



Office of Financial
Sanctions Implementation
HM Treasury



Effective Sanctions
OFSI Annual Review 2024-25



Office of Financial
Sanctions Implementation
HM Treasury

OFSI Annual Review 2024-25

EFFECTIVE SANCTIONS

October 2025



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Director's Foreword



“

I am proud to present our Annual Review for 2024-25 – a year marked by significant progress in our mission to enhance the effectiveness of the UK's financial sanctions regime.

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As Director of the Office of Financial Sanctions Implementation, I am proud to present our Annual Review for 2024-25 – a year marked by significant progress in our mission to enhance the effectiveness of the UK's financial sanctions regime.

By effectiveness, we mean targeted financial sanctions that have the maximum impact on their objectives, while minimising negative consequences for legitimate activities and avoiding unnecessary costs for those implementing them.

This year, OFSI has continued to adapt and respond to a rapidly evolving global

landscape, supporting UK national security and foreign policy objectives. Our focus has remained consistent: improving compliance through clear guidance and support for industry, building OFSI's capability to provide a better service and deliver our functions more effectively, and enforcing sanctions proportionately and robustly. We have expanded our outreach and delivered practical support, including through FAQs, to a diverse range of sectors.

Implementation and enforcement of Russia sanctions has remained our priority, and the £28.7bn worth of assets reported frozen to OFSI as a result of the UK's sanctions on Russia demonstrates the

impact of this work. We have also been busy on other regimes, from novel uses of our counter-terrorism sanctions powers to an advisory on the sanctions risks from North Korean IT workers.

We have continued to improve the responsiveness and transparency of OFSI's licensing service, enabling legitimate business activity while mitigating unintended consequences. International collaboration has deepened, with the signing of our first Memorandum of Understanding with the US Treasury, and continued engagement with the European Union and its Member States. Our intelligence capabilities have matured, with the publication of a series of sectoral Threat Assessment Reports and more advisories to help inform the private sector and support its compliance programmes. It has also enabled more proactive, intelligence-led enforcement.

Enforcement actions totalled approximately £500k of penalties against small and large firms. OFSI is sending a clear message: breaches will be identified and addressed proportionately and robustly.

As we approach our tenth anniversary in 2026, OFSI remains committed to continuous improvement. We will refresh our strategy, ensuring the UK's sanctions framework remains world-leading and fit for future challenges. I am grateful to our dedicated staff, our partners across government and industry, and to all those who support our work. Together, we will continue to safeguard the UK's financial system and uphold global security.

Giles Thomson

Director of Economic Crime and Sanctions



“By effectiveness, we mean targeted financial sanctions that have the maximum impact on their objectives, while minimising negative consequences for legitimate activities and avoiding unnecessary costs for those implementing them.”

Executive Summary

In 2024-25, OFSI focused on enhancing compliance, capability, and enforcement to uphold the effectiveness of UK financial sanctions. The impact of this work is demonstrated by the £37 billion worth of assets reported as frozen to OFSI, a significant increase from £24.4 billion in the previous financial year.

Effective Compliance

OFSI's core objective is to ensure the UK's financial sanctions are targeted and impactful, while enabling businesses to operate with confidence and provide a growth-friendly regulatory environment. This year, OFSI prioritised clear communications, targeted guidance, and responsive licensing, helping firms comply with sanctions. OFSI undertook over 30 outreach events, and provided tailored support across the financial services, legal services, cryptoasset, charity, and maritime sectors amongst others.

Responding to industry feedback, OFSI launched a suite of FAQs and upgraded its website to improve accessibility. Targeted advisories addressed risks such as North Korean IT workers and Russian oil origin manipulation. New guidance and webinars supported sectors newly brought under reporting requirements, including letting agents, insolvency practitioners, high value dealers and art market participants.

OFSI launched a combined e-alert service with the Foreign, Commonwealth and Development Office (FCDO) and the Office of Trade Sanctions Implementation (OTSI), reaching over 56,000 subscribers, ensuring timely updates for industry. OFSI has also participated in an extensive number of industry events with other government departments through the year.

OFSI's licensing service continued to improve its responsiveness and transparency, supporting legitimate business activity and mitigating unintended consequences, while maintaining the integrity of sanctions. In 2024-25, OFSI issued 19 general licences and processed 904 specific licensing decisions. The licensing service has significantly improved, and OFSI now has a strong basis to build on going forward. Improvements to licensing guidance and FAQs made processes more transparent and accessible.

Effective Capability

OFSI strengthened its operational capacity and international reach in the face of continued pressure to make active use of sanctions. The Consolidated List reached 4733 designations. For Russia there were 191 additions, bringing the total to 2113. Sanctions continue to deprive Russia of resources, exerting significant economic pressure on Putin's regime.

New designations under the UK's counter terrorism and cybercrime regimes targeted individuals and groups involved in serious criminality and human rights abuses. 2024-25 saw the first use of OFSI's autonomous

domestic counter-terrorism powers to designate a suspected New IRA financier, and an extreme right-wing group. These designations marked an important extension of OFSI's use of counter-terrorism tools to disrupt a broader range of threats.

Disruption of sanctions circumvention remained a priority, with OFSI working closely with law enforcement, industry, and international partners. OFSI's intelligence capabilities matured, publishing sectoral threat assessments and supporting operational decision-making. Intelligence-sharing led to significant outcomes, such as disrupting cryptocurrency exchanges suspected of facilitating illicit finance, and enforcement referrals of evasion cases.

OFSI deepened its international partnerships, participating in over 210 engagements across 44 jurisdictions, and signed its first Memorandum of Understanding (MoU) with the US Treasury. This MoU enhances information sharing, and further strengthens UK-US coordinated efforts in implementing and enforcing sanctions.

2024-25 saw several legislative amendments, including strengthened reporting requirements, and enforcement and licensing powers. The Economic Deterrence Initiative continued to fund improvements in data management, licensing aftercare to make the process better meet applicants' needs, a compliance monitoring service focusing on breaches related to licences, and enforcement capability.

Effective Enforcement

OFSI's enforcement approach is increasingly targeted, intelligence-led and proactive. Enforcement of Russia sanctions remained the priority, with monetary penalties issued to both large and small firms. As of April 2025, OFSI had 240 active cases, with a growing proportion identified through non-self-reported sources (151 in 2024-25, up from 108).

57 enforcement actions included monetary penalties, warning letters, disclosures, and referrals, with financial services and legal sectors most affected. A dedicated Compliance Enforcement team was established to better identify and enforce against breaches of licences. OFSI is not the sole body for financial sanctions enforcement, and criminal prosecutions by the NCA and police forces are a vital complement to OFSI's work.

In October 2024, the FCDO Minister for Europe launched a review to consider ways to further strengthen the UK's enforcement model. Following the publication of the review's recommendations in May 2025, the Government is committing to do more to make compliance easier for UK industry, to deter non-compliance and to make sure the right powers and capabilities are in place to enforce sanctions breaches.

Look Ahead

As OFSI approaches its tenth anniversary in 2026, it will refresh its strategy, ensuring the UK's sanctions regime remains world-leading and fit for future challenges.



OFSI published advisories to alert industry of sanction circumvention risks, including in relation to Russian oil origin manipulation and North Korean IT workers.

Effective Compliance

OFSI's core objective is to ensure the effectiveness of UK financial sanctions, while fostering a regulatory environment where businesses can operate with clarity and confidence. In 2024-25, OFSI delivered on this commitment through clear communications, targeted guidance, proactive industry engagement and responsive licensing. By providing timely, practical information and support, OFSI helps firms comply with sanctions, adapt to regulatory change, and strengthen their compliance programmes. This work supports business growth, deters circumvention, and maintains the credibility of the UK's sanctions framework.

| Supporting Industry

OFSI's proactive engagement with industry remains central to its compliance strategy. Throughout 2024-25, OFSI prioritised open dialogue, collaboration, and the sharing of expertise to support businesses in understanding and implementing sanctions. Its priority has been to provide timely, accessible information that underpins predictable compliance and enables firms to make informed decisions. As part of this, in 2024-25 OFSI issued 159 e-alerts, LinkedIn posts and blogs for helpful and timely information for industry.

Direct Engagement with Businesses

During 2024-25 OFSI undertook over 30 outreach events, including participation in major global conferences and regular sector forums, such as the UK Finance monthly panels. OFSI also brought key actors within the legal sector together through its Legal Sector Engagement Forum to discuss sanctions issues facing firms. At the core of OFSI's engagement programme this year has been reaching new industries to promote strong and effective sanctions compliance across sectors. This engagement provides opportunities to clarify regulatory priorities, address sector-specific challenges, and offer direct support to compliance professionals. OFSI also continued its extensive programme of bilateral engagement, ensuring tailored support for key sectors including financial services, legal, cryptoassets, charities, and maritime.

New FAQs and Website Accessibility

In response to feedback from industry and stakeholders, OFSI launched a comprehensive suite of [Frequently Asked Questions](#) (FAQs) addressing emerging regulatory challenges and practical compliance issues. These FAQs provide clear, actionable answers to common queries, reducing uncertainty and supporting businesses to meet their obligations (see further information on page 14). Alongside this, OFSI completed a major upgrade to its website, increasing accessibility for all users, including disabled persons. These improvements have

broadened the reach of OFSI's guidance, making it easier than ever for businesses of all sizes to access the information they need.

159

E-alerts, Blogs & LinkedIn Posts

Targeted Advisories

OFSI has published several targeted advisories to address specific risks and typologies identified during the year. Notably, the [North Korea IT Workers Advisory](#) provided practical guidance to help UK firms identify and mitigate risks against employees whose income could be funding the North Korean regime in breach of UK and UN sanctions aimed at countering the proliferation of weapons of mass destruction (WMDs) and ballistic missiles. The [Updated Price Cap Coalition Advisory](#), produced in conjunction with the UK's G7+ allies, and OFSI's [OPC Advisory on product origin manipulation](#) identified specific risks and recommendations for firms involved in the trade and transportation of seaborne Russian oil and oil products.

Financial Services Threat Assessment

In February 2025, OFSI published the first in a series of sectoral Threat Assessment

Reports – the [Financial Services Threat Assessment](#). This report provides practical recommendations, highlights best practice, and identifies common challenges, supporting the financial sector to enhance compliance and resilience. Additional Threat Assessment Reports were published in 2025-26.

Guidance on New Regulations

The introduction of new sanctions legislation, including changes to regulatory payments exceptions, required rapid and clear communication with industry (find more information on page 19). OFSI published updated guidance and FAQs, enabling businesses to adapt their compliance programmes swiftly and confidently. Recognising the impact of new legal reporting requirements on high value dealers, art market participants, letting agents and insolvency practitioners following their inclusion as relevant firms, OFSI delivered tailored guidance, hosted dedicated webinars, and launched a targeted communications campaign to support these sectors.

Combined E-Alert Service

OFSI's commitment to timely communication was further demonstrated through the launch of a combined e-alert service, delivered in partnership with FCDO and OTSI. By April 2025, the service had reached over 56,000 subscribers, providing direct access to critical updates, guidance, and licensing information. This initiative ensures stakeholders are equipped to

respond promptly to new sanctions, regulatory changes and reinforces the predictability and interoperability of the UK’s sanctions regime.

Licensing

OFSI’s licensing function plays a vital role in supporting legitimate business activity and mitigating unintended consequences of financial sanctions. In 2024-25, OFSI continued to deliver a responsive, efficient licensing service, enabling businesses and individuals to operate in compliance with the sanctions framework.

General Licences issued

Regime	23/24	24/25
Russia	7	9
Russia & Belarus	4	2
Belarus	0	0
Syria	0	1
Multiple	4	6
CT	1	0
Iran	0	1
Total	<u>16</u>	<u>19</u>

Using its general licensing power, OFSI has issued 19 licences, of which:

- 5 General Licences were issued in response to new designations made by the FCDO under the Russia and Iran regimes.
- An Arbitration Costs General Licence was issued to address gaps not covered by the Legal Services General Licence.

- The Correspondent Banking/Personal Remittances General Licence was reissued to assist non-sanctioned individuals affected by UK sanctions.
- Further “administrative” General Licences were issued to reduce compliance burdens and waiting times for applicants seeking to make or receive low-risk payments.

OFSI also works to put long-standing General Licences on a statutory footing by introducing relevant exceptions; for example, four administrative General Licences were revoked in December 2024 when the Required Payments Exception came into force.

Licensing decisions taken

Licensing decision	23/24	24/25
Licences Granted (New & Amendment)	379	471
Applications Withdrawn	890	361
Authority (Licence) not required	64	33
Licences Refused	55	35
Insufficient evidence/information	11	4
Other	2	0
Total	<u>1,401</u>	<u>904</u>

OFSI’s caseload of specific licence applications continued to be at a sustainable level, and 904 licensing decisions were taken, down from 1401 the year before.

904

LICENSING DECISIONS

OFSI maintained its commitment to timely decision-making. This ensured urgent needs – such as basic needs licences, arbitration costs, and insolvency licensing – were addressed promptly, supporting both individual applicants and the broader UK economy. This significant improvement in timeframes provides a strong basis to build on going forward.

Specific licences issued by regime

Regime	23/24	24/25
Russia	252	279
Libya	89	109
Counter Terrorism	7	19
Global Anti Corruption	16	43
Iran	<5	<5
Belarus	<5	<5
Syria	<5	6
South Sudan	<5	<5
Myanmar/GHR	6	7
DPRK	<5	<5
Yemen	<5	<5
Other	0	<5
Total	<u>379</u>	<u>471</u>

Guidance and Support for Applicants

OFSI continued to provide detailed guidance to licence applicants, helping them navigate the process and understand the evidential requirements for successful applications. Improvements to the licensing webpages and the development of new FAQs have made the process more transparent and accessible, reducing processing times and improving user experience.

Spotlight on

Frequently Asked Questions

OFSI recognised the growing demand from industry and the public for clear guidance on specific issues in relation to UK financial sanctions. In response, OFSI launched a dedicated Frequently Asked Questions (FAQs) resource in May 2024, designed to address common queries and demystify complex regulatory requirements. Over the course of the year, OFSI published 145 FAQs, reflecting its commitment to transparency and proactive communication.

The FAQs cover a wide range of topics, from licensing and reporting obligations to the practicalities of implementing asset freezes and the oil price cap. By providing succinct, authoritative answers, OFSI has helped stakeholders interpret sanctions regulations more confidently and reduce compliance risks.

The initiative has been well received, with users highlighting the value of having a single, regularly updated source of practical information. This resource has not only improved understanding but also reduced the volume of routine enquiries, allowing OFSI to focus on more complex issues and enforcement priorities. With the EU and US publishing similarly styled FAQs, OFSI has eased the user journey for businesses seeking to navigate the sanctions frameworks across all three jurisdictions.

The success of the FAQs demonstrates OFSI's ongoing efforts to engage constructively with stakeholders and support effective implementation of UK sanctions policy.



Effective Capability

OFSI strengthened its capabilities in 2024-25, in line with its commitment to continuous improvement. Closer collaboration with international partners, improved intelligence capabilities and legislative enhancements supported more effective enforcement and disruption of sanctions evasion. OFSI's work under the Economic Deterrence Initiative further improved operational capacity, data management, and guidance.

Consolidated List

At the end of 2024-25, there were 3750 individuals, 968 entities and 15 ships on the consolidated list, giving a total of 4733. HMT is responsible for designations falling under the Counter Terrorism (Sanctions) (EU Exit) Regulations 2019 ("CT3"), while FCDO is responsible for designations under all other sanctions regimes.

The UK's resolve to maintain robust pressure on Russia has continued. £22.5bn worth of assets were reported as frozen to OFSI under the Russia regime, double the £10.2bn reported the previous year. OFSI's in-year reporting figures revealed that as of May 2025, £28.7bn worth of assets linked to Russia have been frozen since February 2022, an increase on the £25.03bn reported in 2023-24. There were 191 new

Russia-related designations added in 2024-25—comprising 74 individuals and 117 entities. In addition, there were 36 amendments and 9 delistings, bringing the total Russia regime actions to 236 for the year. Russia remains the regime with the most individuals and entities, equating to 44.6%, or 2113 designations, of the total consolidated list as of 5 April 2025.

Further action was taken to address cybercrime, with 25 new designations (23 individuals and 2 entities) and 4 amendments, totaling 29 changes to the cyber regime.

Counter-terrorism efforts saw 2 new domestic designations (1 individual and 1 entity), alongside 3 amendments, resulting in 6 actions in total.

Since the previous Annual Review, the Global Human Rights regime has seen a further 7 individual designations targeting those implicated in significant human rights abuses, including involvement in crackdowns on peaceful protest, systematic torture, and suppression of fundamental freedoms in various countries.

International Engagement

OFSI works with its international partners to implement UK sanctions more effectively. In 2024-25 OFSI deepened its relationships across Europe, North America, and the Crown Dependencies and Overseas Territories, participating in over 210 international engagements across 44 jurisdictions, with a sustained focus on information sharing.

Spotlight on

UK-EU Collaboration

OFSI has continued to engage significantly across Europe, increasing both the breadth and depth of our engagements, expanding our ties with the European Commission and having greater interaction with competent authorities in Member States such as France, Cyprus, and Latvia.

The Commission remains a priority given the closeness of UK and European economic ties and the status of the EU as a major sanctioning power, where close coordination acts as force multiplier for sanctions and enables superior enforcement outcomes.

In 2024-25, OFSI, alongside FCDO and OTSI, took part in a series of formal quarterly exchanges with the European Commission's Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA). These meetings have enabled the exchange of best practice and discussion of shared challenges, whilst reinforcing cooperation on sanctions policy and implementation.

An outcome of these efforts includes the co-ordinated industry engagement on the Oil Price Cap, which took place in Athens, Oslo, Singapore and Istanbul. These sessions were well received and demonstrated a joined-up approach to sanctions implementation.

Through working closely with European partners, OFSI is better positioned to address complex cross-jurisdictional challenges and reduce the burden of compliance on UK Industry.



Collaboration with the EU and E3 continues to be essential, reflecting strong economic connections and a shared commitment to global stability and security. OFSI has forged closer links with both member states and the Commission, with the resulting close coordination enhancing the effectiveness of sanctions implementation and supporting improved enforcement outcomes.



OFSI continued to work closely with OFAC in 2024-25, one of its closest international partners. Engagement on implementation and enforcement took place at all levels through the well-established OFSI-OFAC enhanced partnership - strengthened through the signing of the OFSI-OFAC Memorandum of Understanding (MoU). This marked OFSI's first MoU with an international partner. The MoU bolsters OFSI and OFAC's collaborative relationship and aims to advance both organisations' common mission of investigating, enforcing and promoting compliance with sanctions.

OFSI delivered technical assistance programmes to the British Virgin Islands and the Cayman Islands, as well as

continued its longstanding support for the annual sanctions forum for the UK's Crown Dependencies and Overseas Territories.

OFSI works with its international partners to disrupt circumvention of sanctions, including via providing training and support, allowing the flow of information to support UK and overseas cases.

Counter Terrorism

In December 2024, OFSI used its autonomous domestic counter terrorism designation power in CT3 regulations to target a suspected New IRA financier. This action was the first use of sanctions in Northern Ireland.

In January 2025, OFSI implemented a designation under CT3 against Blood and Honour, an Extreme Right Wing ("ERW") group for promoting and encouraging terrorism, the first use of CT3 against an ERW group.

Both actions were undertaken in coordination with law enforcement partners as part of OFSI's commitment to prevent the UK financial system being abused for terror financing.

Intelligence

OFSI's intelligence function has played a central role in strengthening the UK's financial sanctions framework over the past year. Staff have continued to develop their skills and capabilities, including through training and workshops hosted by key law enforcement partners.

In parallel, OFSI has enhanced its strategic intelligence analysis capabilities to better support operational decision-making, including by producing intelligence assessments on financial sanctions compliance trends and typologies.

Additionally, OFSI has provided intelligence to key partners, ranging from the FCA to law enforcement, to support disruptions to those suspected of facilitating sanctions evasions including cryptocurrency exchanges, DPs' family members and facilitators.

| Disruption

Circumvention of sanctions, including both unlawful and lawful (but undesirable) activity, poses the biggest risk to the integrity of the UK's financial sanctions regimes. Through collaboration with partners in law enforcement, the private sector, and overseas, OFSI is building a picture of circumvention activity in the UK and abroad and taking steps to disrupt it.

OFSI is an active participant in the Joint Money Laundering Intelligence Taskforce (JMLIT) network, which brings together law enforcement and financial services providers, and publishes alerts detailing typologies, red flags, and other potentially suspicious activities, to support industry. To further these efforts, in September 2024, OFSI took over responsibility from FCDO to co-chair the Financial Sanctions Circumvention Cell with the private sector. Through the Cell OFSI has been able to work with industry partners to identify

activity to be vigilant for, and to increase rates of compliance and self-reporting.

OFSI has worked with UK Law Enforcement agencies including the National Crime Agency (NCA), HMRC and the Police on specific cases, providing information for them to build prosecution cases.

| Legislation

2024-25 saw new legislation to strengthen sanctions, with the Sanctions (EU Exit) (Miscellaneous Amendments) (No.2) Regulations 2024 laid in Parliament on 14 November 2024. Collectively, these amendments have enhanced OFSI's ability to oversee industry's compliance with UK financial sanctions by introducing new reporting requirements, strengthening OFSI's enforcement powers, enabling OFSI to deal with licensing applications more efficiently, and clarifying aspects of financial sanctions legislation where uncertainty previously existed. See further details on page 19.

Spotlight on New Legislation

On 14 November 2024, the Sanctions (EU Exit) (Miscellaneous Amendments) (No.2) Regulations 2024 was laid in Parliament. This instrument contained 11 measures which, when taken together, have collectively improved the ability of OFSI to implement and enforce financial sanctions. This includes improving OFSI's understanding of industry's compliance with financial sanctions, strengthening OFSI's enforcement powers, enabling OFSI to deal with licensing applications more efficiently, and clarifying financial sanctions legislation where there was uncertainty.

For example, after conducting a review of licensing grounds, OFSI pursued a series of legislative amendments to ensure that licensing grounds were suitable for the types of applications seen in practice. This included:

- Amending the Judicial Decisions licensing ground, so that OFSI may license both pre- and post-designation court decisions;
- Creating a new Insolvency Services licensing ground, to better enable insolvency payments for DP and non-DP owned companies;
- Introducing a new Regulatory Payments exception, which streamlined four General Licences into a single exception.

These amendments have allowed OFSI to consider licence applications across a wider range of judicial decisions, facilitate insolvency proceedings more effectively and have reduced barriers to making direct payments to public bodies.

OFSI also expanded the definition of relevant firms to cover additional sectors – high value dealers, art market participants, insolvency practitioners and letting agencies. This has informed OFSI's operational work, including enforcement cases, by closing circumvention gaps as well as promoting financial sanctions compliance in the impacted sectors.



Economic Deterrence Initiative

2024-25 marked the second year of the Economic Deterrence Initiative (EDI) – a cross-government effort to boost UK sanctions and other economic tools for responding to hostile acts by current and future aggressors.

In 2024-25 the programme continued to transform OFSI's operational capability and strengthen its functions, enabling OFSI to transition to a more stable, standardised operating model and to effectively meet the current and future needs of the UK's sanctions policy. Successes from this year included:

- Significant enhancements to OFSI's data management and protection practices, making information more secure and easier to access. This included the introduction of new procedures for recording the handling of personal information, strengthening public confidence in OFSI's use of sensitive data.
- The creation of a licensing aftercare service, making the process clearer and more responsive to applicants' needs.
- Improvements to how OFSI monitors licences, ensuring all licence reports are processed on time and that any compliance breaches are quickly identified and referred for enforcement action.
- Procurement of external legal support to strengthen and accelerate OFSI's enforcement work, enabling OFSI to

progress cases, including penalties, quicker. These penalties act as a powerful deterrent to those who would breach UK sanctions and promote vital lessons for others to improve compliance.

- Delivery of industry engagement and in-depth research to better understand risks to the UK's financial sanctions regimes.
- Exploration of new ways to detect and prevent the circumvention of financial sanctions, specifically related to UK exports of high-risk goods. By developing innovative methods and sharing insights with key partners, this work improved collaboration between government and the private sector and supported more effective enforcement of UK sanctions.
- Building on vital work in the first year of the programme, OFSI increased the number of proactive investigations into potential breaches for novel sanctions like the OPC, helping to prevent and disrupt sanctions evasion. It also enabled continued learning and development for OFSI staff. Over 50 specialist training opportunities were delivered, helping to build long-term expertise and capability to manage complex sanctions cases.

Spotlight on

HSF Moscow Penalty

On 20 March 2025, OFSI imposed a monetary penalty on Herbert Smith Freehills CIS LLP Moscow ("HSF Moscow") for breaching UK financial sanctions relating to Russia. The penalty concerned six payments totalling £3,932,392.10, made by HSF Moscow to designated persons subject to an asset freeze during the hasty wind down of its Russian office.

OFSI identified three key lessons for industry:

1. Understand your sanctions risk exposure

Firms operating in higher risk environments should educate themselves fully on their exposure to sanctions risks, including by engaging with OFSI's guidance and seeking professional advice. Parent companies with subsidiaries in areas that pose a heightened sanctions risk should make sure they are providing suitable advice and assurance to their subsidiaries.

2. Follow sanctions policies and processes

Firms should follow all relevant sanctions screening and due diligence measures they have in place. This applies to everyone in an organisation, regardless of seniority. The HSF Moscow case demonstrates the significant risks that can emerge when payments are made in haste and procedures are not adequately followed by senior figures.

3. Consider ownership and control

Firms need to carefully consider ownership and control, beyond just whether an entity is directly subject to sanctions. OFSI views failure to properly consider and identify clear ownership more poorly than an incorrect but good faith assessment of control. Firms should therefore take sufficient time and care to properly assess the applicability of sanctions to the specific legal entities they are dealing with.

By highlighting these lessons OFSI aims to help firms reduce the risk of future breaches, while demonstrating that it takes robust action against any breaches that do occur.



Effective Enforcement

OFSI's commitment to robust sanctions enforcement is steadfast. By using the full range of enforcement actions available to it, OFSI seeks to drive better practice and behavioural change by firms and individuals. This includes public actions, such as civil monetary penalties and disclosures, as well as actions which are not made public, including warning letters and referrals to regulators. In 2024-25, OFSI issued 57 enforcement actions, including against counter terrorism-related breaches.



Since Russia's invasion of Ukraine in 2022, OFSI has further enhanced its enforcement capabilities, including its tools, processes and intelligence pipeline. In 2024-25, enforcement related to Russia remained the principal focus for OFSI, with these enhancements contributing to a succession of public enforcement actions.

OFSI imposed two monetary penalties in this Annual Review period. A £15k penalty was imposed against Integral Concierge

Services Limited ("ICSL") in September 2024, and a £465k penalty against Herbert Smith Freehills CIS LLP Moscow in March 2025.

OFSI continues to progress a number of cases linked to the post-2022 Russia regulations which may result in public enforcement action. Many cases under active investigation are expected to come to decision points in 2025-26.

As of April 2025, OFSI had a total 240 active cases under investigation.

OFSI's investigations originate from a variety of sources, including self-reporting, reports from relevant firms, media reports and open-source information. In 2024-25, OFSI continued its transition to a proactive, intelligence-led enforcement model, leveraging its own and partner data to identify breaches. The proportion of cases arising from non-self-reported sources increased, with 151 such cases recorded in 2024-25, up from 108 in the previous year.

To support its shift to a proactive enforcement and compliance model, OFSI established a dedicated Compliance Enforcement team in 2024-25. The team was piloted using EDI funds to review, investigate, and enforce breaches of specific and general licences. OFSI licence applications are carefully scrutinised and licences themselves legally binding. Breaching conditions of these licences, or acting outside of their terms, are breaches that OFSI takes seriously. Investigations of licence reporting breaches or inconsistencies have already led to the

identification of other breaches and are a method of detecting circumvention. This new function has enabled OFSI to address insufficient reporting more robustly and has significantly reduced response times for licence-related enforcement action.

OFSI continues to encourage everyone to self-report suspected breaches of financial sanctions. As set out in guidance, self-reporting is one of the factors 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.

All below statistics exclude cases specifically relating to Counter-Terrorism Regimes, as these are investigated by a specialist team.

Number of cases recorded

	22/23	23/24	24/25
Cases recorded	473	396	394

Ratio of self-reported vs not self-reported

Self-reported	214
Not self-reported	180

OFSI continued to record a high volume of suspected breach cases in 2024-25, recording 394 suspected breach cases and closing 214 cases. OFSI has focused its efforts to prioritise cases with the greatest impact.

Number of cases closed

	22/23	23/24	24/25
Cases closed	74	255*	214

*2023-24 figure revised up from 242 to include OPC cases

Number of closed cases with and without further action

Action taken	Number of cases closed
No recordable activity	53
No breach, NFA letter	54
Breach, warning letter issued	22
Breach, warning letter and referral to regulator	1
No decision on breach, NFA letter	76
Monetary penalty	2
Other	5
Total	<u>214</u>

Any cases closed by OFSI are either reported out of caution, or where there is insufficient evidence a breach has occurred, 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 2024-25 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 sanctions. The rest of the reports are made up from a diverse range of sectors.

Recorded cases by sector

Sector of suspected breacher	Number of reports
Financial Services	142
Legal	46
Cryptoassets	40
Members of Public	27
Insurance	17
Housing	11
Professional Services	11
NGOs/Charities	10
Manufacturing	8
Maritime	7
Other	75
Total	<u>394</u>

Recorded cases by regime

Regime	Number of reports
Russia	329
Global Anti-Corruption	19
Libya	18
Other Regimes	28
Total	<u>394</u>

Counter Terrorism

During 2024-25, 16 new breach cases under all Counter Terrorism Regimes were actively pursued by law enforcement or HM Treasury. In total, 32 enforcement actions were taken in response to sanctions breaches, including disclosures of three charities, reflecting OFSI's continued commitment to robust enforcement and the protection of UK national security.

Disclosure Action Against NGOs

On 14 March 2025, OFSI published a report setting out a breach of the Counter Terrorism Regulations against 3 Non-Governmental Organisations (NGOs). The breach related to the NGOs' failures to respond to multiple OFSI requests for information. OFSI assessed that the breach was of moderate severity, therefore disclosure was deemed to be the most appropriate and proportionate enforcement action.

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

Annual Frozen Asset Review

2024 to 2025

Each year, OFSI conducts a comprehensive review of assets frozen under UK financial sanctions. This process requires all individuals and entities who hold or control sanctioned assets – including funds and other economic resources – to submit details regarding the type and value of those assets to OFSI.

For the 2024 Frozen Asset Review, over £37 billion* in assets were reported to OFSI as frozen. This total reflects the value of assets frozen within the UK, as well as those held abroad, and which are subject UK financial sanctions legislation.

Regime	2024 Value (£)
Russia	22,518,311,441.14
Libya	12,955,261,308.53
Belarus	1,177,607,044.69
Syria	383,533,489.22
Global Anti-Corruption	25,340,386.57
Other	19,309,825.54
Total	37,079,363,495.69

* This figure excludes assets whose value cannot be reliably established, such as certain physical items or the contents of safety deposit boxes, which are nonetheless reported to OFSI.

Frozen Asset In-Year Reporting

February 2022 – May 2025

As of May 2025, OFSI has been notified of £28,677,716,919.88 (£28.7 billion) in assets frozen in connection with the Russia sanctions regime since February 2022.

Unlike the Frozen Asset Review, the In-Year Reporting figure captures the last known value of assets at the time they were frozen, based on information provided at designation. Where reports do not include valuations for tangible assets, OFSI uses publicly available sources to estimate their value.

In-Year Reporting is significant because it enables OFSI to establish the initial value of assets at the point of freezing, rather than tracking subsequent fluctuations.

£28.7 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 assets reported to OFSI is subject to fluctuation across all sanctions regimes, due to factors such as changes in share, market, or currency values, and new designations or sanctions being lifted, or licensed financial activity. Therefore, the values of frozen assets reported to OFSI as part of both the Annual Frozen Asset Review and In-Year Reporting do not provide a complete picture of assets frozen as a result of UK financial sanctions.

Russia's attempts to move assets from the National Security Depository to registrars in response to sanctions have added further complexity to the reporting landscape. UK institutions have adapted their processes to ensure these transfers are accurately captured at the point of freezing, helping to maintain the integrity and reliability of the In-Year Reporting figure despite efforts to circumvent restrictions.

Look Ahead

Looking to the future, OFSI remains focused on the effective implementation and enforcement of financial sanctions, continually enhancing and adapting its approach through robust enforcement, advanced intelligence, clear guidance, and proactive engagement with industry.

The period leading into 2025-26 has already seen significant developments. OFSI has undertaken key enforcement action; in May 2025, OFSI imposed a £5k penalty on Svarog Shipping & Trading Company Limited for an information offence – the first penalty of its kind. This case, detailed in a recent [OFSI blog](#), highlights the importance of accurate and timely information provision by those subject to financial sanctions, and signals OFSI's readiness to use its powers to address breaches beyond traditional monetary offences. In July 2025, OFSI imposed a £300k penalty against Markom Management Limited (MML), underlining the government's resolve to pursue significant enforcement action where breaches are identified. Further, in September 2025, OFSI issued a Disclosure Notice against Vanquis Bank Limited (VBL) for failing to restrict access to a DP's account for eight days during which time the DP

had full access to their funds and was able to both withdraw funds and make a purchase. On the criminal side, the NCA secured their first convictions for breaching the UK's financial sanctions related to Russia. These enforcement actions serve both as a deterrent and a clear message that compliance with UK financial sanctions is essential.

OFSI continues to work across the UK government and with international partners to increase pressure on Russia. On 2 September 2025, the government lowered the OPC, further tightening restrictions and reducing revenue available to fund Russia's war machine. These changes reinforce the UK's leadership in global sanctions implementation. OFSI's support to UK businesses in adapting to the change ensures the measure is understood and complied with.

OFSI has prioritised clear, sector-specific guidance by completing its series of Threat Assessment Reports, which cover legal services, high value dealers and art market participants, property, and cryptoassets. These reports outline typologies, red flags, and mitigation recommendations, helping industry strengthen their compliance and risk management programmes.

To further assist firms in navigating the sanctions landscape – particularly small and medium-sized enterprises –

OFSI launched the 'Financial Sanctions: The Basics' video series. This series, comprising six concise videos, offers practical advice and step-by-step guidance, making sanctions compliance more accessible for both new entrants and established firms.

In June 2025, HM Treasury became a prescribed person under the Public Interest Disclosure (Prescribed Persons) (Amendment) Order 2025, enabling confidential reporting of suspected breaches, including whistleblowing. This means that whistleblowers who disclose information about financial sanctions breaches to OFSI will qualify for employment protections, reinforcing the government's commitment to safeguarding those who come forward.

Recognising the importance of accessible and efficient reporting mechanisms, OFSI launched a suite of new online forms in July 2025 for reporting obligations and submitting licence applications. These forms streamline the process for industry and individuals and support faster and more effective decision-making.

OFSI also launched a public consultation on improving civil enforcement processes for financial sanctions. This consultation seeks views from stakeholders on how enforcement processes can be further

enhanced in terms of effectiveness, proportionality, and transparency. Feedback received will inform future reforms, ensuring that the UK's approach remains fit for purpose in a rapidly changing sanctions environment. The consultation closed on 13 October 2025.

Looking ahead, 2026 will mark ten years since OFSI was established in its current form, and also the start of a new Spending Review period. OFSI therefore plans to refresh its strategy during the 2025-26 financial year to reflect progress made and lessons learned over the past decade, as well as the challenges and opportunities for the future. This anniversary offers an opportunity to reflect on the successes and challenges of the first ten years, and also to consider strategically how OFSI can best support industry and help implement government policy priorities. Further details will be published in due course.

OFSI will maintain its focus on operational excellence, developing new guidance and tools, and responding flexibly to emerging risks to deliver world-leading implementation of the UK's sanctions regimes. By looking ahead and learning from experience, OFSI will continue to support the UK's national security, foreign policy, and economic objectives.

Further Details

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

OFSI's Financial Sanctions Guidance:
[UK financial sanctions guidance - GOV.UK](#)

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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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