



HM Treasury

Office of Financial Sanctions Implementation

Strategy 2026-29

April 2026

Office of Financial Sanctions
Implementation
Strategy 2026-29



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Foreword



As the Minister responsible for economic crime and financial sanctions, I recognise the vital role sanctions play in safeguarding the UK's economic security and the integrity of our financial system. **Financial sanctions help protect the stability of UK markets, disrupt malign activity and reinforce confidence in the rules-based international order on which long-term prosperity depends.**

This Government is committed to maintaining robust, consistent and world-leading sanctions implementation that enables the UK to engage domestically and internationally with credibility and confidence. By ensuring sanctions are applied clearly, predictably and fairly, the UK helps create the conditions for investment, innovation and sustainable economic growth. The Office of Financial Sanctions Implementation is central to achieving this, providing assurance that the UK remains a secure and trusted place to do business.

In the last 10 years, OFSI has grown in capability and confidence by strengthening its licensing, enforcement and intelligence functions and deepening international partnerships, whilst continuously supporting firms to comply with the UK's evolving sanctions regimes.

As OFSI enters its second decade, this strategy sets out an ambitious plan for the next three years to ensure UK financial sanctions remain effective, resilient and impactful. The strategy aims to make expectations clearer, to ensure OFSI provides faster and more predictable support, to ensure OFSI is equipped to take decisive action where harm occurs, and to embed long-term improvements across the system. It also highlights planned investment in modern, digital and data driven tools, including AI, to target the highest risk activity and reduce frictions for legitimate businesses.

This is a far-reaching agenda and a positive one. It reflects the maturity OFSI has built to keep supporting legitimate business growth, whilst ensuring rigorous enforcement against those who contravene financial sanctions in a rapidly evolving environment. With a clear 'Promote, Enable, Respond and Change' framework, strong partnerships with industry and a renewed focus on using data and technology, OFSI is well positioned to meet the challenges ahead and support a secure, resilient and fair global financial system.

Foreword by Lucy Rigby KC MP

Economic Secretary to the Treasury

April 2026

Chapter 1

OFSI at Ten

The context in which OFSI operates has changed markedly since its establishment in 2016. The Russian invasion of Ukraine in 2022 presented OFSI with its biggest challenge yet: implementing the largest ever sanctions regime in the UK, with extensive new designations and novel measures such as the Russian Oil Price Cap applied to a G20 economy.

Since 2022, the geopolitical landscape has become more complex, more polarised and more unpredictable, with global instability, the rise of extremist ideologies and the shifting positions of major powers challenging the international order. Sanctions are now used to tackle an ever-wider range of threats and challenges across foreign policy and national security. When implemented effectively and in a targeted way to avoid unintended consequences, sanctions restrict access to capital, services and goods, degrade hostile networks, and raise the cost of malign behaviour – while reinforcing the rules-based international order on which long-term growth depends. UK financial sanctions have played a critical role in constraining Russia’s war-fighting capability by targeting the Russian government’s key revenue streams, disrupting circumvention routes, and supporting wider counter-economic-crime objectives.

International alignment is essential to achieving this impact. With the United States, OFSI’s Enhanced Partnership¹ with the Office of Foreign Assets Control (OFAC) enables close cooperation on guidance, enforcement and circumvention risk. With the European Union (EU), OFSI works with the European Commission on sanctions design and implementation, including through mirroring provisions that reduce complexity for firms operating across jurisdictions. OFSI also plays an active role in G7, Financial Action Task Force (FATF) and Financial Stability Board forums, shaping global implementation standards and sharing UK operational learning, alongside targeted bilateral engagement.

Alongside its international role, OFSI has taken on an expanded domestic function. Since 2023, OFSI has used its counter-terrorism designation powers for the first time, designating individuals and entities under the UK’s domestic counter-terrorism regime. This work

¹ See OFSI’s blog post for more detail: <https://ofsi.blog.gov.uk/2022/10/17/ofac-ofsi-enhanced-partnership/>

directly supports the CONTEST framework² by disrupting terrorist financing and strengthening the UK's ability to respond to evolving threats.

Against this backdrop, OFSI has significantly³ scaled up sanctions implementation. Since 2021, we have:

- Progressed over 1,400 enforcement cases, issuing 18 public enforcement decisions and over £22 million in monetary penalties, and moved to a more proactive approach, supported by investment in our intelligence capabilities.
- Issued over 100 General Licences (GLs), transforming the use of licensing to mitigate unintended consequences from the highest impact sanctions.
- Used UK counter-terrorism designation powers for the first time, designating 7 individuals and 5 entities since 2023 in support of domestic security objectives.

Effective financial sanctions implementation depends on close partnership between government and the private sector. Firms are often the first to identify emerging risks and the first line of implementation through asset freezes, transaction blocking and self-reporting. OFSI has strengthened engagement with the private sector, with new FAQs, digital guidance, blogs and improved use of technology, enabling targeted outreach, trend monitoring and more responsive guidance. We have also deepened partnerships with industry, civil society, law enforcement and wider partners including the Joint Money Laundering Intelligence Taskforce (JMLIT), the Financial Conduct Authority (FCA), Serious Fraud Office (SFO) and Solicitors Regulation Authority (SRA).

Technology is transforming the threat of circumvention but also giving us new capabilities for intelligence and enforcement. Technology is central to OFSI's approach and we have been working to embed AI-enabled workflows across enforcement, licensing and intelligence functions. Following updates to the Sanctions and Anti Money Laundering Act in 2022 the cross-government review of sanctions implementation and enforcement concluded in May 2025⁴. This covered changes to the UK sanctions landscape to improve and facilitate compliance, increase the deterrent effect of enforcement and invigorate the cross-government toolkit around intelligence and capabilities. It includes a clear breakdown of sanctions implementation responsibilities across the UK government, and how to use gov.uk as a single point of reference. For OFSI, this included merging our

² <https://www.gov.uk/government/publications/counter-terrorism-strategy-contest-2018>

³ Annual Reviews give more detail: <https://www.gov.uk/government/collections/ofsi-annual-reviews>

⁴ <https://www.gov.uk/government/publications/sanctions-implementation-and-enforcement-cross-government-review-may-2025/cross-government-review-of-sanctions-implementation-and-enforcement>

Consolidated List of sanctions designations with the Foreign Commonwealth and Development Office's (FCDO's) UK Sanctions List, and launching a 2025 consultation on our enforcement powers. As a result, we have strengthened our enforcement functions, to maintain a fair and proportionate response to breaches and introduced new processes in 2026 including a settlement scheme.

OFSI 2021 - 2026

Figure 1.A Licensing Decisions

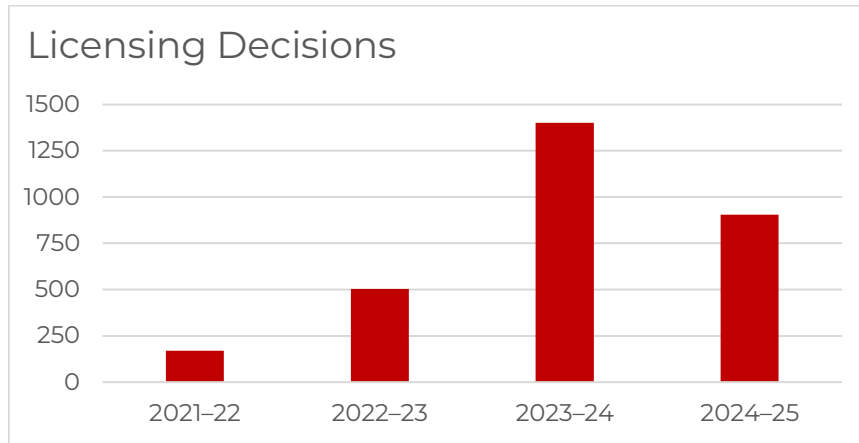


Figure 1.B Licences Granted

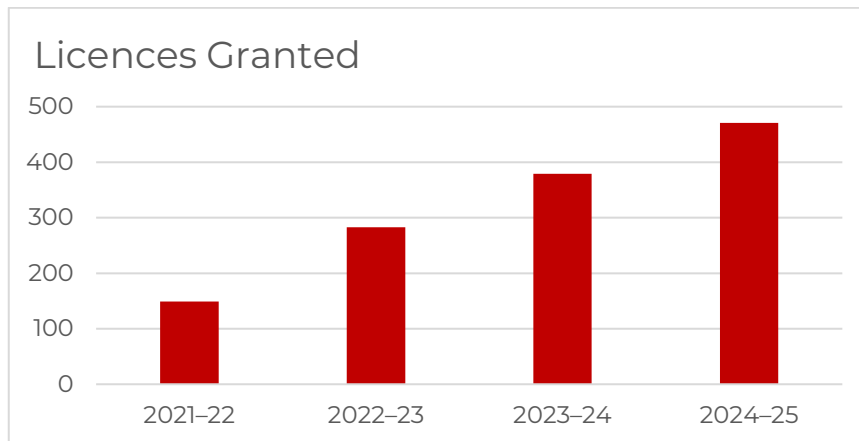


Figure 1.C Enforcement Cases

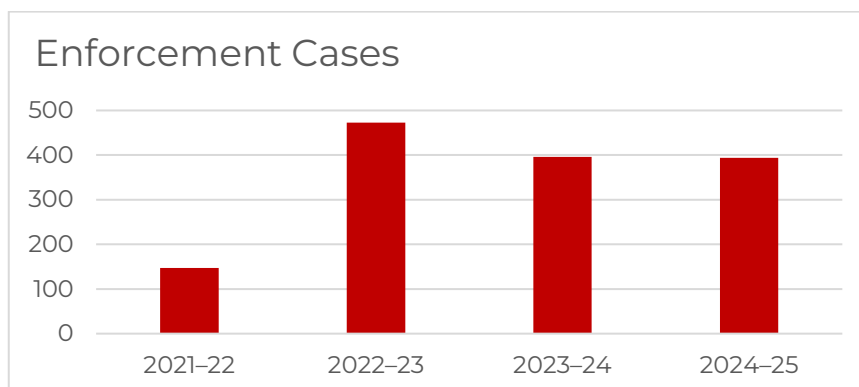
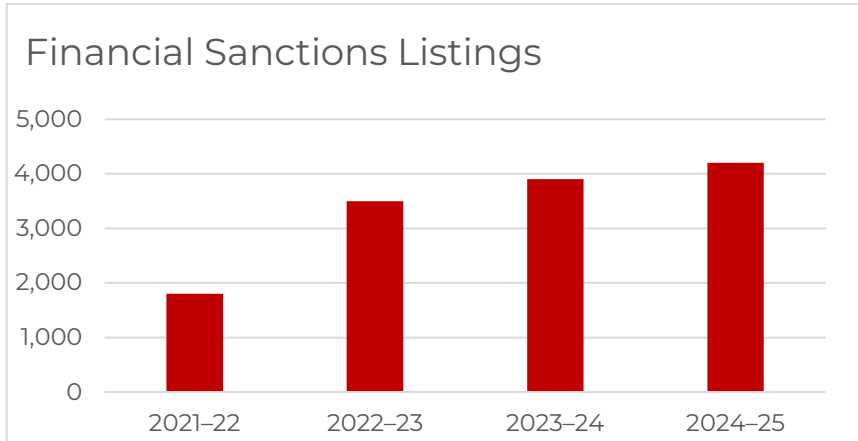


Figure 1.D Financial Sanctions Listings



Source: OFSI

Chapter 2

OFSI's Strategy 2026-29

The landscape which OFSI operates in will continue to evolve at pace over the next 3 years. Sanctions are now, and will be throughout this period, a vital foreign policy and national security tool used to deter and disrupt threats and malign behaviour and demonstrate our values. New technologies will reshape sanctions evasion while the rapid evolution of crypto assets and a more fragmented financial services industry will present new challenges to compliance systems. Our work needs to be driven by a sophisticated understanding of the sanctions threat picture and its risks to the financial system, aiming to promote effective, efficient sanctions implementation across the private sector - maximising intended impact while minimising unintended consequences and unnecessary regulatory burden.

Recognising this evolving landscape, OFSI will ensure UK financial sanctions are **effective, resilient and impactful** through ensuring:

- Our policy and operational decisions, and resources, are targeted and informed by an enhanced understanding of the threats, risks and wider context within which we work, grounded in high-quality data and evidence.
- Timely & proportionate licensing, proactive & impactful enforcement, robust & targeted counter-terrorism designations plus focused compliance support in our highest-impact areas.
- Strong partnerships across government, the private sector and internationally which amplify the impact of financial sanctions, support industry to comply and improve the effectiveness of our operational functions.

Our single organising framework is Promote, Enable, Respond, Change (PERC)

PROMOTE - Shape expectations and set the standard.

Our purpose under “Promote” is to continuously make sanctions rules, risks and our expectations clearer so that compliance is the best option - and noncompliance is visibly costly.

ENABLE - Enable sanctions compliant behaviour that is fast, predictable and scalable.

Our purpose under “Enable” is to remove friction for legitimate activity and ensure firms can comply at pace, first time.

RESPOND - Deter, disrupt and resolve non-compliance at pace.

Our purpose under “Respond” is to protect the system through visible, proportionate and timely enforcement and early disruption of harm.

CHANGE - Embed lasting behaviour change across the whole financial sanctions' system and all actors within it.

Our purpose here is to move beyond one off fixes to sustained compliance cultures in firms and sectors.

Source: OFSI

PROMOTE

Shape expectations and set the standard

Our purpose under “Promote” is to continuously make sanctions rules, risks and our expectations clearer so that compliance is the best option - and noncompliance is visibly costly.

How we will Promote:

- Run targeted, timely campaigns for priority sectors, shaped by evolving risks, to strengthen understanding and support effective compliance.
- Publish clear, concise guidance products and assessments – including enforcement communications showing what noncompliance looks like and how to avoid it.
- We work with other regulators and enforcement bodies to be as consistent and joined-up as possible to reduce friction for compliant firms. Through these collaborations OFSI is building a picture of circumvention activity and taking steps to detect and disrupt it. By co-chairing the Financial Sanctions Circumvention Cell with the private sector, OFSI can flag activity to be vigilant for, and to increase rates of compliance and self-reporting. Through this engagement, OFSI will work with firms to identify priority risks and circumvention typologies, translating operational insight from the private sector into clear expectations and targeted guidance.
- Deepen international alignment including with the US, EU, G7/G20/FATF partners and the Crown Dependencies and Overseas Territories to reduce arbitrage and close gaps; channel UK experience into global implementation standards.

“Promote” Key Performance Indicators (KPIs):

- Sector-specific engagement campaigns will lead to increased and/or improved engagement with OFSI, measured through annual survey data (e.g., clarity of expectations, confidence in guidance, quality of self-reporting).
- OFSI will deliver joint or co-branded public output with international partners every quarter (e.g. joint guidance, public statements, case studies or advisories) aimed at tackling sanctions circumvention routes and typologies.

ENABLE

Enable sanctions compliant behaviour that is fast, predictable and scalable.

Our purpose under “Enable” is to remove friction for legitimate activity and ensure firms can comply at pace, first time.

How we will Enable:

- Encourage firms to engage early, provide complete and accurate information and be transparent where risks or uncertainties arise.
- Provide direct, practical compliance advice on complex scenarios, prioritising critical national or economic interests.
- A fully effective and regularly updated licensing offer with high, publicised, service standards.
- Modern, digital by default engagement including social media, online services, reporting and forms; using data and data sharing to improve our services.
- AI-enabled workflows to enhance our services, anticipate risk and stay ahead of evolving evasion methods.

“Enable” KPI:

- 50% of licensing cases closed will be completed within 6 months

RESPOND

Deter, disrupt and resolve noncompliance at pace.

Our purpose under “Respond” is to protect the system through visible, proportionate and timely enforcement and early disruption of harm.

How we will Respond:

- Case prioritisation is evidence led, focusing on the greatest risk and demonstrable impact; using analytics to identify networks, typologies and repeat behaviours.

- Deploy the full toolkit – settlements, fixed monetary penalties, reporting requirements, referrals, counter-terrorism designations and preventative actions – across financial sanctions.
- Public enforcement outcomes are fast, frequent and as impactful as possible – proportionately targeting both non-compliance and wilful circumvention.
- Robustly defend litigation, following best practice case management and learning from outcomes to strengthen future decisions and processes.
- Develop and clarify the legislative framework, and engage in litigation with confidence in our decisions, using best practice case management and lessons learned.
- Work with UK regulators and law enforcement partners to ensure complementary action.

“Respond” KPIs:

- 90% of new enforcement Investigations submitted for decision within 18 months of commencement of investigation.
- Intelligence function produces actionable intelligence that drives proactive civil and criminal enforcement across the sanctions’ ecosystem.
- Expert counter-terrorism function works proactively with partners across the sanctions lifecycle to designate individuals or entities, supervise financial activity, share intelligence and enforce breaches of counter-terrorism sanctions.
- OFSI will increasingly pursue intelligence originated case outcomes in financial year 2027/28; and financial year 2028/29.

CHANGE

Embed lasting behaviour change across the whole financial sanctions’ system and all actors within it.

Our purpose here is to move beyond one off fixes to sustained compliance cultures in firms and sectors.

How we will enable Change:

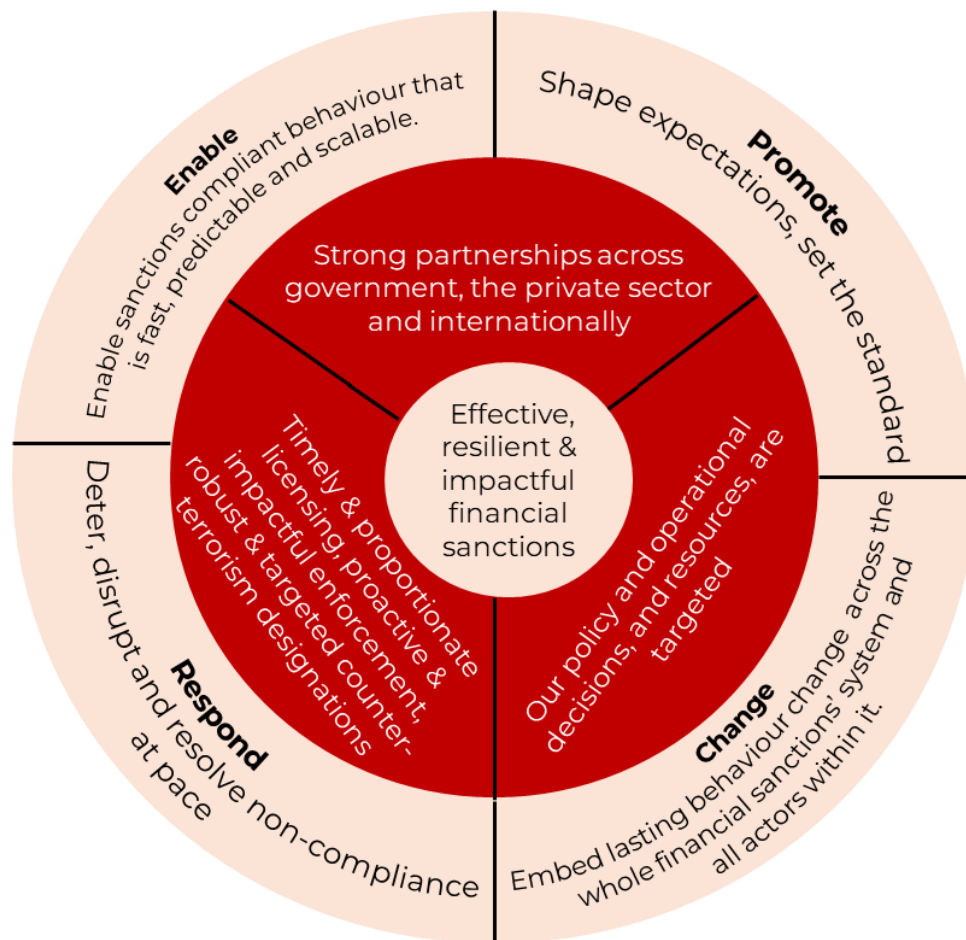
- Use feedback loops: guidance and lessons learned shaped by real-world experiences and learning from industry and government partners.
- Ensure all new and updated sanctions enable practical implementation; working with the FCDO and internationally.

- AI-enabled workflows to enhance our services and make the most of data OFSI holds and collects.

“Change” KPIs:

- 90% of new enforcement investigations submitted for decision within 18 months of commencement of investigation.
- OFSI will increasingly pursue intelligence originated case outcomes in financial year 2027/28; and financial year 2028/29.

Figure 2.A OFSI's Objective, the Outcomes we aim for, and the PERC pillars



Source: OFSI

Chapter 3

How OFSI will deliver our strategy

OFSI is committed to open and constructive dialogue. We want to listen to our service users and partners to understand the context they are operating in, learn from them and improve our services. We will consult formally where appropriate but also engage consistently and appropriately on live issues. We will update Parliament regularly on our progress and be open and transparent when asked about our challenges as much as our achievements. We will continue to publish Annual Reviews, blogs, FAQs and other updates; and we remain open to pursue public-private partnerships that strengthen our effectiveness.

We will continue to leverage all of our data and intelligence to ensure we take evidence-based decisions. We use data safely and securely, in full compliance with UK data protection rules, and we will also share information with our partners where there is a legal basis to do so.

Building on our investment in technological capabilities, over 2026–29, OFSI will continue to lead on the responsible use of AI and advanced data analytics to improve risk targeting, accelerate decision-making and reduce friction for compliant firms, while staying ahead of increasingly sophisticated circumvention techniques.

We will monitor progress against the KPIs published in the Annex in our Annual Reviews and use them consistently – these will only be updated where there is meaningful reason to do so and we will be transparent about that reasoning.

Conclusion

By operating consistently through a strategy of **Promote, Enable, Respond and Change**, OFSI will ensure financial sanctions are **effective, resilient and impactful**. We will monitor our progress through reporting against our published KPIs.

Annex A

KPIs as April 2026

PROMOTE

Sector engagement effectiveness

Sector-specific engagement campaigns will lead to increased and/or improved engagement with OFSI, measured through annual survey data (e.g., clarity of expectations, confidence in guidance, quality of self-reporting).

International outputs

OFSI will deliver joint or co-branded public output with international partners every quarter (e.g. joint guidance, public statements, case studies or advisories) aimed at tackling sanctions circumvention routes and typologies.

ENABLE

Licensing timelines

50% of licensing cases closed will be completed within 6 months.

RESPOND

Enforcement timelines (new investigations)

90% of new enforcement investigations submitted for decision within 18 months of commencement of investigation.

Intelligence function

Intelligence function produces actionable intelligence that drives proactive civil and criminal enforcement across the sanctions ecosystem.

Counter-terrorism function

Expert counter-terrorism function works proactively with partners across the sanctions lifecycle to designate individuals or entities, supervise financial activity, share intelligence and enforce breaches of counter-terrorism sanctions.

Intelligence originated outcomes

OFSI will increasingly pursue intelligence originated case outcomes in financial year 2027/28; and financial year 2028/29.

CHANGE

Enforcement timelines (new investigations)

90% of new enforcement investigations submitted for decision within 18 months of commencement of investigation.

Intelligence originated outcomes

OFSI will increasingly pursue intelligence originated case outcomes in financial year 2027/28; and financial year 2028/29.

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