



## Lack of clarity remains around UK's Office of Trade Sanctions Implementation

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Nine months ago, the UK government announced the creation of the Office of Trade Sanctions Implementation (OTSI), a new agency to enforce trade sanctions. Last month, regulations outlining OTSI's remit and powers were finally introduced.

Part of the Department for Business and Trade, OTSI joins the ranks of other agencies already responsible for various aspects of investigating and enforcing sanctions breaches, including the Office for Financial Sanctions Implementation (OFSI), HM Revenue and Customs (HMRC) and the National Crime Agency.

However, cases will not always fit perfectly a specific agency's remit.

As [Anna Bradshaw](#) told [Global Investigations Review \(GIR\)](#), navigating the distinction between what falls under HMRC's and OTSI's respective enforcement remits will not be straightforward for anyone unfamiliar with strategic export controls.

Anna also commented on a new reporting obligation requiring financial services firms, together with lawyers and notaries, to report suspected trade sanction breaches to OTSI.

Anna said:

"I think the sanctions fatigue, because we've had so much of it, blinds us to the fact that this is quite a radical departure from the position we've had to date," adding that imposing a legal obligation on people to report suspected crimes is a departure from the norm. "You would expect very careful consideration before extending reporting obligations to lawyers," she added.

Anna also mentioned that the new reporting obligations impose an unnecessary compliance burden on certain businesses.

"You can't immediately see the purpose [in the obligation] when it is imposed on people who are not obviously best placed to identify trade sanctions breaches. It just looks as if they're trying to create liability for the sake of creating liability."

Anna also told *GIR* that it also creates a new task for OTSI and HMRC to distinguish between the type of trade sanctions violations that trigger reporting obligations and those that do not.