Department for
Business, Innovation,
Science and Trade

OTSI Annual Review

Technical Annex: Compliance & Enforcement, Licensing and Queries

Section	Content
Part A	Compliance & Enforcement (C&E)
Part B	Licensing
Part C	Queries
Part D	Methodological Note
Part E	Background Quality Report

1. Purpose and Scope of the Report and Annex

This report is intended to provide transparency about the activities and performance of OTSI during the 2025 to 2026 financial year. It presents management information relating to OTSI's operational activity, supporting accountability and public understanding of the UK's trade sanctions enforcement regime.

The report may be of interest to organisations with an interest in sanctions policy, implementation and enforcement.

Users may use this report to:

- Understand the scale and nature of OTSI's activities during the reporting period.
- Increase understanding of how OTSI delivers its statutory functions.
- Promote transparency and accountability in the operation of the UK trade sanctions regime.

The statistics and management information presented in this report should be interpreted in the context of OTSI's operational environment and evolving responsibilities. Changes in reported activity may reflect a range of factors, including changes in reporting behaviour, stakeholder awareness, legislative developments, case complexity and resource allocation.

The figures presented should not be used in isolation as a measure of the effectiveness of the UK's trade sanctions regime, nor as a direct indicator of the prevalence of sanctions breaches.

This Technical Annex accompanies the Management Information (MI) tables published in the OTSI Annual Review. It provides clear explanations of how data in each table have been collected and defined, what each category means, and the analytical caveats that apply.

The annex is intended to support readers who are not familiar with trade sanctions or OTSI's internal processes, enabling them to interpret the published statistics accurately and in context.

2. Coverage, Counting Conventions, and Reporting Period

Reporting Period

All tables cover the full financial year from 1 April 2025 to 31 March 2026. Quarters use financial year numbering (Q1 is April–June; Q2 is July–September; Q3 is October–December; Q4 is January–March).

Financial Quarter	Calendar Dates
Q1 2025/26	1 April 2025 – 30 June 2025
Q2 2025/26	1 July 2025 – 30 September 2025
Q3 2025/26	1 October 2025 – 31 December 2025
Q4 2025/26	1 January 2026 – 31 March 2026

Unit of Count

In the C&E tables, each unit is one case (one distinct report received or closed). In the Licensing tables, each unit is one licence application. In the Queries tables, each unit is one query. None of the tables count individual transactions, shipments, legal entities, or breaches - they count the administrative records processed by OTSI.

Date Stamping

Records are assigned to a period based on the date it is reported to or raised with OTSI, not the date of the underlying event and is manually entered by the case manager as of 15th July 2026. Records may subsequently be updated to incorporate additional information, such as previously missing details about individual companies.

Part A

Compliance & Enforcement (C&E)

3. C&E: Overview

OTSI's C&E function receives reports of suspected trade sanctions breaches from a range of sources (see Table A5).

The six C&E tables cover: quarterly volumes of cases received (A1); sanctions regime (A2); reporting source (A3); and closure outcomes (A4).

4. C&E: Table-by-Table Technical Notes

Table A1 – *Number of Suspected Breach Reports or Referrals Received by Quarter in Financial Year*

Quarter	Cases Received
Q1 2025/26	45
Q2 2025/26	51
Q3 2025/26	42
Q4 2025/26	40
Total	**178**

Notes

– The count reflects distinct cases logged by OTSI.

Table A2 – Number of Cases Received by Regime in Financial Year

A sanctions regime is a distinct legal framework enacted by statutory instrument under the Sanctions and Anti-Money Laundering Act 2018. The year in parentheses indicates the year of the foundational UK statutory instrument, not the year restrictions were introduced or expanded.

Regime	Cases Received
Russia (2019)	156
Belarus (2019)	4
Iran (2023)	4
Not sanctions related	4
Other regime	4
Myanmar (2021)	3
DPRK (2019)	1
South Sudan (2019)	1
Syria (2019)	1
Total	**178**

Notes

– 'Other regime': cases relating to a regime where the determination is ongoing and the appropriate regime is currently unknown or has not yet been confirmed.

– 'Not sanctions related ': cases that are assessed as not relating to any sanctions regime, where no relevant regime has been identified or determined.

– Cases spanning multiple regimes are classified under the primary regime; double counting across regimes is avoided.

Table A3 – Number of Cases Received by Source in Financial Year

Source	Closed Cases
Breach Report – Mandatory	111
Breach Report – Voluntary	25
Referral by other department or agency	23
Other sources	19
Total	**178**

Table A4 – Number of Cases Closed by Outcome in Financial Year

This table covers the outcome of cases formally closed during the review period.

Outcome	Cases Closed
No breach and no further action	41
Referred to HMRC	40
No recordable activity	9
Referred to other government department or agency	7
No view on breach, no further action letter	7
Total	**104**

Notes

- These outcomes record OTSI's administrative closure. Any subsequent enforcement outcome from HMRC or OGD proceedings falls outside OTSI's MI scope.
- Cases may not pass through more than one outcome stage: each is counted once at the point of final OTSI closure.

Part B

Licensing

5. Licensing: Overview

During 2025-26, OTSI was responsible for licensing the provision of professional and business services and other standalone services prohibited under the UK's trade sanctions. Over the review period, 51 licence applications were received.

The six licensing tables cover: applications received by quarter (B1); applications received by sector (B2); closed processing times (B3); and applications by outcome (B4).

6. Licensing: Table-by-Table Technical Notes

Table B1 – Number of Licence Applications Received by Quarter in Financial Year

Regime	Applications Received
Q1 2025/26	15
Q2 2025/26	10
Q3 2025/26	19
Q4 2025/26	7
Total	**51**

Table B2 – Number of Licence Applications Received by Sector in Financial Year

This table breaks down applications by the sector of the prospective licensee's primary business activity. The licensing sector classification uses OTSI's own descriptive categories, tailored to the types of service activities most commonly requiring licensing under trade sanctions - in particular the Russia regime.

Sector	Applications Received
Medical & pharmaceutical	12
Legal services	11
Food production & distribution	7
Financial services	4
Other	4
Energy	3
IT & communications	2
Tourism services	2
Agriculture, forestry & fishing	1
Construction	1
Consultancy	1
Education	1
Retail & wholesale	1
Transport & storage	1
Total	**51**

Notes

- Sector is assigned based on the prospective licensee's primary business activity. This done by case managers manually assessing the goods in their application where applicable, the type of company listed on their website, Companies House or any other open-source material.
- The sector definitions do not match any other sector definitions reported by BIST. Moreover, these categories are not mapped directly to UK SIC 2007 sections or IS8 sectors. These categories are OTSI-defined descriptive groupings and do not align with, or map directly to, recognised sector classification systems. 'Other' is a residual category and will be reviewed as application volumes grow, to assess whether additional named categories are warranted.

Table B3 – Time to Complete a Closed Licensing Application in Financial Year

This table reports the average and median time taken to process a licence application from receipt to formal closure for those closed during the review period.

Average Completion Time (working days)	Median Completion Time (working days)
96	89

Notes

- Processing times are measured in working days (Monday to Friday, excluding UK public holidays) from the date the application was registered in OTSI's system to the date of formal closure. They include time taken for the applicant to respond to requests for further information.
- The figures cover all closures in the review period regardless of application type or outcome.

Table B4 – Number of Licence Applications Closed by Outcome in Financial Year

This table covers applications formally closed during the review period.

Outcome	Applications Closed
Granted	17
No licence required	8
Withdrawn by applicant	7
Closed - no response	3
Refused	2
Submitted in error	2
Total	**39**

Part C

Queries

7. Queries: Overview

OTSI's Queries function handles incoming requests for information, guidance, and clarification on trade sanctions compliance from a wide range of external parties.

8. Queries: Table-by-Table Technical Notes

Table C1 – Number of Queries Received by Quater in Financial Year

Quarter	Queries Received
Q1 2025/26	43
Q2 2025/26	49
Q3 2025/26	40
Q4 2025/26	37
Total	**169**

Each row represents the number of individual query cases logged by OTSI within the quarter.

Part D

Methodological Note

1. Summary of data sources

    - The data is drawn from OTSI's operational records which are manually maintained by case managers. Information is collected from stakeholders through a variety of sources, including forms, dependent on whether they are inquiring about a licence or querying OTSI for information.
    - The data within this report contains all relevant cases for OTSI’s Cases, Licensing, and Query functions covering those opened within the financial year 2025/26 and closed within the financial year 2025/26.
    - The data covers all users within the UK that engaged with OTSI’s functions, having their relevant case, licence, or query opened or closed within the financial year 2025/26.

2. Data quality of data sources

    - A range of quality assurance measures are applied throughout the data collection and publication process. These include validation checks at the point of data extraction, consistency checks across records, investigation of anomalous values and trends, review by policy and operational teams with knowledge of the underlying cases, and correction of issues identified during the quality assurance process. Records may also be amended retrospectively where new information is received or existing information is clarified. Despite these controls, the statistics are based on operational management information and are therefore subject to the limitations of administrative data. The published figures remain dependent on the accuracy and completeness of information recorded in OTSI systems, including information entered manually by case managers.

- Licensing sector classifications (Table B2) use OTSI's own descriptive categories. The sector definitions do not match any other sector definitions reported by the Department for Business, Innovation, Science and Trade (BIST). Moreover, these categories are not mapped directly to UK SIC 2007 sections or IS8 sectors.
- Regime classifications for cases spanning multiple regimes (C&E and Licensing) are assigned to the primary regime, introducing a degree of analyst judgement that may affect cross-regime comparability.
- C&E closure figures (Table A5) record OTSI's closure. In the case of referrals to other enforcement bodies including HMRC, any enforcement outcome from onward HMRC or OGD proceedings falls outside OTSI's MI scope and is not reported here.

3. Glossary

4.1. OTSI, part of the Department for BIST, was launched in October 2024 to strengthen the implementation and enforcement of trade sanctions in the UK.

4.2. Table A2 – Number of Cases Received by Regime in Financial Year

- 'Other regime': cases relating to a regime where the determination is ongoing and the appropriate regime is currently unknown or has not yet been confirmed.
- 'Not sanctions related ': cases that are assessed as not relating to any sanctions regime, where no relevant regime has been identified or determined.

4.3. Table A3 – Number of Cases Received by Source in Financial Year

- Breach Report – Mandatory: Legally required disclosures by relevant persons who know or have reasonable cause to suspect a breach.
- Breach Report – Voluntary: Suspected breach reports disclosed by entities not subject to a mandatory obligation.
- Referral by other department or agency: Domestic referrals from other department or agency, such as HMRC and Border Force.
- Other sources: Referrals arising from internal OTSI functions, including referrals from OTSI’s Licensing function, OTSI’s proactive monitoring, or other forms of disclosure to OTSI.

4.4. Table A4 – Number of Cases Closed by Outcome in Financial Year

- No breach and No Further Action: OTSI investigated and found no breach of trade sanctions regulations. The case is closed with no enforcement consequence. Arises where activity was within a licence or exemption or the facts do not support a breach finding.
- Referred to HMRC: Case passed to HM Revenue and Customs for investigation or enforcement. HMRC holds primary jurisdiction where

breaches involve goods moving through the customs border and certain other regulations. Referral does not imply a confirmed breach.

- Referred to other department or agency: Case passed to another department or agency other than HMRC. Referral does not imply a confirmed breach.
- No recordable activity: On triage, the report is found to contain activity outside OTSI's powers. It might also relate to activities where there is insufficient evidence provided for OTSI to investigate.
- No view on breach with NFA letter: OTSI has reviewed the matter but has not made a formal breach determination — for example, if the value of the breach is negligible or if there is limited public interest in taking action against the suspected breacher. A No Further Action letter is issued to provide regulatory certainty.

4.5. Table B4 – Number of Cases Closed by Outcome in Financial Year

- Granted: OTSI has assessed the application and determined that the proposed activity requires a licence to be undertaken lawfully and that the purpose of the activity is consistent with the purposes of the sanctions as outlined in Part 1 of the relevant regulations. A licence has been issued authorising the activity, subject to the conditions specified in the licence document.
- Withdrawn by applicant: The applicant chose to withdraw their application before OTSI issued a decision.
- NLR – No Licence Required: OTSI has assessed the proposed activity and determined that it does not, in fact, require a trade sanctions licence to be undertaken lawfully - for example, because the activity falls within the scope of a general licence, a statutory exception, or is not caught by the relevant prohibition at all. The applicant is notified accordingly. An NLR determination provides regulatory certainty but does not constitute an authorisation to breach sanctions: if circumstances change, the position should be reassessed.
- Closed – no response: OTSI requested further information from the applicant to progress assessment of the application, and the applicant did not respond. The application is closed. Applicants may re-apply if they subsequently wish to proceed.
- Submitted in error: The applicant submitted the application in error - for example, submitting to OTSI when the appropriate body is ECJU (for export licences) or OFSI (for financial sanctions licences).
- Refused: OTSI has assessed the application and determined that the proposed activity requires a licence to be undertaken lawfully and that the purpose of the activity is not consistent with the purposes of the sanctions as outlined in Part 1 of the relevant regulations. Therefore, a licence has not been granted authorising the activity.

4. Reporting methodology

- The reporting period covers 1 April 2025 to 31 March 2026. All figures are correct as of 15 July 2026.

- Unless otherwise stated, the tables within this report are aggregations of individual cases recorded in OTSI's administrative systems during the 2025/26 financial year. Data are presented by characteristics including quarter, sector and sanctions regime.
- All figures are presented in whole number counts and have not been rounded. Average and median values are rounded to the nearest whole number for ease of presentation.
- Where percentages are presented, they are calculated using the relevant table counts and rounded to the nearest whole percentage point. As a result, percentages may not sum to 100 per cent.
- Case volumes are not seasonally adjusted.
- Records with missing values are excluded from percentage calculations unless otherwise stated.
- Figures below five are disclosed because the publication contains only aggregated counts and does not provide details of individual applications, cases, companies or any personal data. OTSI has determined the risk of disclosure and considers that publication of these small values does not present a meaningful risk of identifying individual entities or individuals.

5. Revisions policy

- The data within this annual review is taken from 1 April 2025 to 31 March 2026, covering the 2025/26 financial year. Records and missing information can be retroactively added until 15 July 2025. Records opened and closed in this period only are included. Due to the manual entry of data, closed cases may not be recorded as closed. This would change the results of aggregate tables.

- On occasions, previously published data will need to be revised due to changes to source data or correcting of errors. These will be made at the time of the next release. Where a large revision has taken place reasons will be provided.

6. Further information and feedback

- If you have a general query relating to trade sanctions or the annual review, contact us.

- If you are unclear whether action you are considering, or have already taken, could breach the regulations, you should consider seeking independent legal advice. If you think you, or someone else, may have breached trade sanctions, you should report a suspected breach of trade sanctions. If you're a provider of legal or financial services (also known as a relevant person), you have a legal obligation to report a suspected breach of the trade sanctions that are enforced by OTSI.

- Apply for a licence to provide sanctioned trade services.

- Find out more about the work of the Export Control Joint Unit.

- Find out about how to import goods under national or UN-level import controls, including sanctioned goods.

Part E

Background Quality Report

1. Background to the release

- OTSI, part of the Department for BIST, was launched in October 2024 to strengthen the implementation and enforcement of trade sanctions in the UK.
- The report builds on OTSI's One Year Update, published in December 2025[1], and on the evidence the then Minister for Trade, Sir Chris Bryant, along with officials, gave to the Business and Trade Committee in February 2026.

2. Data quality of data sources

   a. Data content

      i. Completeness

         - The statistics are derived from OTSI's administrative systems and records of operational activity. Data are considered complete where all mandatory fields required for case management and reporting have been populated. As with all administrative datasets, some records may contain missing or incomplete information. Where missing values exist, these are excluded unless otherwise stated. Data quality checks are undertaken prior to publication to identify and correct data entry issues where possible. Due to manual data entry, there is the possibility of incorrect or inconsistent data entry resulting in inaccurate aggregations.

      ii. Geographical coverage

         - The data covers all users within the UK that engaged with OTSI's functions, having their relevant case, licence, or query opened or closed within the financial year 2025/26.
         - Cases and enquiries may originate from individuals and businesses operating in different parts of the UK and, where relevant, from overseas entities subject to UK trade sanctions legislation. The publication does not provide sub-national geographical breakdowns, as data are collected for operational rather than geographical reporting purposes.

      iii. User needs

         - This report is intended to provide transparency about the activities and performance of OTSI during the 2025 to 2026 financial year. It

[1] One Year of the Office of Trade Sanctions Implementation (OTSI) - GOV.UK

presents management information relating to OTSI’s operational activity, supporting accountability and public understanding of the UK’s trade sanctions enforcement regime.

b. Relevance

i. Methodology

1. The data is drawn from OTSI's operational records which are manually maintained by case managers. The tables within this report are aggregations of individual cases from OTSI’s records for the financial year 2025/26, grouped by characteristics including quarter, sector, and sanctions regime.
2. Counts are based on records held by OTSI as of 15 July 2026. Totals are calculated by aggregating individual records.
3. C&E closure figures (Table A5) record OTSI's case closure outcomes. Where cases are referred to another enforcement body, including HM Revenue & Customs (HMRC), any subsequent investigation or enforcement outcome falls outside OTSI's management information scope and is not included in this publication.
4. Processing times (Table B3) are measured in working days (Monday to Friday, excluding UK public holidays) from the date an application is registered in OTSI's system to the date of formal closure. Processing times include periods where OTSI is awaiting additional information from the applicant.
5. Figures relate to cases recorded by OTSI and may differ from operational totals published elsewhere where different extraction dates, definitions or reporting criteria are used.
6. Sector Classification Methodology:
    a. Sector is assigned based on the prospective licensee’s primary business activity. This is done by case managers manually assessing the goods in their application where applicable, the type of company listed on their website, Companies House or any other open-source material. The sector definitions do not match any other sector definitions reported by BIST. Moreover, these categories are not mapped directly to UK SIC 2007 sections or IS8 sectors. These categories are OTSI-defined descriptive groupings and do not align with, or map directly to, recognised sector classification systems.

ii. Uncertainty and bias

1. The statistics are based on administrative data collected primarily for operational rather than statistical purposes. As a result, they may be subject to data entry errors, changes in recording practices, or variations in how information is reported and categorised.
2. Activity volumes reported in this publication should not be interpreted as a direct measure of the prevalence of trade sanctions breaches in the UK. The number of enquiries, disclosures or investigations recorded by OTSI may be influenced by factors such as stakeholder awareness, reporting behaviour, legislative changes, operational priorities and case complexity.
3. OTSI undertakes quality assurance checks before publication to identify and address potential errors. However, some inaccuracies may remain within the underlying administrative data. Any significant revisions will be explained in future releases in accordance with the revisions policy.
4. Regime classifications for cases spanning multiple regimes (C&E and Licensing) are assigned to the primary regime, introducing a degree of analyst judgement that may affect cross-regime comparability.

c. Timeliness and punctuality

i. Timeliness

- This work is not subject to a time lag, as the time period included in the Annual Review is fixed for the 2025/2026 financial year. Records are complete for the criteria relevant to them of each table.

ii. Punctuality

- This annual review was published on 27 August 2026 at 12:00 on gov.uk.

d. Accessibility and clarity

- The aggregate tables are available to download as ODS files.

e. Coherence and comparability

- The statistics presented in this publication are derived from OTSI's administrative and operational management systems and are produced using consistent definitions and methodologies wherever possible. However, given these are management information statistics there is inherent risks related to inconsistencies. Therefore, readers should be aware of risks when interpreting he figures

- Users should note that comparisons over time may be affected by changes in operational processes, guidance, legislative requirements, reporting behaviour, stakeholder awareness, or case management practices. Changes in activity levels do not necessarily indicate changes in the level of sanctions non-compliance and may instead reflect increased reporting, evolving enforcement priorities, or improvements in data collection processes.

- As OTSI was established in 2024, there is currently a limited historical time series available. Comparisons with future releases will become more meaningful as additional years of data are collected.
- The statistics in this publication are not directly comparable with sanctions statistics published by other UK government organisations, due to differences in legal frameworks, operational responsibilities, data collection methods and reporting practices.
- Where changes to definitions, methodologies or data sources occur, these will be clearly explained within the publication to support users' interpretation of trends.

3. Performance, cost and respondent burden
    - The data within this annual review as it is collected as part of OTSI's ongoing functions. Therefore, no additional cost or burden is required to the collect the data.
4. Confidentiality, transparency and security

All data released is published in aggregate tables, no record level data is released. Record level data relating to the aggregate tables is compliant with the Data Protection Act.