Office of Financial
Sanctions Implementation
HM Treasury

OFSI Annual Review 2023-24

Engage, Enhance, Enforce

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March 2025

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Director's Foreword

The financial year 2023-24 was marked by unprecedented global challenges. I am proud the Office of Financial Sanctions Implementation (OFSI) continued to rise to the occasion. OFSI made transformative improvements in our tools, processes, and intelligence to enhance our implementation and enforcement capabilities.

This enabled us to open a record number of investigations, reflecting our commitment to robust enforcement. The penalty on Integral Concierge Services Limited (ICSL) in August 2024 is the first of several cases in our pipeline which are linked to Russia's invasion of Ukraine, as we continue to hold accountable those who breach financial sanctions. It is also OFSI's first proactive monetary penalty case. The strides we have made in enhancing our tools and processes are instrumental in driving these outcomes and ensuring we remain agile and effective in the face of evolving threats.

Our engagement with businesses and international partners has been pivotal in ensuring the successful implementation of UK sanctions. By collaborating and exchanging expertise, we have supported compliance with financial sanctions and enforced them against evaders. Notably, our world-leading outreach to industry on the G7+ oil price cap has provided clarity and support to industry, as demonstrated by the coalition's 'OPC Compliance and Enforcement Alert' in February 2024. Additionally, through the Money Laundering Intelligence Taskforce (JMLIT), which brings together law enforcement and the financial sector, OFSI has issued alerts on sanctions circumvention typologies, red flag behaviours, and suspicious activities.

As we look to the future, OFSI remains dedicated to maintaining clarity, stability, and predictability in our regulatory environment. We are committed to supporting legitimate business growth while ensuring rigorous enforcement against those who contravene financial sanctions. Our goal is to continue to be an organisation that is open, engaged, supporting compliance and accountability.

This will continue to position the UK at the forefront of implementing and enforcing financial sanctions, protecting both national and global security.

Giles Thomson

Director, Office of Financial Sanctions Implementation (OFSI) and Economic Crime

Executive Summary

The Annual Review 2023-24 provides an overview of OFSI's activities and achievements over the past financial year. The review highlights the impact of financial sanctions, demonstrates OFSI's efforts to drive compliance, and underlines OFSI's support to businesses in navigating UK sanctions to boost growth of legitimate business. International events are unfolding at a historic pace. This report is an important snapshot of OFSI's operations during 2023-24, although is to be viewed in the context of extensive ongoing work since then.

Engage

OFSI is dedicated to making financial sanctions understandable and navigable for businesses to support UK growth. OFSI proactively engaged with industry to enhance businesses' understanding of UK sanctions and address specific technical challenges. During 2023-24, OFSI conducted 105 outreach engagements, including participation in 20 conferences. This excludes many bilateral meetings with businesses. To further support compliance, OFSI released 161 notifications on its popular e-alert service providing updates on changes to regulations, guidance and the persons and entities sanctioned by the UK.

OFSI is dedicated to fostering strong relationships with key international partners to enhance compliance by aligning sanctions and their implementation as far as possible and to share best practice with other sanction authorities.
During 2023-24 OFSI participated in 245 international engagements, including bilateral and multilateral forums, to effectively implement UK sanctions in a globally connected economy. OFSI also provided technical assistance on sanctions implementation to 6 countries worldwide.

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DOMESTIC & INTERNATIONAL **ENGAGEMENTS**

Enhance

In 2023-24, 564 designated persons were added to the consolidated list by OFSI, taking the total number of those subject to financial sanctions at the end of March 2024 to 3,463 designated individuals, 853 entities, and 15 ships, totalling 4,331 entries across 35 regimes.

The UK responded robustly to Russia's unprovoked invasion of Ukraine, depriving Putin's war machine of over $400 billion since February 2022, and undermining Russia's military capabilities, energy sector, and financial standing. As of March 2024, the UK government designated 2,001 individuals and entities under the Russia sanctions regime.

To meet increased demand, provide an enhanced service to stakeholders and reflecting the importance of sanctions implementation and enforcement in protecting national security, OFSI's increased to 135 members of staff during 2023-24, increasing resources across all functions, with a particular focus on licensing and enforcement. Resource in OFSI's licensing and enforcement teams increased fourfold; and its guidance and engagement function doubled in size.

This expansion in staff has been complemented by investment in new tools and processes, such as advanced data analytics, cryptocurrency investigation capabilities, and access to specialist platforms for corporate record and data sets.

In response to high demand for licensing, OFSI made significant investments to refine processes for proportionality and efficiency, resulting in decisions on 1,401 Licencing cases during 2023-24, up from 503 in the previous reporting period.

The Economic Deterrence Initiative (EDI) was launched in March 2023, to support government departments in enhancing sanctions implementation and enforcement. OFSI launched the Financial Sanctions programme using its allocation of EDI funding, focused on enhancing operational capability, including the delivery of new and novel sanctions on Russia to prevent funding for the illegal invasion, such as the Oil Price Cap (OPC).

Enforce

OFSI is committed to proactively enforcing financial sanctions and promoting better practices and behavioural change. OFSI has utilised the full range of enforcement actions to prevent future non-compliance by individuals, organisations, and or companies. With the introduction of enhanced tools and processes, and an intelligence-led approach, OFSI progressed a substantial number of investigations during 2023-24, recording 396 cases and closing 242, more than tripling the number of closed cases from the previous year. An example of enforcement action taken by OFSI is the 'Wise disclosure' in August 2023. As well as serving as a deterrent, cases such as this one, that publicly name firms who have not complied with financial sanctions, help industry understand compliance requirements and expectations. More detail about disclosures can be found on page 22. While OFSI opened a record number of cases in 2023-24, investigations take time to complete, as financial sanctions breaches are often extremely complex, and penalty decisions are not publicised prior to internal routes of review being exhausted. OFSI's timescales for completing investigations are in line with other regulators and jurisdictions.

A number of enforcement cases are expected to result in a public outcome in 2025.

The enhanced partnership between OFSI and OFAC to implement and enforce sanctions remains pivotal to achieve the UK's and US's shared objectives for global security.

Engage

OFSI's extensive engagement with businesses globally is pivotal to the successful implementation of UK sanctions, ensuring they are understood and complied with by firms seeking to do business and invest in the UK. OFSI works collaboratively with allies and partner nations worldwide to share expertise, knowledge, and intelligence to effectively enforce UK sanctions against evaders, wherever they are in the world.

Supporting Industry

OFSI proactively reaches out to industry to increase understanding by businesses on how to comply with sanctions and resolve technical issues resulting from sanctions regimes. This was supported by regular engagement fora which took place throughout the year, including OFSI's bi-monthly Senior Implementation Group (SIG) meetings with industry, quarterly Legal Sector Engagement Forum, and attendance at the UK Finance monthly panels with the financial sector.

OFSI undertook 105 outreach engagements with UK businesses including speaking at 20 conferences during 2023-24. These numbers do not include the many bilaterals OFSI undertook with UK firms, across the year. This outreach has enabled OFSI to share consistent and transparent information across a wide range of industries, amplify government policies and reiterate OFSI's priorities.

In February 2024, the Oil Price Cap, a sanction designed to limit Russia's main revenue streams and maximise pressure on Putin's war machine while protecting the stability of global markets, was tightened to crack down on circumvention. This included requiring per voyage attestations outlining itemised costs of oil trades, improving visibility of the sector. During the last financial year OFSI held extensive engagement with industry, including bilaterals, and roundtables, to explain the measures. OFSI is committed to help all businesses understand the different risks, evasion typologies, and red flags associated with circumvention of UK sanctions. This was exemplified by OFSI's active participation in the Joint Money Laundering Intelligence Taskforce (JMLIT), which brings together law enforcement and the financial sector to exchange and analyse information relating to money laundering and wider economic threats. As part of this network, OFSI has published various alerts detailing sanctions circumvention typologies, red flag behaviours, and other potential suspicious activity. These publications are designed to alert firms and individuals working in relevant sectors to the key types of activity to be vigilant for, to increase rates of compliance and self-reporting, and more help firms develop and evolve their compliance programmes.

For example, OFSI worked in collaboration with the National Crime Agency and the Foreign, Commonwealth and Development

Office to publish a red alert providing financial institutions with a list of red flags related to exports of high-risk goods to incorporate in their due diligence process.

More broadly, OFSI continued to provide high quality, and widely accessible, written guidance to support users to understand and implement financial sanctions. To improve user experience, OFSI transitioned all guidance into a new sanctions digital guidance format, replacing previous pdfs. This has meant improved navigation for users, greater responsiveness by enabling OFSI to provide new information faster, and increased accessibility. The new format also allows for improved compatibility across devices.

161 E-Alerts

OFSI made regular updates to its guidance, highlighting new risks identified for specific sectors, such as the maritime sector. The update to the maritime guidance was supplemented with additional support for businesses targeted at those who may not have a high level of sanctions knowledge, including by holding webinars and, sectoral engagement and releasing a social media campaign.

OFSI's e-alert service continued to be the one-stop and an instructive source for sanctions information for a significant number of businesses, providing timely updates on changes to regulations, guidance and the persons and entities sanctioned by the UK. OFSI published 161 e-alerts during 2023-24.

Working with international partners

In a globally interconnected economy, it has been essential for OFSI to continue to work with other nations to implement UK sanctions effectively. During 2023-24, OFSI undertook 245 international engagements, including bilaterals and multilateral fora. OFSI has also used its expertise to provide capacity building and training on financial sanctions to multiple overseas partners across continents.

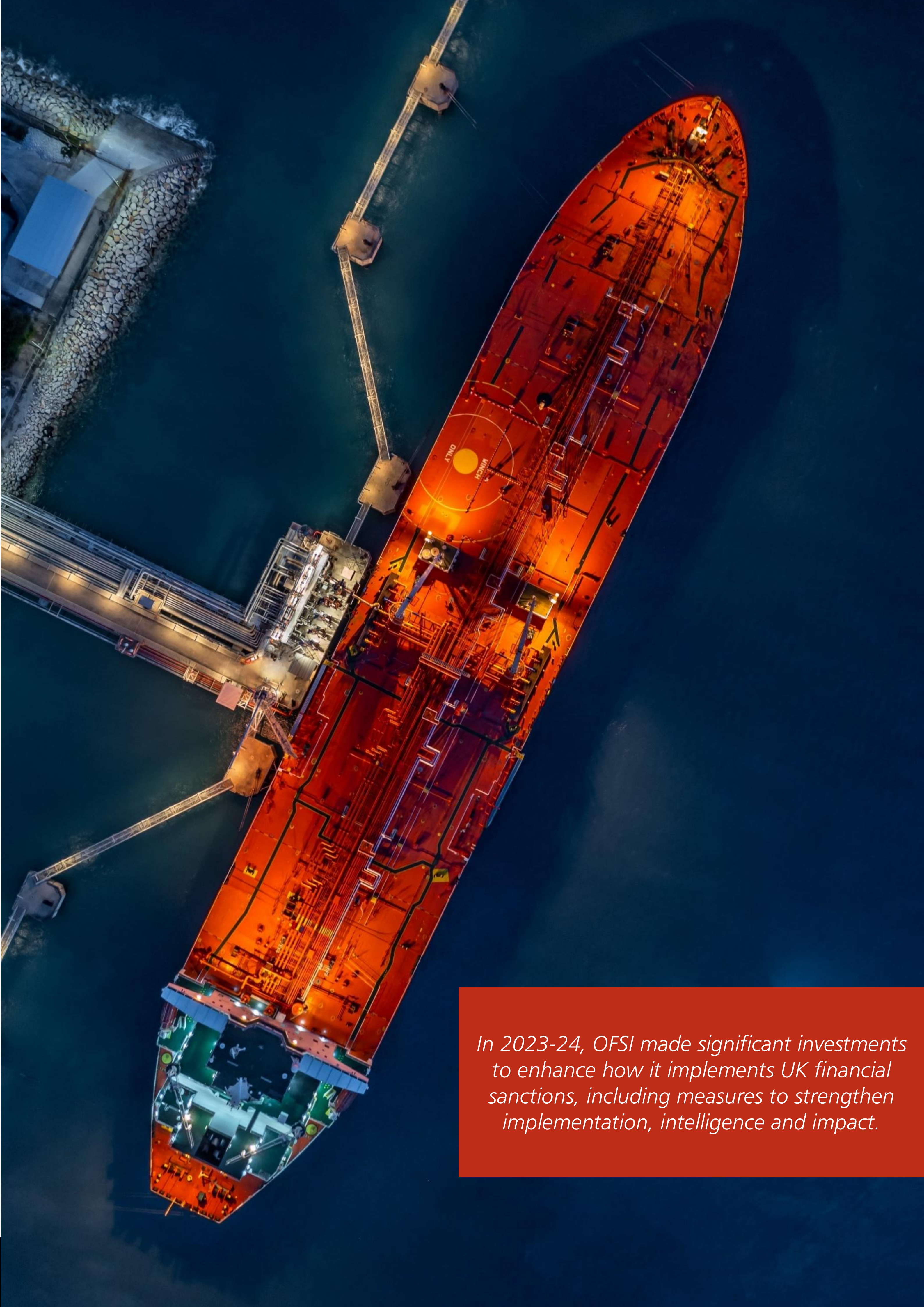
The UK has taken a leadership role on the OPC, collaborating closely with its G7+ partners and key jurisdictions on the practical implementation and enforcement of the OPC. In February 2024, OFSI released an OPC coalition wide alert on the approach to enforcement, with an overview of key evasion methods and recommendations for identifying such methods and mitigating their risks and negative impacts.

OFSI's relationships with the US and EU are pivotal given the shared challenges and objectives in sanctions implementation and enforcement. A particular highlight in November 2023 was the 1-year anniversary of the OFAC-OFSI enhanced partnership, marked by a technical exchange in London. The OFSI-OFAC relationship is underpinned by regular engagement throughout the year and at all levels of seniority, reflecting a commitment to strengthening operational collaboration between the organisations. OFSI also launched a new secondment programme with OFAC in February 2023. The reciprocal programme functions as a critical way to share information, expertise, and best practices, and collaborate on projects of common interest, including joint casework.

OFSI has conducted regular engagements with valued partners in the EU throughout the financial year. This included a quarterly dialogue with the Commission as well as several bilateral information-sharing exchanges with Member States.

This work has strengthened relationships and deepened our understanding of EU sanctions implementation and enforcement practices and helps us to identify areas of alignment and divergence in implementation, and where we can work more collaboratively together.

Further, OFSI engaged extensively with the UK's Crown Dependencies and Overseas Territories, including hosting a multilateral Sanctions Forum at Lancaster House in March 2024. The forum was an essential plank of OFSI's strategy to support consistent and effective sanctions implementation across the wider British family of jurisdictions, enhancing the consistency, predictability and potency of UK sanctions.



In 2023-24, OFSI made significant investments to enhance how it implements UK financial sanctions, including measures to strengthen implementation, intelligence and impact.

Enhance

OFSI is consistently looking for ways to enhance how it implements UK financial sanctions to strengthen implementation, intelligence and impact.

Strengthening UK Sanctions

2023-24 saw a continued increase in pressure on Russia, with an accompanying focus on robust implementation and enforcement of sanctions.

As of March 2024, 2001 individuals and entities were sanctioned under the UK's Russia sanctions regime. Sanctions imposed by the UK and its allies have significantly impacted Russia's economy, depriving it of over $400 billion since February 2022, equivalent to four years of Russia's military spending.

Russia's overall financial standing has weakened, with the federal budget expected to remain in deficit until at least 2026. In January 2025 the International Monetary Fund (IMF) forecasted a decline in Russia's economic growth. The rouble has depreciated significantly, and Russia is experiencing a rapid loss of skilled workers, further straining the economy. Inflation is rising, with rates far exceeding targets, while high interest rates and economic isolation have made borrowing costly.

As a result of UK sanctions, Russia's military has been forced to turn to countries like North Korea and Iran for critical supplies. Russia's status as a major arms supplier has diminished with military exports plummeting to levels not seen since the Soviet Union's dissolution. Combined allied action has also hampered Russia's ability to expand its own military supplies and has led to a degradation in the quality of military equipment, by increasing costs and delays.[1]

Gazprom, a major source of income for Putin, suffered a loss of nearly $7 billion in 2023, marking its first loss in 25 years.[2] Russia's domestic gas prices are also set to rise by 10%, while European wholesale gas prices have dropped significantly.[3] The prioritisation of the defence industry has affected growth in other sectors, rendering Russia poorer than all G7 and EU countries on a per capita basis.[4]

Russian oil has been similarly impacted. According to data from the Russian Ministry of Finance, G7+ sanctions, including the OPC, have led to a 30% reduction in tax revenues from oil in 2023. The price of Russia's Urals grade crude remained below global benchmarks in 2024, showing the discount imposed by the OPC. Sanctions targeting oil tankers in

[1] Statement by Bank of Russia Governor on 25 October 2024, Bank of Russia

[2] Gazprom plunges to worst loss in decades as sales to Europe collapse, Financial Times

[3] Putin's fuel problem: How Ukraine is sapping Russia's diesel and gasoline, Politico

[4] Russian economy on war footing: A new reality financed by commodity exports, Centre for Economic Policy Research

Putin's shadow fleet have effectively disrupted their operations. The UK has specified a significant number of vessels, including oil tankers, LNG carriers, and those involved in transporting military goods. These measures have constrained Russian energy revenues and highlighted the UK's leadership in tackling the shadow fleet. Continuous monitoring and collaboration with partners ensures the effectiveness of these sanctions.

In December 2023, to further strengthen UK financial sanctions, a new reporting obligation was introduced under the Russia (Sanctions) (EU Exit) (Amendment) (No.4) Regulations 2023. This new obligation means that firms are required to inform HM Treasury of foreign exchange reserves and assets that they hold related to the Central Bank of Russia, Russian Ministry of Finance, and Russian National Wealth Fund. This initiative aims to provide a comprehensive understanding of these assets, assisting OFSI in compliance monitoring and evasion detection.
OFSI used the reporting period to identify where legislative improvements could enhance sanctions implementation. This resulted in new regulations to strengthen UK sanctions being laid in Parliament in 2024-25.

Consolidated List

OFSI publishes the consolidated list that can be found on gov.uk. The purpose of the list is to provide information that identifies persons subject to UK financial sanctions to support businesses and individuals in determining whether they are dealing with a designated person.

The list derives from the UK Sanctions List, which is published by the FCDO and provides details of those designated under regulations made under the Sanctions and Anti-Money Laundering Act (SAMLA).

At the end of 2023-24, the consolidated list included 3,463 individuals, 853 entities, and 15 ships, totalling 4,331 entries across 35 regimes. Russia remains the most represented regime, accounting for 2,001 designated persons, or 46% of the total consolidated list. The year also saw the implementation of the Iran (Sanctions) Regulations 2023, which came into force on 14 December 2023, resulting in 173 amendments and 8 additions to the Iran regime, making it the fifth most populous regime on the consolidated list.

278 persons were designated under the Russia sanctions regime for the purposes of an asset freeze. This included 160 individuals and 108 entities.

Resourcing

OFSI increased in size to 135 Full-Time Equivalent (FTE) staff during 2023-24.

This increase was split across OFSI’s functions and reinforced by investment in tools & technology. From the Russian invasion of Ukraine to the end of 2023-24, OFSI increased resource in its licensing and enforcement teams by approximately fourfold, and nearly doubled the size of its guidance and engagement function.

OFSI has worked hard to share expertise across the organisation, as well as investing in people to ensure that OFSI has highly trained and highly skilled staff in the right jobs. OFSI continued to retain close links with the FCA, NCA and HMRC, including secondments into OFSI. Secondments are critical in sharing knowledge and expertise across organisations as well as joint-working. They support the professional development of our staff. The unique secondments OFSI can offer support its talent retention and attraction priorities.

135 FTE

The investment in resourcing has enabled OFSI to substantially strengthen UK sanctions implementation. OFSI progressed a pipeline of mature enforcement cases which will lead to more enforcement action in 2025. A greater emphasis on intelligence-gathering and proactive investigations enabled OFSI to uncover more breaches of UK sanctions. OFSI's licensing caseload is down, from over 1,200 in 2022 to under 550 by the end of March 2024. A larger engagement function has enabled OFSI to offer an enhanced package of guidance and support to businesses to provide clarity and a regulatory environment that is conducive to growth.

Increases in resource have been accompanied by greater use of technology to support effective delivery. Significant investment during 2023-24 means OFSI is now able to perform advanced data analytics to understand trends and patterns in its data; develop capability in the investigation of cryptocurrency; and access specialist platforms for corporate records and specialist data sets.

The Economic Deterrence Initiative (EDI)

The EDI was launched in March 2023, allocating up to £50 million in funding over two years across Whitehall. The purpose was to support government departments in enhancing sanctions implementation and enforcement, as well as the development of wider economic tools designed to protect the UK and strengthen its economic security and resilience. OFSI launched the constituent financial sanctions programme with its allocation of EDI funding in 2023-24. The programme focused on enhancing operational capability, including the delivery of new and novel sanctions, such as the OPC.

OFSI's programme addressed the gaps and challenges within its operations. The programme also allowed OFSI to test out novel solutions for improving its operational capabilities. Some of the successes from this programme included:

- Increased capacity and capability within OFSI to ensure the implementation of novel sanctions like the OPC.
- Improvements in institutional knowledge of trends and typologies associated with sanctions evasion and circumvention.
- Improved, targeted learning and development for OFSI staff to address key skill gaps within the organisation.
- Novel, comprehensive training packages for staff to bolster capacity, expertise, and development and enable staff to deliver more proactive sanctions compliance and enforcement.
- Better insights into OFSI's data ecosystem, and a detailed investigation into the current state of play of OFSI's data architecture, data processing, protection and sharing and analysis capabilities. This investigation provided OFSI with clear recommendations for improvement, alongside a roadmap for delivering this, helping OFSI move towards a more proactive, intelligence-led enforcement model.

The EDI investment will allow OFSI to strengthen its implementation and enforcement of financial sanctions, by ensuring those who comply with UK sanctions have the awareness and information they need to do so and making it more difficult for bad actors to breach them.

Licensing Impact

During 2023-24, there was significant demand for OFSI licences resulting from the UK's unprecedented sanctions on Russia, continuing the trend seen in 2022-23. Decisions were taken on 1,401 cases, up from 503 in the previous reporting period. OFSI closed applications for several reasons beyond the issuance of a licence or rejection of an application, including a significant number of withdrawals following publication of General Licences or where UK financial sanctions are considered not to be engaged (see Licensing decisions table on page 16).

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LICENSING DECISIONS

During 2023-24, OFSI invested significantly in its licensing function. A key priority was refining processes for proportionality and efficiency, whilst balancing significant risks. An example of this was through the 'Return Without Action' process, whereby incomplete licensing applications were sent back to applicants for resubmission unless all fields were completed with supporting evidential documentation. This allowed OFSI to focus on applications which could be progressed.

Furthermore, the Delegation Framework was amended to include non-senior-civil-service approval, allowing for faster resolution. In order to tackle older cases, resources were surged into the licensing team, resulting in a significantly reduced caseload and many more applications processed. The team grew fourfold across the financial year, with significant investment in training and development for all caseworkers. OFSI's use of General Licences continued to expand in order to prevent unintended consequences of UK sanctions and respond to stakeholder feedback.

OFSI also increased the transparency of its approach, by publishing the *OFSI Licensing: Designated Individuals Licensing Principles* and defending its first substantive Court Challenge of a licensing decision. More information on this can be seen on the spotlight on page 18.

General Licences issued

Regime	22/23	23/24
Russia	21	7
Russia & Belarus	2	4
Belarus	2	0
Syria	1	0
Multiple	2	4
CT	0	1
Total	28	16

Licensing Decisions Taken

Licensing Decision	22/23	23/24
Licences Granted (New & Amendment)	283	379
Applications Withdrawn	169	890
Authority (Licence) not required	33	64
Licences Refused	9	55
Insufficient evidence/information	8	11
Other	1	2
Total	503	1,401

2023-24 saw many applications withdrawn for various reasons. These included where General Licences were issued allowing the relevant activity to occur or where multiple licences for the same activity were submitted and then withdrawn.

Specific Licences issued by regime

Regime	22/23	23/24
Russia	164	252
Libya	74	89
Counter terrorism	13	7
Global Anti Corruption	9	16
Iran	<5	<5
Belarus	8	<5
Syria	<5	<5
South Sudan	<5	<5
Myanmar/GHR	7	6
DPRK	<5	<5
Yemen	<5	<5
Other	8	0
Total	283	379

Counter Terrorism

In April 2023, OFSI used its autonomous domestic counter terrorism designation power under the Counter Terrorism (Sanctions) (EU Exit) Regulations 2019 ('CT3') for the first time to target Nazem Ahmed, a suspected Hizballah financier. This action was part of a coordinated effort with partners across Government and internationally to disrupt an international terrorist-financing operation.

Mirroring the UK's other autonomous sanctions regimes, in August 2023 OFSI added a travel ban measure to CT3 to strengthen the regulations. This means that the specified individuals will be refused leave to enter or remain in the UK. Any applications made for a visa to travel to the UK, including for transit purposes, will be refused. If the individuals are currently in the UK, they will have their permission to stay in the UK cancelled and steps will be taken to remove them from the UK. If the individuals try to travel to the UK, carriers are required to deny them boarding.

In March 2024 OFSI implemented two further designations under CT3, Azoma Sultana and Mustafa Ayash. The UK Government imposed a full asset freeze against the two individuals, who are suspected of providing financial support for 'Gaza Now', a news agency that promotes the Hamas and Palestinian Islamic Jihad terrorist groups.

This action was part of a coordinated international effort with partners in the UK and the United States to deploy financial sanctions to prevent terrorist financing, shielding the UK's financial system and ensuring its open economy is not abused.

Collaboration with other agencies to disrupt circumvention

OFSI worked with a large range of partners, both across HM Government and internationally to identify opportunities to disrupt the evasion of financial sanctions, including HMRC, the NCA, FCDO and FCA.

OFSI worked with numerous British Missions overseas to understand the strategic threat, and build relationships with partner agencies in key countries, providing them with support in key specialist areas.

To support OFSI in dealing with the increasing complexity and global challenges related to circumvention of sanctions in the maritime environment, it has worked closely with DfT and the MoD to set up the Sanctions Assessment Team (SAT) within the Joint Maritime Security Centre (JMSC). The JMSC is the UK government's centre of excellence for maritime security and the expertise provided by the SAT supports OFSI's monitoring and enforcement of the OPC. This includes the production of reports into the behaviours exhibited by vessels whilst transporting Russian oil.

Spotlight on High Court Case

'OFSI successfully defended itself against a High Court claim - the first ever challenge to OFSI's licensing decision-making under The Russia (Sanctions) (EU Exit) Regulations 2019 (the Russia Regulations).

On 22 March 2023 a claim was filed against HMT by Mikhail Fridman, who is currently subject to sanctions under the Russia Regulations.

Mr Fridman was sanctioned in the UK as he is and/or has been involved in obtaining a benefit from or supporting the Government of Russia by carrying on business in a sector of strategic significance to the Government of Russia, namely the Russian financial services sector. He has extensive assets here in the UK, including a residence called Athlone House which was the subject of this claim.

The claim challenged OFSI's refusal to grant certain licence requests, submitted under the prior obligations, basic needs, and routine holding and maintenance licensing grounds. These requests included payments for staff such as a private chef, estate director and housekeeping assistants. Mr Fridman challenged OFSI's interpretation of the licensing grounds and its exercise of residual discretion to refuse to grant a licence.

On 26 October 2023 the High Court delivered its judgment. It dismissed Mr Fridman's claim. As well as commenting on OFSI's wider approach to licencing, the Judge commented that "OFSI directed itself correctly in law and came to a lawful conclusion" on its approach to the prior obligations licensing ground and confirmed that OFSI does have residual discretion to refuse to grant a licence "even if a threshold condition is satisfied".

OFSI has since issued further guidance clarifying its approach to licensing requests such as the 'Designated Individuals Licensing Principles'

Enforce

OFSI has a clear commitment to enforcing sanctions robustly. Effective enforcement is about more than just monetary penalties. OFSI uses the full range of enforcement action available to prevent future non-compliance by an individual, organisation, or company.

OFSI's investigations originate from a variety of sources, including self-reporting, reports from relevant firms, media reports and open-source information. OFSI is increasingly moving to a proactive, intelligence-led enforcement model, ensuring it is leveraging its data, and its partners' data, to identify breaches of sanctions.

The OFSI Enforcement team continued to expand across the financial year, reflecting the government's priority for effective enforcement of Russia sanctions.

In August 2024, OFSI issued its first civil monetary penalty (CMP) relating to breaches of the measures introduced in response to Russia's invasion of Ukraine in 2022. The monetary penalty to Integral Concierge Services Limited (ICSL) was substantially completed within the financial year but issued in August 2024 (outside the period for this Annual Review). OFSI expect to publish the details of other enforcement cases relating to breaches of post-2022 Russia sanctions in due course. As of April 2024, there were 208 cases allocated for investigation, compared to 172 as of April 2023.

OFSI encourages everyone to self-report suspected breaches of financial sanctions. As set out in guidance, self-reporting is one of the factors that are considered when determining what enforcement action is appropriate in cases where a breach has occurred, and whether a voluntary self-disclosure discount should be applied in monetary penalty cases. An increasing number of OFSI's case load comes from sources which are not self-reported, including the ICSL penalty, where the firm was not eligible for a discount to the monetary penalty as a result.

Recorded cases by financial year

	2021-2022	2022-2023	2023-2024
Cases recorded	147	473	396

Ratio of self-reported vs not self-reported

Self-reported	288
Not self-reported	108

The Enforcement team spent 2023-24 progressing a high volume of investigations, recording 396 cases, with 242 cases being closed. This is over triple the number of closed cases from 2022-23. The use of warning letters has enabled OFSI to close cases more quickly and focus its efforts to prioritise cases with greater impact.

Number of closed cases

	2021-22	2022-23	2023-24
Cases closed	101	74	242

Number of closed cases with and without further action

Action taken	Number of cases closed
No breach, NFA letter	133
Breach, warning letter issued	18
Breach, warning letter and referral to regulator	1
Breach with public disclosure	1
No decision on breach, NFA letter	61
Other	28
TOTAL	242

Many suspected breaches recorded by OFSI since 2022 were reported out of caution or where there is insufficient evidence a breach has occurred. Many cases closed by OFSI are either such cases, or low severity and low value cases, where undertaking a lengthy investigation and issuing a determinative outcome would not be proportionate or have a deterrent impact.

The majority of suspected breach cases recorded by OFSI in 2023-24 relate to the financial services sectors, followed by the legal sector. These statistics only cover the 'primary' breacher in a case with a UK nexus, and in many cases, there will be multiple parties who may have breached financial sanctions. The rest of the reports are made up from a diverse range of sectors.

Recorded cases by Sector (Excluding OPC)

Sector of suspected breacher	Number of reports
Financial Services	225
Other	49
Legal	44
Professional Services	16
Insurance	9
Maritime	8
Members of Public	8
Manufacturing	7
Media	7
Total	373

Recorded cases by Sector (OPC)

Sector of suspected breacher	Number of reports
Energy	14
Financial Services	4
Insurance	3
Maritime	1
Crypto	1
Total	23

Number of suspected breaches recorded

Regime	Number of reports
Russia	347
Libya	21
Other Regimes	19
Iran and Iran (Nuclear)	9
Total	396

Oil price cap (OPC)

OFSI's enforcement priorities of the OPC are to disrupt circumvention of the cap, take enforcement action where appropriate, and support increased industry compliance. OFSI recorded 23 suspected breaches of the OPC in 2023-24.

Most of the suspected OPC breaches reported to OFSI flagged suspicious behaviour by non-UK entities involved in shipments of oil and oil products in which UK entities were involved in the provision of maritime services. In the vast majority of these cases the UK entities involved did not have direct access to the price paid for the oil or oil products.

Spotlight on Disclosures

OFSI made first use of its disclosure power in 2023, in a report related to Wise Payments Limited

OFSI acquired the power to publish details of a breach of financial sanctions, where no monetary penalty is imposed, via the Economic Crime (Transparency and Enforcement) Act 2022. The power, which is available to OFSI in cases where a breach occurred from 15 June 2022, is intended for use in moderately severe cases.

Full guidance on the processes surrounding the power, and how OFSI intends to use it, can be found in section 10 of its enforcement and monetary penalties guidance. OFSI might make a disclosure for a variety of reasons, including cases which OFSI deems to be of moderate severity and OFSI considers a warning letter would be too lenient, but a monetary penalty would be disproportionately punitive. Some breaches might be serious enough to warrant a monetary penalty but issuing one is not in the public interest.

Disclosures are an important part of OFSI's expanded enforcement arsenal and ensure it can take proportionate action, and promote compliance lessons, across the full spectrum of severity.

On 31st August 2023, OFSI made first use of this power by publishing a report naming Wise Payments Limited ("Wise") for breaching regulation 12 of The Russia (Sanctions) EU Exit Regulations 2019 ("the Russia Regulations").

The full details of the report can be found on OFSI's GOV.UK pages. The case contains important compliance lessons for industry, including on the importance of promptly identifying and acting on sanctions risks, and ensuring sanctions screening and alert functions are in place whenever firms are doing business, for example at weekends.

Annual Frozen Asset Review 2023 to 2024

OFSI undertakes a frozen asset review every year, which requires all persons holding or controlling assets (including funds and economic resources) frozen as a result of UK financial sanctions to report the nature and value of these assets to OFSI.

The 2023 Frozen Asset Review saw £24.4 billion* of funds be reported to OFSI as frozen. This figure includes the value of funds frozen in the UK as well as overseas where those funds or economic resources are subject to UK financial sanctions legislation.

Regime	2023 Value (£)
Libya	13,400,629,635.20
Russia	10,217,410,417.60
Belarus	628,524,876.43
Syria	157,279,442.69
Global Anti-Corruption	8,329,445.59
Other	9,236,097.68
Total	**24,421,409,915.20**

* This figure does not include the value of all assets reported to OFSI as part of the annual frozen asset review due to difficulties in defining their values with accuracy. This may include the contents of safety deposit boxes or tangible assets.

Frozen Asset In-Year Reporting

February 2022 – December 2024

As of December 2024, £25,032,111,526.49 (£25.03 billion) worth of assets frozen in relation to the Russia regime have been reported to OFSI since February 2022.

Unlike the Frozen Asset Review, the In-Year Reporting figure identifies the last known value of frozen assets reportedly held at the point of designation. Valuations of tangible assets reported as part of In-Year Reporting are made through publicly available information where not included in submitted reports.

The Frozen Asset In-Year Reporting is important in that it enables OFSI to build a picture of the value of assets as they were frozen, rather than monitoring changes over time.

£25.03 BILLION
RUSSIAN ASSETS REPORTED FROZEN

For the In-Year Report figure, OFSI records a cumulative value of frozen assets only at the time of freezing and does not determine or record subsequent changes.

The total value of frozen funds or economic resources reported to OFSI is susceptible to fluctuation across all financial sanctions regimes. Reasons include: changes in share, market, or currency values, and new designations or sanctions being lifted, or licensed financial activity. Therefore, the value of frozen assets reported to OFSI as part of both the Annual Frozen Asset Review or as part of Frozen Asset In-Year Reporting does not provide a complete picture of assets frozen as a result of UK financial sanctions.

OFSI's Commitments to Business

Financial sanctions are one of the government's key foreign policy tools, be that to disrupt Russia's war machine, deter human rights abuses and corruption, or starve terrorist organisations of funding.

OFSI recognises that a period of intense uncertainty, with ongoing security challenges, has necessitated a fast-moving sanctions response. Businesses want simplicity, clarity, and the cost of compliance to be proportionate to the size of their business and their exposure to sanctions risks. OFSI is therefore committed to providing transparency, clarity, support and predictability to firms undertaking legitimate business, including through publications like the Annual Review. This approach gives businesses confidence in the regulatory framework, supporting UK economic growth.

Predictable: OFSI's expectations are clear, proportionate and understandable. Its guidance and compliance activity seeks to support business to understand how OFSI works and why it makes the decisions it does. OFSI's investigations are thorough, and decision making is consistent across the caseload.

Open: OFSI's record of enforcement activity will, over time, demonstrate to business the way it conducts investigations, the types of cases it chooses to pursue and the manner in which it arrives at penalty decisions, as they are made public. Wherever possible OFSI will share information on the nature of threats faced and where lessons can be learnt. How to comply with and implement financial sanctions is not a secret: OFSI's processes are transparent and proportionate.

Engaged: engagement will remain a key plank of OFSI's strategy to ensure it is delivering on its mission to support growth with clarity and consistency. OFSI will continue to engage directly and meaningfully with business, getting its messages out to those who need to hear them. OFSI's commitment is an open door and an open mind.

The significant investment and improvements made in 2023-24 built the basis for OFSI's work in the years to come. Particular highlights from 2024-25 include providing new and improved guidance to industry, specifically the launch of OFSI Frequently Asked Questions, a new form of additional guidance designed to offer easily accessible responses to commonplace compliance questions. The Threat Assessment Reports, which OFSI committed to publish under the Economic Crime Plan 2, identify key evasion threats, red flag behaviour, and recommendations to businesses on how to mitigate the identified risks. This is on top of updates to OFSI's various primary guidance, such as Enforcement & Monetary Penalties guidance. These publications will support firms to develop and evolve their compliance programmes.

As mentioned on page 14 the groundwork laid in 2023-24 also enabled OFSI to introduce the Sanctions (EU Exit) (Miscellaneous Amendments) (No.2) Regulations 2024, laid in Parliament on 14 November 2024. The 11 measures in the instrument collectively improve the ability of OFSI to implement and enforce financial sanctions.

Improvement to OFSI's enforcement capability and capacity, and its intelligence function enabled OFSI to issue the first penalty linked to the Russia invasion, fining ICSL £15k, with more enforcement action to come in 2025.

Collectively, OFSI's significant investments and measures taken in 2023-24 have positioned it to effectively drive compliance of UK financial sanctions in 2024-25 and beyond.

Further Details

OFSI's official website on GOV.UK:
https://www.gov.uk/ofsi

OFSI's Financial Sanctions Guidance:
https://www.gov.uk/guidance/uk-financial-sanctions-guidance

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OFSI Frequently Asked Questions:
https://www.gov.uk/government/publications/uk-financial-sanctions-faqs/uk-financial-sanctions-faqs

OFSI's Oil Price Cap Guidance:
https://www.gov.uk/government/publications/russian-oil-services-ban

OFSI's blog: https://ofsi.blog.gov.uk/

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