such an extent that they decide to cease the offending behaviour;
- **constrain** a target by denying them access to key resources needed to continue their offending behaviour, including the financing of terrorism or nuclear proliferation;
- **signal disapproval**, stigmatising and potentially isolating a regime or individual, or as a way of sending broader political messages nationally or internationally; and/or
- **protect the value of assets** that have been misappropriated from a country until these assets can be repatriated.

1.2 Who is involved in making and implementing sanctions

The United Nations (UN) imposes financial sanctions and requires member states to implement them through Resolutions passed by the UN Security Council. You can read more about the UN's work on financial sanctions on their website:

<https://www.un.org/sc/suborg/en/sanctions/information>

The United Kingdom (UK) imposes financial sanctions. These are implemented through a combination of statutory instruments (UK regulations) and primary legislation:

- Sanctions and Anti-Money Laundering Act 2018 (SAML 2018)
- Counter Terrorism Act 2008 (CTA 2008)
- Anti-Terrorism, Crime and Security Act 2001 (ATCSA 2001)
- Terrorist Asset-Freezing etc. Act 2010 (TAF 2010)

Table 1.A: UK government departments and agencies involved in sanctions

Department	Role
Foreign & Commonwealth Office	Responsible for the UK's international sanctions policy, including all international sanctions regimes and designations. Negotiates all international sanctions.
HM Treasury (Office of Financial Sanctions Implementation)	UK's competent authority for implementing financial sanctions
Department for International Trade (Export Control Joint Unit)	Implements trade sanctions and embargoes
Department for Transport	Implements transport sanctions, including controlling movement of ships and aircraft in UK waters and airspace
Home Office	Implements travel bans
HM Revenue & Customs (HMRC)	Enforces breaches of trade sanctions
National Crime Agency (NCA)	Investigates and enforces breaches of financial sanctions

1.3 Types of financial sanctions

Financial sanctions come in many forms as they are developed in response to a given situation. The most common types of financial sanctions used in recent years are:

- **Targeted asset freezes:** these apply to named individuals and entities restricting access to funds and economic resources. Someone subject to an asset freeze in the UK will continue to be listed on OFSI's consolidated list:
- <https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>
- **Restrictions on a wide variety of financial markets and services:** these can apply to named individuals and entities, specified groups, or entire sectors. To date these have taken the form of:
 - investment bans
 - restrictions on access to capital markets
 - directions to cease banking relationships and activities

- requirements to notify or seek authorisation prior to certain payments being made or received
- restrictions on the provision of financial, insurance, brokering or advisory services or other financial assistance
- **Directions to cease all business:** these will specify the type of business and can apply to a specific person, group, sector or country.

1.4 Who needs to comply with financial sanctions

Financial sanctions apply more broadly than simply to the persons subject to them. The following outlines where financial sanctions apply and who needs to comply with them.

- UK financial sanctions apply within the territory and territorial sea of the UK and to all UK persons, wherever they are in the world.
- All individuals and legal entities who are within or undertake activities within the UK's territory must comply with UK financial sanctions that are in force.
- All UK nationals and legal entities established under UK law, including their branches, must also comply with UK financial sanctions that are in force, irrespective of where their activities take place.

2 Who is subject to financial sanctions

2.1 OFSI lists

OFSI maintains two lists of those subject to financial sanctions.

1. The 'consolidated list'

<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>

This is a list of all asset freeze targets listed under UK autonomous financial sanctions legislation and UN sanctions. There are likely to also be entries on the list relating to retained EU law. The individuals and entities listed are known as designated persons. OFSI publishes the consolidated list to help businesses and individuals comply with financial sanctions.

OFSI aims to update the consolidated list within one working day for all new UN and UK listings coming into force in the UK, and within three working days for all other amendments.

If you have been de-listed but your name still appears on the consolidated list, you should email OFSI (ofsi@hmtreasury.gov.uk) with evidence of your de-listing.

2. List of entities subject to capital market restrictions

<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/ukraine-list-of-persons-subject-to-restrictive-measures-in-view-of-russias-actions-destabilising-the-situation-in-ukraine>

OFSI maintains a separate list of entities subject to specific capital market restrictions. These entities are not contained on the consolidated list.

For more information on the restrictions that apply to these entities please see the Ukraine (Sovereignty and Territorial Integrity) regime page on GOV.UK:

<https://www.gov.uk/government/publications/financial-sanctions-ukraine-sovereignty-and-territorial-integrity>

'Without delay' implementation of UN listings

Since 1 April 2017, all new UN listings takes effect in UK law for either (i) a period of 30 days; or (ii) until the EU lists the DP (within that 30 day window), whichever is shorter (Sections 154 and 155 of the Policing and Crime Act 2017).

From 30 March 2019 where listings are made under a new UN Security Council Resolution, they will have effect in UK law via regulations made under the Sanctions and Anti-Money Laundering Act 2018. The FCO will publicise UN listings. OFSI will add all those subject to financial sanctions to the Consolidated List.

For more information:

<http://www.legislation.gov.uk/uksi/2017/478/contents/made>

2.2 Using the consolidated list

The consolidated list contains a range of information to aid the identification of designated persons. For an individual this can include their:

- aliases
- date of birth
- passport details
- nationality
- last known address
- employment or role

You may find that the name of an individual or entity you are dealing with matches one or more entries on the consolidated list. This is known as a **name match**. However, it does not necessarily mean that the individual or entity you are dealing with is the same one on the list. If you are satisfied that this is the case, you do not need to take further action.

If the individual or entity you are dealing with matches all the information on the consolidated list, this is likely to be a **target match**.

If having consulted the consolidated list you are still unsure on whether you have a target match, you can contact OFSI for assistance.

Table 2.A: Examples of name and target matches

Situation	Assessment
You have a name match for a person who is listed as a Syrian general, commanding troops in Syria at the start of the civil war. However, the person you are dealing with is aged 15 and was born in the UK.	Name match

<p>You have a name match for an official from the Government of North Korea.</p> <p>However, the man you are dealing with is a retired teacher with a different date of birth. You've also carried out business with him over the last ten years.</p>	<p>Name match</p>
<p>You have a close name match for a person subject to a terrorist asset freeze and they have a similar date of birth but a different address.</p>	<p>Potential target match. You may have identified a new alias being used to circumvent financial sanctions.</p> <p>You should contact OFSI immediately.</p>

What you are required to do next if you have a target match will depend on the specific sanctions that apply. For asset freezes, this is outlined in Section 3.1.2 of this guide.

2.2.2 Getting updates

OFSI publishes notices describing changes to financial sanctions on GOV.UK:

<https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

OFSI notifies its subscribers by email whenever a new notice is published. To subscribe to our e-alerts, click here:

<https://public.govdelivery.com/accounts/UKHMTREAS/subscriber/new>

2.2.3 Proscription under the Terrorism Act 2000

An organisation may be proscribed ('banned') under the Terrorism Act 2000 if the Home Secretary believes it is involved in terrorism and it is proportionate to do so.

Because proscription involves different restrictions, and because not all proscribed organisations are subject to financial sanctions, the list of proscribed organisations is not included in OFSI's consolidated list.

The list of proscribed organisations is maintained by the Home Office and can be found on GOV.UK:

<https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2>

Financial sanctions

3 restrictions

You are prohibited from carrying out certain activities or behaving in a certain way if financial sanctions apply. You should always refer to the up-to-date version of the legislation imposing the specific financial sanctions which apply in your case to understand exactly what is prohibited.

OFSI interprets prohibitions widely. This means that while we will not seek to draw in activities that clearly fall outside of a prohibition, OFSI will consider a wide range of actions when assessing if a breach of financial sanctions has taken place.

This section provides an overview of asset freezing, which is the most common form of financial sanction.

3.1 Asset freezes

3.1.1 What do they do?

Where the financial sanction is an asset freeze, it is generally prohibited to:

- deal with the frozen funds or economic resources, belonging to or owned, held or controlled by a designated person
- make funds or economic resources available, directly or indirectly, to, or for the benefit of, a designated person
- engage in actions that, directly or indirectly, circumvent the financial sanctions prohibitions

The funds and economic resources are to be frozen immediately by the person in possession or control of them. An asset freeze does not involve a change in ownership of the frozen funds or economic resources, nor are they confiscated or transferred to OFSI for safekeeping.

3.1.2 What must you do?

If you know or have 'reasonable cause to suspect' that you are in possession or control of, or are otherwise dealing with, the funds or economic resources of a designated person you must:

- freeze them
- not deal with them or make them available to, or for the benefit of, the designated person, unless:
 - there is an exemption in the legislation that you can rely on
 - you have a licence from OFSI
- report them to OFSI (see Chapter 5 of this guide)

Reasonable cause to suspect refers to an objective test that asks whether there were factual circumstances from which an honest and reasonable person should have inferred knowledge or formed the suspicion.

A breach of these requirements may result in a criminal prosecution or a monetary penalty.

3.1.3 Asset freezing terminology

Funds generally means financial assets and benefits of every kind, including but not limited to:

- cash, cheques, claims on money, drafts, money orders and other payment instruments
- deposits with financial institutions or other entities, balances on accounts, debts and debt obligations
- publicly- and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivatives contracts
- interest, dividends or other income on or value accruing from or generated by assets
- credit, right of set-off, guarantees, performance bonds or other financial commitments
- letters of credit, bills of lading, bills of sale
- documents showing evidence of an interest in funds or financial resources
- any other instrument of export financing

Economic resources generally means assets of every kind – tangible or intangible, movable or immovable – which are not funds, but may be used to obtain funds, goods or services. This includes but is not limited to:

- precious metals or stones
- antiques
- vehicles
- property

Goods generally means items, materials and equipment.

Crypto assets –Statutory definitions of “funds” and “economic resources” are wide and include financial assets and benefits of every kind (funds), as well as assets of every kind tangible or intangible, movable or immovable – which are not funds, but can be used to obtain funds, goods or services (economic resources). Crypto assets are considered to be covered by these definitions and are therefore caught by the financial sanctions restrictions.

Dealing with funds generally means moving, transferring, altering, using, accessing, or otherwise dealing with them in any way which would result in any change to their volume, amount, location, ownership, possession, character, destination or other change that would enable the funds to be used, including portfolio management.

Dealing with economic resources generally means using the economic resources to obtain funds, goods, or services in any way, including, but not limited to, by selling, hiring or mortgaging them. The everyday use by a designated person of their own economic resources for personal consumption is not prohibited.

Making available funds or economic resources, directly or indirectly, to a designated person If funds are made available (directly or indirectly) to a designated person, or economic resources are made available (directly or indirectly) that would likely be exchanged, or used in exchange, for funds, goods, or services, this may constitute a criminal offence.

Making available funds or economic resources for the *benefit* of a designated person If funds or economic resources are made available for the benefit of a designated person and they obtain, or are able to obtain, a 'significant financial benefit', this may constitute a criminal offence.

In this case, 'financial benefit' includes the discharge, in whole or in part, of a financial obligation for which the designated person is wholly or partly responsible.

For TAFE 2010, there are additional restrictions on the provision of financial services (see Chapter 2 and Section 40 of TAFE 2010).

Practical examples showing how OFSI will apply this prohibition can be found in the Frequently Asked Questions section of this guide.

3.2 Other financial restrictions

Financial sanctions regimes may include other restrictions in addition to asset freezes. Where these exist, they will be listed on the individual regime pages on GOV.UK:

<https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

4 Ownership and control

If a person or entity is designated, their name will be recorded on the consolidated list. An asset freeze and some financial services restrictions will apply to entities (meaning a body of persons corporate or unincorporated, or any organisation or association or combination of persons) that are owned or controlled, directly or indirectly, by a designated person. Those entities may not be designated in their own right, so their names may not appear on the consolidated list. However, those entities are similarly subject to financial sanctions.

4.1 Ownership and Control

An entity is owned or controlled directly or indirectly by another person in any of the following circumstances:

- The person holds (directly or indirectly) more than 50% of the shares or voting rights in an entity;
- The person has the right (directly or indirectly) to appoint or remove a majority of the board of directors of the entity; or
- It is reasonable to expect that the person would be able to ensure the affairs of the entity are conducted in accordance with the person's wishes. This could, for example, include:
 - Appointing, solely by exercising one's voting rights, a majority of the members of the administrative, management or supervisory bodies of an entity, who have held office during the present and previous financial year;
 - Controlling alone, pursuant to an agreement with other shareholders in or members of an entity, a majority of shareholders' or members' voting rights in that entity;
 - Having the right to exercise a dominant influence over an entity, pursuant to an agreement entered into with that entity, or to a provision in its Memorandum or Articles of Association, where the law governing that entity permits its being subject to such agreement or provision;
 - Having the right to exercise a dominant influence referred to in the point above, without being the holder of that right (including by means of a front company);
 - Having the ability to direct another entity in accordance with one's wishes. This can be through any means, directly or indirectly. For example, it is possible that a designated person may have control or use of another person's bank accounts or economic resources and may be using them to circumvent financial sanctions.

If any of the above criteria are met, and the person who owns or controls the entity is also a designated person, then financial sanctions will also apply to that entity in its entirety (meaning these assets should also be frozen). The prohibitions on making funds or economic resources available directly or indirectly to a designated person, also prohibit making them available to an entity who is owned or controlled, directly or indirectly, by the designated person. The UK Government will look to designate owned or controlled entities/individuals in their own right where possible.

Box 4.A: Ownership and Control example relating to entities

For example, **Entity X** is not listed on OFSI's consolidated list. However, your research shows that the majority owner of **Entity X** is designated **Entity Y**.

As the ownership and control criterion has been met, **Entity X** is also subject to the same restrictions as designated **Entity Y**.

Box 4.B: Ownership and Control example relating to individuals

For example, **Person A** (an individual) is not listed on OFSI's consolidated list. However, your research shows that **Person A** is a family member or friend of designated **Person B** and there is evidence that **Person B** is using **Person A** to enter into transactions.

As **Person B** is in control of **Person A**, **Person A** is also subject to the same restrictions as designated **Person B**.

4.1.2 Minority interests

If a designated person has a minority interest in another entity, this does not necessarily mean that financial sanctions also apply to them as the ownership and control criterion may not have been met. It will be necessary to consider whether a designated person is in control e.g. because the affairs of the entity are conducted in accordance with the designated person's wishes. If they are, then the ownership and control criterion will be met.

You should remain vigilant to any changes in the stake held by the designated person in case it increases to greater than 50% (or they obtain a majority interest) at which point financial sanctions will also apply to that entity.

4.1.3 Joint Interests

For the purposes of the asset freeze a designated person will be taken to own funds/economic resources even if they are owned jointly with another person, or where the designated person only owns part of them. Additionally, a designated person is taken to own funds/economic resources where the designated person's ownership consists of any interest (whether legal or equitable).

If two or more persons hold shares or rights jointly, each of them will be treated as owning those shares or rights. This also applies to joint arrangements where all holders of shares or rights exercise their rights jointly. In this case, all parties subject to the joint arrangement are considered as owning those shares or rights.

You should consider the above when evaluating the shares or voting rights an individual may have in an entity.

Where the wording above applies, the jointly owned funds/economic resources will be frozen in their entirety.

5 Your reporting obligations to OFSI

5.1 UK financial sanctions regimes made under SAMLA

Under UK financial sanctions regimes, there is a reporting obligation that applies to firms in certain sectors.

5.1.1 Reporting Obligations

Reporting obligations apply to relevant firms. There is a requirement for relevant firms to inform OFSI as soon as practicable if it is known or reasonably suspected a person is a designated person or has committed offences under financial sanctions regulations.

This requirement applies to relevant firms in the UK or under UK jurisdiction including individuals working for them.

Examples of the kind of information that is required can be found in Table 5.A.

If you are unsure of your reporting obligations, you should seek independent legal advice.

5.1.2 Relevant firm

Relevant firms that are subject to specific reporting obligations as set out in UK regulations made under SAMLA 2018 include:

- a person who has permission under Part 4A of the Financial Services and Markets Act 2000 (FSMA 2000) (permission to carry on regulated activity)
- an undertaking that by way of business operates a currency exchange office, transmits money (or any representations of monetary value) by any means, or cashes cheques which are made payable to customers
- a firm or sole practitioner that is a statutory auditor or local auditor
- a firm or sole practitioner that provides by way of business accountancy services, legal or notarial services, advice about tax affairs or certain trust or company services
- a firm or sole practitioner that carries out, or whose employees carry out, estate agency work
- the holder of a casino operating licence
- a person engaged in the business of making, supplying, selling or exchanging articles made from gold, silver, platinum palladium or precious stones or pearls

All regulations apply to a United Kingdom person or entity who is outside the United Kingdom. Definitions of relevant firms can be found in the 'Information and records' part of the statutory instrument for each sanctions regime.

Definitions of these businesses and professions can be found in the relevant regulations:

<https://www.gov.uk/government/collections/uk-sanctions-regimes-if-theres-no-brexit-deal>

Relevant firms are obligated to report information they receive in the course of carrying on its business as outlined and defined in the relevant regulation.

If you are a relevant firm, you must report to OFSI as soon as practicable if you know or have reasonable cause to suspect that a person:

- is a designated person, or
- has committed an offence under the Finance part of the regulations or under the Finance: licensing offences regulation

You are required to report this information, or any other matter on which your knowledge or suspicion is based, if it came to you in the course of carrying out your business.

When reporting to OFSI you must include:

- the information or other matter on which the knowledge or suspicion is based, and
- any information you hold about the person or designated person by which they can be identified

If you know or have reasonable cause to suspect that a person is a designated person and that person is a customer of your (relevant) firm, you must also state the nature and amount or quantity of any funds or economic resources held by you for that customer.

Examples of the kind of information to be provided to OFSI can be found in Table 5.A.

If you are unsure of your reporting obligations, you should seek independent legal advice.

5.2 Other UK financial sanctions regimes

The reporting obligations under TAFA 2010 can be found in Chapter 3 of that Act. The reporting obligations under ATCSA 2001 can be found in the Schedule to the Orders made under that act. The Orders can be found on GOV.UK:

<https://www.gov.uk/government/publications/financial-sanctions-uk-freezing-orders>

Designations made under the domestic regimes can be found in the following sections of the consolidated list:

[Terrorism and Terrorist Financing](#)

- Which includes designations made under TAFA 2010

[UK Freezing Orders](#)

- Which includes designations made under ATCSA 2001

If you are unsure of your reporting obligations, you should seek independent legal advice.

Examples of information to be reported

<p>A designated person or entity</p>	<p>A customer or client of yours is a known or suspected designated person or entity.</p> <p>As well as providing OFSI with any information you hold about the DP or entity by which they can be identified, if the DP is a customer or client you must also inform OFSI of the nature, amount, quantity of any funds or economic resources held on behalf of the customer or client, at the time this knowledge or suspicion arose.</p>
<p>Offences</p>	<p>Exact offences will depend on the relevant legislation, but can include:</p> <ul style="list-style-type: none"> • making funds or economic resources available to a designated person or entity (except where an exception applies or under licence) • dealing with frozen funds or economic resources (except where an exception applies or under licence) • activities that circumvent an asset freeze • breaching licensing conditions
<p>Funds and economic resources^a</p>	<p>You must include details of the nature, amount or quantity of any funds and economic resources held.</p> <p>Types of funds or economic resources can include but are not limited to:</p> <ul style="list-style-type: none"> • cash • cheques • postal orders • crypto assets • bond futures • precious metals or stones • vehicles • antiques

Examples of information to be reported

A designated person or entity	A customer or client of yours is a known or suspected designated person or entity. As well as providing OFSI with any information you hold about the DP or entity by which they can be identified, if the DP is a customer or client you must also inform OFSI of the nature, amount, quantity of any funds or economic resources held on behalf of the customer or client, at the time this knowledge or suspicion arose.
Credits to frozen accounts ^b	A relevant institution must inform OFSI without delay whenever it credits a frozen account: <ul style="list-style-type: none">• where it receives funds transferred to it for the purpose of crediting that account
a See Section 3.1.3 of this guide for a definition of what constitutes funds and economic resources. b A relevant firm does not need to inform OFSI when it credits an account with interest or other earnings.	

5.3 How to report

Reports of frozen funds and economic resources, information regarding a designated person, and notifications of credits to frozen accounts should be emailed to: ofsi@hmtreasury.gov.uk.

Reports regarding suspected breaches should be submitted to OFSI using the form on GOV.UK: <https://www.gov.uk/guidance/suspected-breach-of-financial-sanctions-what-to-do>

OFSI will handle all information it receives in compliance with applicable data protection laws.

All reports to OFSI involving a designated person should include their 'Group ID' reference number. The Group ID is a unique identifier for a designated person which can be found in their entry on the consolidated list available at:

<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets>

5.4 Legal professional privilege

All UK regulations make it clear that the reporting requirements do not apply to information to which legal professional privilege is attached. However, OFSI expects legal professionals to carefully ascertain whether legal privilege applies, and which information it applies to. OFSI may challenge a blanket assertion of legal professional privilege where it is not satisfied that such careful consideration has been made.

5.5 Reporting offences

A relevant firm that fails to comply with its reporting obligations, as set out in the relevant legislation, will be committing an offence, which may result in a criminal prosecution or a monetary penalty.

5.6 OFSI's powers to require information from you

OFSI has statutory powers to require you to produce specified documents and provide information for the purpose of:

- establishing the nature and amount or quantity of funds or economic resources, owned, held or controlled by or on behalf of a designated person
- establishing the nature and amount or quantity of funds or economic resources made available directly or indirectly to, or for the benefit of, a designated person
- establishing the nature of any financial transactions entered into by a designated person
- monitoring compliance with or detecting evasion of any provision of financial sanctions regulations including licensing and reporting conditions and obligations
- detecting or obtaining evidence of the commission of an offence

For a complete list of OFSI's powers to request information, please refer to the legislation underpinning each particular financial sanctions regime.

When requesting information from you, OFSI will specify:

- the legislative basis for the request
- the time period within which the information is to be provided

In some circumstances OFSI may specify the manner in which the information should be provided.

Failure to comply with a request for information, including by providing false information, destroying documents or, otherwise intentionally obstructing OFSI when exercising these powers is a criminal offence and may result in a criminal prosecution or a monetary penalty.

5.7 Other reporting obligations

Your obligation to report to OFSI is in addition to any other sanctions reporting obligations you may have. These could include reporting required by your regulator (if you have one), or submitting Suspicious Activity Reports (SARs) to the National Crime Agency (NCA) under the Proceeds of Crime Act 2002.

In some cases, you may have specific obligations to report under section 19 of the Terrorism Act 2000.

Please note that reporting to your regulator or submitting a SAR does not meet your reporting obligations under financial sanctions. If you have information to report regarding financial sanctions, this must be sent to OFSI: ofsi@hmtreasury.gov.uk.

If you are unsure of your reporting obligations, you should seek independent legal advice.

5.8 Onward disclosure

Information received by OFSI shall be disclosed to third parties in accordance with provisions set out in the Information and Records part of regulations pursuant to the disclosure of information regulation. Any such disclosure must be in compliance with applicable data protection laws.

6 Exceptions and licensing

Specific exceptions and licensing powers are contained in the sanctions regulations made under SAMLA and can allow otherwise prohibited transactions and prohibited activity to take place in some circumstances.

A licence is a written authorisation from OFSI permitting an otherwise prohibited act.

An exception to a prohibition applies automatically in certain defined circumstances as set out in the regulations and does not require you to obtain a licence from OFSI.

The following sections provide a general overview of the standard exceptions and licensing grounds found in financial sanctions legislation. The grounds may vary from regime to regime so it is important that you check the relevant, up-to-date legislation. This guidance will be updated in due course to reflect the position for some of the sectoral regimes where additional provisions can apply.

A licence is a written permission from OFSI allowing an act that would otherwise breach prohibitions imposed by financial sanctions.

6.1 Crediting frozen accounts

Asset freezing legislation permits without a licence:

- a relevant firm to credit a frozen account with interest or other earnings due on the frozen account, so long as those funds are frozen immediately.
- a person to transfer funds to a relevant firm for crediting a frozen account where the transfer is in order to discharge obligations that were concluded or arose before the date the person became sanctioned.
- a relevant firm, without the need for a licence, to credit a frozen account with payments from a third party, provided that the incoming funds are also frozen and, that it informs OFSI of the transaction without delay (see Chapter 5 of this guide).

6.2 Independent person holding legal or equitable interest in frozen funds or economic resources

The legislation creates an exception to allow independent persons to transfer their legal or equitable interests in frozen funds or economic resources to another person, where immediately before the transfer all the provisions in 1-4 below are present:

1. The independent person is not a designated person;
2. The independent person holds the interest in the funds or economic resources;
3. The independent person doesn't hold the interest jointly with a designated person; and
4. The independent person isn't owned or controlled, directly or indirectly by a designated person (see Chapter [4] for meaning of owned or controlled).

6.3 Ring-fencing

From 1 January 2019, each large bank must separate core retail banking from the rest of its business, known as ring-fencing, to comply with the Financial Services (Banking Reform) Act 2013. UK sanctions regimes contain an exception permitting banks subject to the ring-fencing legislation to transfer funds from account A in a non ring-fenced body to account B in a ring-fenced body (as defined in the legislation) where accounts A and B are held or controlled (directly or indirectly) by a designated person.

6.4 Licensing overview

It is important to note that OFSI can only issue licences where there are specific and relevant licensing grounds enabling us to do so, and where the conditions in those grounds have been met. The available grounds can be found in the legislation underpinning each particular financial sanctions regime:

<https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

OFSI will only consider licensing activities that fall within the licensing grounds set out in the legislation. When considering making an application, you may wish to seek legal advice.

See Table 6.A for more information on OFSI's approach to licensing grounds.

Licences cannot be issued retrospectively. If you have carried out an act that required a licence, without having obtained one beforehand, you may have breached financial sanctions and you should consult Chapters 5 and 7 of this guide immediately.

A licence is a written permission from OFSI allowing an act that would otherwise breach prohibitions imposed by financial sanctions. It does not compel any party, including the financial institutions involved in the payment route, to take any action. It confirms, solely, that the proposed transaction or activity is lawful under financial sanctions regulations.

6.5 Licensing grounds: UK regimes

The following table sets out the licensing grounds commonly found in UK regulations as well as OFSI's approach to them. OFSI carefully scrutinises all applications made to assess whether they fall under the relevant licensing grounds. Unless otherwise made clear, the licensing grounds available ordinarily apply to UN and non-UN designated persons and where a ground only applies to non-UN designated persons. This is ordinarily made clear in both the UK regulations and the table below. As noted above, the exact grounds available can be found in the legislation underpinning each particular financial sanctions regime.

Table 6.A: OFSI's approach to licensing grounds

Licensing ground	OFSI's approach
Basic needs	<ul style="list-style-type: none">• The legislation confirms that the ground is present to enable the basic needs of a designated person, or (in the case of an individual) any financially dependent family of such a person to be met.• Expenditure to meet basic needs of an individual should be considered to be expenses which are necessary to ensure that

	<p>designated persons or financially dependent family members are not imperilled.</p> <ul style="list-style-type: none"> • In respect of a person other than an individual e.g. an entity, the legislation confirms that basic needs <i>includes</i>: <ul style="list-style-type: none"> ○ payment of insurance premiums ○ payment of reasonable fees for the provision of property management services ○ payment of remuneration, allowances or pensions of employees ○ payment of tax ○ rent or mortgage payments ○ utility charges • The list of basic needs detailed above is not exhaustive but is indicative of the type of basic needs intended to be caught. Therefore, expenditure to meet the basic needs of an entity should be expenses strictly necessary to ensure the continued existence of the designated entity. • Basic needs licences do not necessarily enable a designated person to continue the lifestyle or business activities they had before they were designated.
Fees for the provision of legal services	<ul style="list-style-type: none"> • Both legal fees and disbursements must be reasonable. It is for the applicant to demonstrate to OFSI that the legal fees and disbursements are reasonable. In support of your application, you should: <ul style="list-style-type: none"> ○ provide an estimate of the likely fees; ○ provide a breakdown of how the fees will be charged; and ○ identify any disbursements, such as payments for counsel and expert witnesses. • OFSI considers that the Supreme Court Cost Guides or the sums that could be expected to be recouped if costs were awarded, provide a useful starting point for assessing the reasonableness of legal fees and disbursements. • If you are seeking fees of a level in excess of those, you need to demonstrate why those increased fees are reasonable in the given case. • Fees and disbursements must relate specifically to the provision of legal advice, involvement in litigation or in dispute resolution.
Routine maintenance of frozen funds and economic resources	<ul style="list-style-type: none"> • The fees or service charges must be reasonable and result in the routine holding or maintenance of funds or economic resources frozen. • The re-design, refurbishment or redevelopment in order to improve the value of a frozen economic resource is generally not covered, although each application will be considered on a case by case basis.
Extraordinary expenses	<ul style="list-style-type: none"> • This involves an expense which will be extraordinary in nature, and therefore not recurring or easily anticipated. • It cannot be used where other licensing grounds are more suitable or as a way or avoiding the clear limitations of those other grounds.

Pre-existing judicial decisions etc.	<ul style="list-style-type: none"> • This enables the use of frozen funds or economic resources that are the subject of a judicial decision or lien which was established before the date of designation and enforceable in the UK. The use of the funds or economic resources must be to implement or satisfy in whole or in part the pre-existing judicial decision or lien and cannot be for the direct or indirect benefit of a designated person.
Humanitarian assistance activity etc.	<ul style="list-style-type: none"> • This enables payments to facilitate: <ul style="list-style-type: none"> ○ any humanitarian activity; or ○ where applicable, any activity whose purposes are consistent with the objectives of UN Security Council Resolutions (which will be set out in the applicable SAMLA regulations). • Humanitarian assistance includes the work of international and non-governmental organisations carrying out relief activities for the benefit of the applicable civilian population, which may include the delivery of humanitarian aid or peace-building programmes. • A licence may still be required even if this activity is using government funds.
Diplomatic missions	<ul style="list-style-type: none"> • This enables anything to be done in order that the proper functions of a diplomatic mission or consular post or an international organisation enjoying immunities in accordance with international law, may be carried out.
Extraordinary situations	<ul style="list-style-type: none"> • This applies to non-UN designated persons and enables anything to be done to deal with an extraordinary situation. This will enable a situation which is extraordinary in nature but does not necessarily involve an expense. • This may, for example, allow for funds to be released to support disaster relief or provide aid in extraordinary situations. It cannot be used where other grounds are more suitable or as a way of avoiding the clear limitations of other grounds.
Prior obligations	<ul style="list-style-type: none"> • The obligation must have arisen prior to the date of designation and cannot relate to trade provisions (specified in the regulations). In addition, it cannot result in funds or economic resources being made available (directly or indirectly) to the designated person.

6.6 Licensing grounds: other domestic regimes

The UK's other domestic regimes do not have specific licensing grounds and instead contain a general power to issue licences.

OFSI will exercise these powers according to the provisions of the domestic regime in question, taking into account any relevant law and the stated policy objectives of each regime.

The domestic regimes are set out in the following pieces of legislation:

- Terrorist Asset-Freezing etc. Act 2010 (TAFA 2010)
- Anti-Terrorism Crime and Security Act 2001 (ATCSA 2001)
- Counter-Terrorism Act 2008 (CTA 2008)

6.7 General licences

A General Licence, created by OFSI, permits multiple individuals or entities to undertake certain financial activity which would otherwise be prohibited by sanctions legislation.

OFSI publishes active General Licences and accompanying guidance on its website.

OFSI does not accept applications for General Licences. They will be created and issued by OFSI under such conditions as HM Treasury deems appropriate and will usually be considered in relation to unforeseeable circumstances where HM Treasury has decided that issuing a general licence will best support the Government's policy priorities.

By way of example, a General Licence could be used to respond to unforeseeable circumstances such as a humanitarian crisis, where it may be necessary to undertake otherwise prohibited financial activity to facilitate the provision of aid.

HM Treasury can vary, suspend or revoke General Licences at any time. OFSI aims to discuss proposed changes to General Licences with relevant stakeholders before considering such action.

Once a General Licence has been created, a condition of the licence may be that to rely on it you will need to register with OFSI and receive confirmation that your registration has been received before proceeding with transactions or activity in line with the terms of the licence. It is the responsibility of anyone relying on a general licence to ensure the activities they undertake fall within the conditions detailed within it.

If such a condition is present, to register, you must provide OFSI with the following information:

- The name of your company or individual, including contact details;
- The General Licence you intend to use;
- The specific transactions you intend to conduct, in line with permissions of the relevant General Licence;
- The proposed payment route(s), in full including account numbers and sort codes;
- Which designated persons are expected to be engaged; and
- Estimate of the value (in GBP) of the proposed transaction.

If any of these details change, you must update your registration details with OFSI before continuing to use a General Licence.

Breaching a General Licence is a serious offence. Offences relating to UK financial sanctions carry a maximum of seven years' imprisonment on indictment (applying to all of the UK) and, on summary conviction, to a maximum of twelve months' imprisonment in England, Wales and Northern Ireland, and twelve months in Scotland.

Each General Licence may include reporting requirements and or requirements to keep records of transactions undertaken by registered users.

Requirements will be stated in each General Licence and may vary between licences.

- **Reporting conditions** are where those making use of the General Licence must report all activity under the licence to OFSI within a set number of days, as directed by the licence;
- **Record Keeping requirements** are where those making use of the licence must maintain records of the activity under the General Licence for a set period of time, as directed by the Licence. OFSI may request to review records.

Table 6.B: OFSI General licences

Financial sanctions regime	Area licenced
Terrorism and Terrorist Financing	Provision of insurance
Terrorism and Terrorist Financing, and ISIL (Da'esh) and Al-Qaida organisations	Temporary provisions under insurance policies
Terrorism and Terrorist Financing, and ISIL (Da'esh) and Al-Qaida organisations	Legal aid
Terrorism and Terrorist Financing, and ISIL (Da'esh) and Al-Qaida organisations	Legal expenses paid by a third party

These general licences can be found on GOV.UK:

<https://www.gov.uk/government/publications/counter-financing-of-terrorism-general-licences>

6.8 Applying for a licence

You must provide evidence to support an application and demonstrate that all criteria of the relevant licensing ground (where applicable) have been met. Incomplete applications will not be considered and will be returned to the applicant for re-submission.

OFSI will endeavour to assist applicants who contact us to understand the licensing process as well as our evidentiary requirements. However, we cannot provide legal advice and applicants should consider taking independent legal advice before applying, especially for complicated matters.

OFSI expects that legal and professional advisers will have fully considered the relevant law and formed a view about an application before approaching OFSI for guidance or submitting an application.

OFSI does not charge for licences.

6.8.1 Submitting an application

Applicants should use the form available on GOV.UK to apply for a licence from OFSI:

<https://www.gov.uk/guidance/licences-that-allow-activity-prohibited-by-financial-sanctions>

Applicants will generally be required to provide:

- the licensing ground(s) being relied upon in the application including supporting arguments
- full information on the parties involved in the proposed transaction, e.g. the:
 - designated person(s)
 - any financial institution(s) involved (e.g. remitter, correspondent, beneficiary)

- ultimate beneficiary of the transaction
- the complete payment route including account details
- the amount (or estimated amount) of the proposed transaction

You should always refer to the up-to-date version of the legislation for the relevant sanction regime. Links to these can be found on the relevant financial sanctions regime pages:

<https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

Box 6.A: Tips for applicants

- 1 Read this guide and the up-to-date version of the relevant legislation
- 2 Identify the appropriate licensing ground
- 3 Use the licence application form on our website (you may wish to seek legal advice to support this process)
- 4 Provide a clear description of the payment chain and all parties involved
- 5 Ensure that all relevant information and supporting evidence is included with the application
- 6 Apply for the licence at least four weeks in advance
- 7 Be available to fully engage with OFSI on your application
- 8 Where applicable, make sure your bank is aware of the situation

6.8.2 Counter-terrorism regimes

If you are seeking a licence under either the Terrorism and Terrorist Financing or the ISIL (Da'esh) and Al-Qaida organisations regime, you should email OFSI (ofsi@hmtreasury.gov.uk) setting out the full details of the proposed transaction.

OFSI's licensing policy for the counter-terrorism regime can be found on GOV.UK:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/511692/Terrorism_licensing_policy_revised.pdf

Knowingly or recklessly providing false or misleading information in any licence application is taken very seriously. Doing so may result in a criminal prosecution or a monetary penalty.

6.9 Licensing timeframes

OFSI aims to engage with applicants on the substance of completed applications for specific licences within four weeks. This does not mean that a licence will necessarily be issued within four weeks.

A completed application is one where OFSI has received all the information we need to enable us to make a decision about whether there is a legal basis to grant a licence. We will send back incomplete applications or ask you for additional information until we are satisfied that your application can be considered complete.

Please note that failure to submit all of the necessary information requested by OFSI will result in delays to your application being processed.

You should not assume that a licence will be granted or engage in any activities prohibited by financial sanctions until you have received an appropriate licence from OFSI.

6.9.1 Urgent and humanitarian cases

OFSI will prioritise urgent and humanitarian cases, i.e. cases that involve a risk of harm or a threat to life.

If a request is urgent, please say so when submitting your application and explain why.

6.9.2 Notification and approvals

Please note OFSI may need to notify, or in some cases seek approval from the relevant United Nations Sanctions Committee before issuing a licence. These requirements are set out in the relevant UN Security Council Resolutions.

These requirements will lengthen the processing time for such licence applications and may in some cases prevent a licence from being issued.

6.10 Amending licences

Requests for an amendment, variation or extension of a licence should be submitted to OFSI by email as soon as it is apparent that a change is required. Full supporting information and arguments should be provided.

If multiple amendments need to be made to a single licence you should group these together into a single request to OFSI.

OFSI aims to engage with applicants on the substance of completed amendment requests within four weeks. This does not mean that an amended licence will necessarily be issued within four weeks. Nor can OFSI guarantee that last-minute amendment, variations or extensions will be authorised within the requested timeframe.

You must not carry out any action(s) which are not authorised by a valid licence. For example, if a licence has expired or you have reached a cap on permitted spending, further activity may not be lawful.

Any such actions will be considered a breach of financial sanctions and may result in a criminal prosecution or monetary penalty.

6.11 Refusal of a licence

If OFSI refuses to issue a licence, the proposed transaction or activities may not be lawful. OFSI will write to you giving reasons for refusing your application.

We may also refuse your application if you do not require a licence for the proposed transaction or activities.

If you have had an application for a licence refused you have the following options:

- ask OFSI to review the decision
- re-apply with new or supplementary evidence or new supporting arguments
- re-apply under a different derogation (where applicable)
- seek to challenge the decision in court

Under SAMLA and TAFE 2010, there is a specific provision which means that if you intend to challenge the decision in the courts you need to apply to the High Court, or Court of Session in Scotland, for a review of the decision (Section 38 of SAMLA 2018 and section 27 of TAFE 2010).

You may wish to seek independent legal advice before taking the matter further.

6.12 Other jurisdictions

Licences issued by OFSI only apply to actions subject to UK jurisdiction. If the prohibited activity engages another jurisdiction you should consider what provisions you may need to comply with within their requirements. For instance, if a payment will pass through several jurisdictions you may need to apply for a licence from each of those countries' competent authorities.

6.13 Complying with a licence

Specific licences issued by OFSI are not published, although General Licences will be available on our website. However, OFSI expects licence holders to share licences with other parties to the transaction. If you are unsure on whether the action you propose to undertake is within the terms of a licence you can seek clarification from OFSI. We aim to respond to such queries within two weeks of receipt.

If you are unsure about the validity of a licence that a designated person or their representative has shown to you, you should email a copy of the licence to OFSI: ofsi@hmtreasury.gov.uk.

You should not assume that OFSI agrees with your interpretation of the licence until you receive a response from us.

Any conduct outside the terms of the licence, such as use of a different payment route or payments in excess of a specific payment cap, is a breach of financial sanctions, and may result in a criminal prosecution or monetary penalty.

6.14 Reporting conditions

Licences issued by OFSI come with conditions that often require information to be reported to OFSI within a specific time frame. A failure to comply with these reporting requirements may result in the revocation, suspension or termination of a licence or further restrictions being included in it. It may also result in a criminal prosecution or monetary penalty.

Legal advisors should proactively engage with their clients about the need to provide information to meet the reporting requirements in licences.

6.15 Travel to the UK

OFSI expects all designated persons planning to visit the UK to apply for an appropriate licence authorising any proposed use of funds or economic resources in order to support themselves while in the country.

If a visa application is also required, the licence application should include a request for permission to pay any visa application fees. The granting of a licence does not guarantee that the person will be granted a visa.

The requirement to obtain a licence before travelling also applies to non-designated persons visiting the UK who are funded, in whole or in part, by a designated person.

Anyone dealing with funds that should be frozen, or who makes economic resources available to a designated person without an appropriate licence will be committing an offence, which may result in a criminal prosecution or a monetary penalty.

If you are a designated person, you must hold a valid licence for the duration of your stay to allow the use of or access to funds or economic resources, while in the UK.

If no valid licence is held, you may be in breach of sanctions regulations.

6.16 Export licences

If you import or export goods, you need to consider if financial sanctions apply to you. You may need a licence from OFSI as well as from the UK's Export Control Joint Unit (ECJU):

<https://www.gov.uk/government/organisations/export-control-organisation>

7 Compliance and enforcement

OFSI is responsible for monitoring compliance with financial sanctions and for assessing suspected breaches. It also has the power to impose monetary penalties for breaches of financial sanctions and to refer cases to law enforcement agencies for investigation and potential prosecution.

OFSI works with other parts of government, supervisory bodies and regulators to consider all cases reported to it, sharing relevant information accordingly.

OFSI may share information as prescribed by the relevant sanctions legislation and wider UK legislation, including the Data Protection Act 2018.

7.1 OFSI's approach to compliance

OFSI's assessment of breaches is informed by our overall approach to financial sanctions compliance. This approach covers the whole lifecycle of compliance in respect of financial sanctions. We take a holistic approach to ensure compliance rather than simply waiting until the law is broken and responding to the breach.

Our approach is summarised by our compliance and enforcement model: promote, enable, respond, and change.

- We will **promote** compliance, publicising financial sanctions and engaging with the private sector
 - an effective compliance approach promotes compliance by reaching the right audiences, through multiple channels, with messages they respond to
- We will **enable** compliance by making it easier to comply, and providing customers with guidance and alerts to help them fulfil their own compliance responsibilities
 - an effective compliance approach enables cost-effective compliance, makes it easy to comply and minimises by design the opportunities for non-compliance
- We will **respond** to non-compliance by intervening to disrupt attempted breaches and by tackling breaches effectively
 - an effective compliance approach responds to non-compliance consistently, proportionately, transparently and effectively, taking into account the full facts of the case, and learning from experience to continuously improve our response
- We do these things to **change** behaviour, directly preventing future non-compliance by the individual and more widely through the impact of compliance and enforcement action

While a decision to pursue a criminal prosecution for breaches of financial sanctions ultimately lies with the prosecuting authorities, OFSI will consider the following when initially considering the course of action to take:

- whether the breach was self-disclosed fully and promptly
- the level of cooperation with any inquiries
- action being taken to improve future compliance

7.2 Reporting a suspected breach of financial sanctions

Your reporting obligations to OFSI are set out in Chapter 5 of this guide. Where you know or have reasonable cause to suspect that a breach has occurred this must be reported to OFSI as soon as practicable.

A form is available on GOV.UK to report suspected breaches to OFSI:

<https://www.gov.uk/guidance/suspected-breach-of-financial-sanctions-what-to-do>

7.3 Penalties for breaches of financial sanctions

Breaches of financial sanctions are considered to be a serious criminal offence. The level of penalties for breaches of financial sanctions have been expanded and, for custodial sentences, uplifted by the Policing and Crime Act 2017.

7.3.1 Custodial sentences

Offences relating to UK financial sanctions carry a maximum of seven years' imprisonment on indictment (applying to all of the UK) and, on summary conviction, a maximum of six months' imprisonment in England, Wales and Northern Ireland, and twelve months in Scotland.

Custodial sentences for ATCSA 2001 and CTA 2008 have been similarly uplifted.

For exact penalties, particularly those relating to different parts of the UK, please consult the relevant legislation.

7.3.2 Deferred Prosecution Agreements (DPAs)

Breaches of financial sanctions legislation are included on the list of offences for which a Deferred Prosecution Agreement (DPA) can be made. DPAs are court-approved agreements between an organisation (a corporate body or unincorporated association, but not an individual person) and a prosecutor who is considering prosecuting the organisation for an offence. They only apply to persons in England and Wales.

In order for a DPA to be entered into, the prosecutor must be satisfied that there is sufficient evidence to prove beyond reasonable doubt that a criminal offence has been committed by the organisation. A DPA can be entered into once the organisation is charged with that offence, with the effect that proceedings are automatically suspended subject to certain conditions. If the conditions of the DPA are breached, the prosecution may resume.

7.3.3 Serious Crime Prevention Orders (SCPOs)

Breaches of financial sanctions are included on the list of offences for which a Serious Crime Prevention Order (SCPO) may be imposed.

SCPOs are imposed by a court on the civil standard of proof and are designed to prevent an individual or organisation from further engaging in serious crime.

A SCPO does not levy financial penalties but may contain targeted prohibitions, restrictions or requirements that the court considers appropriate for the purpose of restricting or disrupting further involvement in serious crime.

7.3.4 Monetary penalties

OFSI has the power to impose monetary penalties for breaches of financial sanctions under powers in the Policing and Crime Act 2017. The value of a monetary penalty may range from 50% of the total breach up to £1m – whichever is the greater value. OFSI takes several factors into account when considering a proportionate penalty value. The value will be based on the facts of each case, with reductions being applied particularly in cases that have been voluntarily disclosed to OFSI.

Please see our guidance on monetary penalties for more information:

<https://www.gov.uk/government/publications/financial-sanctions-faqs>

8 Challenging designations

Those who are subject to financial sanctions can request a reassessment of their listing. The financial sanctions will remain in place while the reassessment is taking place.

8.1 UN listings

For UN listings under the ISIL (Da'esh) and Al-Qaida sanctions regime, a petition for delisting can be made to the UN Office of the Ombudsperson to the ISIL (Da'esh) and Al-Qaida Sanctions Committee. For more information about the Office of the Ombudsperson please see the UN's website:

<https://www.un.org/sc/suborg/en/node/189>

For all other UN listings, a request should be sent to the UN focal point for delisting. More information about the focal point is available on the UN's website:

<https://www.un.org/sc/suborg/en/sanctions/delisting>

8.2 UK listings

In future, people sanctioned by the UK under SAMLA 2018 will be able to request an administrative review of that decision. Guidance on how to request a review will be published by the FCO on gov.uk in due course.

9 Glossary

Disclaimer – The following is a general description of terms used throughout this guide. For exact terms used in context, please see the up-to-date version of the relevant legislation. If you are in doubt about any of the below, please contact OFSI or seek independent legal advice.

Administrative List – list maintained by FCO of all designated persons subject to sanctions by the UK.

Asset freeze – A type of financial sanction. Under an asset freeze it is generally prohibited to:

- deal with the frozen funds or economic resources, belonging to or owned, held or controlled by a designated person
- make funds or economic resources available, directly or indirectly, to, or for the benefit of, a designated person
- engage in actions that, directly or indirectly, circumvent the financial sanctions prohibitions

Competent authority – designated national authorities of states who implement financial sanctions. HM Treasury, through OFSI, is the UK's competent authority for financial sanctions.

Consolidated list – list maintained by OFSI containing designated persons subject to financial sanctions.

Dealing with economic resources – generally means using economic resources to obtain funds, goods, or services in any way, including (but not limited to) by selling, hiring or mortgaging them.

Dealing with funds – generally means moving, transferring, altering, using, accessing or otherwise dealing with funds in any way which would result in any change to their volume, amount, location, ownership, possession, character, destination or other change that would enable the funds to be used, including portfolio management.

Designated person (DP) – a person subject to financial sanctions.

Economic resources – generally means assets of every kind – tangible or intangible, movable or immovable – which are not funds but may be used to obtain funds, goods or services.

Exception – generally found in financial sanctions legislation.

Funds – generally means financial assets and benefits of every kind, including but not limited to:

- cash, cheques, claims on money, drafts, money orders and other payment instruments
- deposits with financial institutions or other entities, balances on accounts, debts and debt obligations
- publicly- and privately-traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures and derivatives contracts

- interest, dividends or other income on or value accruing from or generated by assets
- credit, right of set-off, guarantees, performance bonds or other financial commitments
- letters of credit, bills of lading, and bills of sale
- documents showing evidence of an interest in funds or financial resources
- any other instrument of export financing

Goods – generally means items, materials and equipment.

Licence – a written authorisation from OFSI permitting an otherwise prohibited act.

Name match – the situation where a person you are dealing with partially matches the details of a designated person on the consolidated list. Unlikely to be a target match.

OFSI – Office of Financial Sanctions Implementation. Part of HM Treasury and the UK's competent authority for implementing financial sanctions.

Ownership – the possession of more than 50% of the proprietary rights of an entity or having a majority interest in it. Includes both direct and indirect ownership.

Person – can be a natural person (an individual), or a legal person, body or entity.

Proscription – The Home Secretary's power to proscribe (ban) an organisation under the Terrorism Act 2000.

Reasonable cause to suspect – refers to an objective test that asks whether there were factual circumstances from which an honest and reasonable person should have inferred knowledge or formed the suspicion.

Statutory instruments (SIs) – a form of legislation which allow the provisions of an Act of Parliament to be subsequently brought into force or altered without Parliament having to pass a new Act. They are also referred to as secondary, delegated or subordinate legislation.

Target Match – the situation where the person you are dealing with matches the details of a designated person on the consolidated list. Likely to be a confirmed match for that person.

UK regulations – See Statutory instruments.