



Sanctions tracker – recent UK sanctions developments

2 August 2024

In this post, we bring you a round-up of UK sanctions news, including new sanctions legislation, a key general licence and additional financial sanctions guidance.

New UK sanctions legislation

This week saw the publication of the [Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 3\) Regulations 2024](#) (the "No. 3 Regulations"). These revoke and replace the [Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 2\) Regulations 2024](#) (the "No. 2 Regulations"), which were discussed in our [previous post](#).

This is due to the current parliamentary recess; the explanatory memorandum to the No. 3 Regulations states that it is anticipated that it will not be possible for the No. 2 Regulations to be approved by a resolution of each House of Parliament within 28 days of them having been made, such that they will cease to take effect. The No. 3 Regulations therefore do not introduce any new Russia sanctions measures.

New General Licence ("GL")

OFSI have recently published a new Russia-related GL ([GL INT/2024/4919848](#) - the "NSD GL"), relating to transactions involving the National Securities Depository (the "NSD"). The NSD was designated under the UK asset freeze in June 2024 (see our [previous post](#) for details).

The NSD GL allows the carrying out of any activity reasonably necessary to: (a) sell, divest or transfer "DP Held Financial Instruments" (i.e. securities and financial instruments, including GDRs, issued in respect of securities held by or registered at the NSD), and (b) make payment of "Safe Keeping Fees" (fees paid to the NSD to hold such instruments).

Persons relying on the NSD GL are required to keep accurate, complete and readable records of any activity carried out under the GL for a minimum of six years. The NSD GL expires at 11:59pm on 13 August 2024.

New financial sanctions FAQs and guidance

The Office of Financial Sanctions Implementation ("OFSI") has recently added to its [financial sanctions FAQs](#). On 16 July, OFSI added FAQs 35 and 36 on the Russian oil services ban. These relate to the ability of the UK maritime services sector to continue to facilitate the transport of Russian oil below the G7 price cap, and the efficacy of the measures imposed on Russian oil.

OFSI introduced further new FAQs on 19 July. The new FAQs are numbers 92 to 97 under the heading "Trust Services Sanctions", and number 98, under the heading "General Licence INT/2024/4919848" – i.e. the NSD GL discussed above.

The trust services FAQs provide a summary of the trust services restrictions imposed by Regulation 18C of the Russia (Sanctions) (EU Exit) Regulations 2019 (summarised in our previous [blogpost](#)) and also cover: (i) the interaction between these restrictions and the asset freeze; (ii) the available GL in relation to wind down services ([GL INT/2023/2589788](#)); and (iii) a specific FAQ on the drafting of wills. OFSI have also made some minor amendments to their [Russia sanctions guidance](#) in relation to the circumstances in which they may issue licences under the trust services restrictions.

The new FAQ on the NSD GL confirms that conversion of depositary receipts to local line, which require UK persons to receive local line securities held by the NSD, qualify as sale, transfer or divestment for the purposes of the NSD GL.

New sanctions litigation decision

Our banking litigation colleagues have published this [post](#) on a recent High Court decision allowing a bank's application for a final anti-suit injunction and anti-enforcement injunction, aimed at restraining the foreign respondents from continuing proceedings in a foreign court in breach of the exclusive element of an asymmetric jurisdiction clause in a syndicated loan facility agreement. The decision sheds light on the impact of UK-imposed sanctions on syndicated loan agreements and reinforces the English court's willingness to enforce asymmetric jurisdiction clauses in cross-border disputes.

UK's first forfeiture of sanctioned funds

The National Crime Agency (the "NCA") has [announced](#) that it has secured the forfeiture of sanctioned funds under the Proceeds of Crime Act 2002. The NCA has stated that the funds were held for the benefit of a designated person (despite not being in his name) and that attempts to relocate the funds, as well as transactions made by the designated person's estate manager are believed to have been in breach of the UK asset freeze. The NCA obtained freezing orders in respect of accounts linked to the designated person in 2022, shortly after his designation.

Under an agreement between the NCA and the estate manager, over £780,000 is subject to forfeiture.