

**Reference: 2024-054**

Thank you for your email in which you requested the following information under the Freedom of Information Act 2000 (FOIA):

**1. Could you please provide information about the legal basis (if any) for the SFO's powers to investigate and prosecute alleged breaches of financial sanctions (including alleged breaches of the Russia (Sanctions) (EU Exit) Regulations 2019).**

**2. If the legal basis is said to be the Criminal Justice Act 1987, please provide information about why breaches of financial sanctions are considered to constitute "fraud" for the purposes of that Act and therefore engage the SFO's powers.**

**3. Please provide any information about how it is determined whether an alleged breach of financial sanctions should be investigated by the NCA or the SFO (i.e. which agency should be responsible for investigating).**

**Response**

Please see below our response to your questions in the order asked.

**Question 1 & 2**

The SFO's powers are set out in the Criminal Justice Act 1987 (CJA '87).

- s.1(3) CJA 1987 provides that the Director may investigate any suspected offence which appears to him on reasonable grounds to involve serious or complex fraud. Fraud includes bribery and corruption.
- s.1(5) CJA 1987 provides that the Director may institute and have the conduct of any criminal proceedings which appear to him to relate to such fraud and take over the conduct of any such proceedings at any stage.

This means that the only legal basis that the SFO has for undertaking its law enforcement work is if our statutory criteria set out in s.1(3) CJA 1987 is (that it must involve serious and complex fraud, bribery or corruption); or it appears that it relates to a fraud (bribery or corruption) that is serious or complex (s.1(5) CJA 1987).

The SFO therefore can deal with the criminal enforcement of sanctions, however the sanctions matter would need to be linked to serious and complex fraud, bribery or corruption, rather than a standalone matter.

We do not say that breaches of financial sanctions are themselves fraud, bribery or corruption that would meet our statutory criteria (s.1(3) CJA '87). We would not be permitted to take on a sanctions issue unless it was related to a serious or complex fraud bribery or corruption – s.1(5) CJA 1987.

**Question 3**

The SFO would only deal with a sanctions breach that was related to a case that met our statutory criteria. That does not mean that if a sanctions matter came to our attention linked to our investigation that we would always keep it, nor does it always mean we would always pass it onto the NCA. Our decisions are made on a case-by-case assessment, and this is not clear cut.

Further information regarding the NCA involvement can be found here [Bribery, corruption and sanctions evasion - National Crime Agency](#).