# Sanctions in Motion: Insights from OFSI's 2024/25 Annual Review

SANCTIONS SOS

**TL;DR**

- **UK Sanctions Enforcement Has Escalated:** OFSI has evolved from advisory to investigative: 396 suspected breaches, 240 active investigations, and 57 enforcement actions reflect a more proactive enforcement stance.
- **Intelligence-Led Oversight:** Non-self-reported cases are up by 40%, showing a shift from reactive to proactive detection. Organisations can no longer rely on self-reporting as a shield.
- **£37 Billion Frozen:** The UK's sanctions footprint is truly global in scale, with Russia still dominating but other regimes growing in importance.
- **Sector-Wide Reach:** Enforcement now touches law firms, shipping, crypto, manufacturing, and SMEs, proof that size and sector offers no protection.
- **New Standards of Evidence:** OFSI expects organisations to demonstrate not just policies, but proof that their frameworks work through documentation, governance, and decision audit trails.
- **International Collaboration:** Cooperation with OFAC, the EU, and G7 partners means cross-border consistency, so that a global breach can draw multi-jurisdictional scrutiny.
- **What This Means for Organisations:** Compliance must centre around resilience-building: anticipate risk, train widely, and evidence controls.

**Worried about this escalation in enforcement?**
Sanctions SOS can help. We provide consultancy (framework design, due diligence, investigations) and training (sanctions compliance, export controls, and investigations & combatting evasion) to help you stay ahead of regulatory expectations. Contact us today: enquiries@sanctionssos.com.

The latest Annual Review from the UK's Office of Financial Sanctions Implementation (OFSI) highlights a strong escalation in sanctions enforcement. OFSI has moved more of its focus and resources into enforcement of sanctions, making sanctions compliance a central focus for UK businesses. This report analyses the key findings of the 2024/25 Annual Review, alongside recent enforcement trends, and offers guidance on how firms should respond and how Sanctions SOS can help doing so.

**A Rise in Enforcement Activity**

OFSI's enforcement caseload has risen, reflecting a more determined stance to take action on sanctions breaches. In the 2023/24 year, OFSI opened a record 396 suspected breach cases and closed 242 of them, leaving 208 cases under active investigation at year-end (up from 172 the year before). This upward trend continued into 2024/25, with 240 live cases as of April 2025, a further increase in ongoing investigations. Importantly, a growing number of these cases are now being identified proactively by OFSI rather than through voluntary self-reporting: 151 cases in 2024/25 were triggered by non-self-reported intelligence sources, up from 108 the previous year. The message is clear: UK authorities are actively hunting for sanctions breaches, not just waiting for firms to disclose.

Russia-related sanctions still dominate the enforcement landscape. Since the outbreak of the war in February 2022, OFSI has investigated and closed 388 potential Russia sanctions breaches and has 318 more

Russia-linked cases still open. That total of 706 Russia-related cases often grabs headlines, but it only scratches the surface of the UK's overall sanctions caseload. Other regimes (from counter-terrorism to cybercrime and human rights sanctions) also contribute to the growing enforcement load. OFSI's latest figures show over £37 billion in assets frozen under UK sanctions in 2024/25, which is a huge jump from £24.4 billion the previous year. Notably, £28.7 billion of those frozen assets are linked to Russian sanctions targets, illustrating the scale of UK efforts against Russia. However, billions more are tied to other regimes, like Libya, underlining that compliance must be broad and not solely fixated on Russia.

**Intelligence-Led Investigations and Global Coordination**

One of the most significant developments is OFSI's evolution towards intelligence-led enforcement. The Annual Review highlights that OFSI has developed enhanced analytical capabilities and is increasingly leveraging data, inter-agency intelligence, and international collaboration to uncover breaches. Breaches are increasingly discovered through proactive analysis of payment flows, corporate structures, and circumvention typologies, rather than waiting for a firm's self-disclosure. This proactive approach means companies might discover regulators detecting an issue before the company itself is even aware. In such circumstances, OFSI will not include the self-disclosure in mitigating factors when determining enforcement action. Passive compliance is being replaced by predictive compliance, which means that firms are expected to anticipate high-risk areas and address them before they come under regulatory scrutiny.

OFSI's enforcement reach is also strengthened by unprecedented international coordination. Over the past year, OFSI deepened partnerships across Europe and North America, participating in more than 210 international engagements across 44 jurisdictions. The UK signed its first-ever memorandum of understanding with the US Office of Foreign Assets Control (OFAC), solidifying cooperation with the United States on sanctions implementation and enforcement. OFSI also works closely with the European Union and G7 partners to align sanctions policy and close enforcement gaps.

For globally active companies, these developments signal that UK sanctions can no longer be treated in isolation. There is a clear trend towards a joined-up, cross-border enforcement regime. A breach that occurs in the UK may draw scrutiny from regulators overseas, and vice versa. Consistency and convergence in compliance standards across jurisdictions are increasingly expected. As gaps between sanctions regimes narrow, only a unified global compliance strategy will keep organisations ahead of risk.

**Enforcement Actions Span Sectors and Sizes**

OFSI's enforcement-led posture is evident from the total of actions taken in the past year. Monetary penalties totalling roughly just under £1 million were imposed in 2024/25, a modest amount compared with US regulators, but a clear uptick for the UK and a strong warning signal. These penalties hit both large and small organisations, across a wider range of sectors than ever before. Recent public cases include:

- Herbert Smith Freehills, an international law firm, was fined £465,000 for breaching Russian sanctions by making payments to sanctioned Russian banks during the wind-down of its Moscow operations. This case was a shock for the legal sector, which historically had seen little sanctions enforcement.
- Markom Management (a UK-based fiduciary services firm) was fined £300,000 for facilitating a single refund payment to a designated person, underlining that even one mistaken transaction can have serious consequences.

- Colorcon Limited, a pharmaceuticals company, was fined £152,750 for processing payments through accounts at sanctioned Russian banks. The case highlighted that supply chain and payment routing decisions (even indirect) can create sanctions exposure.
- Svarog Shipping received a £5,000 penalty for failing to promptly report a potential sanctions breach. This relatively small fine for a reporting lapse demonstrates that OFSI is prepared to act on even minor compliance failures to drive home the message of accountability.
- In another case during the review period, a small consultancy, Integral Concierge Services Limited, was fined £15,000 for dealing with a sanctioned Russian national, showing that no company is too small to be penalised.

These enforcement actions show that sanctions breaches are often not the result of deliberate misconduct or major compliance breakdowns. Many stem from operational oversights, errors, or an undue reliance on third parties (such as, assuming a bank or partner will handle the sanctions screening). OFSI has made it clear that responsibility cannot be outsourced. If your firm initiates or facilitates a transaction, you are accountable for ensuring it does not violate sanctions. Lack of intent or claiming 'we thought someone else was checking' is not a defence. Even a one-off mistake or an edge-case (like a late report) can lead to enforcement action, especially now that OFSI is keen to demonstrate strict oversight.

The scope of enforcement tools has also expanded. OFSI issued a total of 57 enforcement actions in 2024/25, which includes not only fines but also warning letters, public censure notifications, and referrals for criminal investigation. The financial services and legal sectors saw the most action, unsurprising given their roles in facilitating transactions, but other sectors (manufacturing, shipping, professional services, crypto, etc.) are very much on notice. OFSI even created a dedicated Compliance Enforcement team to focus on breaches of licences and more complex cases. The overall pattern is an increasingly assertive regulator that will pursue breaches large and small, across the economy, to ensure compliance.

**Elevated Expectations: Compliance as a Front-Line Priority**

Collectively, these developments paint a picture of a matured UK sanctions regime with far higher expectations of industry. It is no longer enough to simply have a sanctions policy on paper: firms must be able to demonstrate that their compliance programmes are effective in practice. OFSI's move towards intelligence-led oversight means that regulators are testing how well companies identify and manage indirect exposure or complex risks, not just checking basic policy existence. In essence, sanctions compliance has become a board-level issue, deserving the same attention and governance as other principal risks such as anti-money laundering, fraud, or consumer protection.

For businesses, this means that sanctions compliance needs to be enterprise-wide and proactive.

Key implications and best practices include:

- Holistic Risk Assessment: Map exposure to sanctions risk across all functions and business units, including procurement, treasury, HR, and operations. Risk exists far beyond compliance.
- Enhanced Due Diligence: Go beyond list screening, understand beneficial ownership and control, supply chain risks, and payment routes.

- Operational Controls: Embed sanctions checks in payments, refunds, contract closures, and other day-to-day processes, ensuring controls are actually working, e.g. blocking controls.
- Training and Awareness: Extend sanctions awareness beyond compliance; everyone authorising or processing payments and information should be trained.
- Documentation and Escalation: Maintain meticulous record, as the quality of escalation and documentation often determines enforcement outcomes.

Ultimately, regulators now expect firms to find and fix their compliance weaknesses before OFSI does. The responsibility is on each firm to take sanctions seriously as an ongoing risk management challenge.

**Outlook: Tougher Regime, Greater Resilience Required**

The trajectory is set for UK sanctions enforcement to continue tightening. New powers introduced via the Sanctions (EU Exit) (Miscellaneous Amendments) (No.2) Regulations 2024 have strengthened OFSI's ability to monitor compliance, streamline licensing, and clarify grey areas. Meanwhile, the government's Economic Deterrence Initiative is funding improvements in data analytics and case handling. Looking ahead to 2026, OFSI will refresh its strategy as it marks ten years since formation, with an expected emphasis on proactive intelligence, transparency, and closer industry collaboration.

For companies, this means the sanctions compliance bar will only rise higher. The combination of intelligence-led oversight and global coordination foreshadows a regime where sanctions evasion and breaches become harder to hide. Firms must build compliance frameworks that can withstand fast-changing conditions, ambiguity, and scrutiny. It is not just about being compliant today, it is about being resilient when the future brings new sanctions or investigations. Additionally, it is important to note that OFSI is just one regulator in the UK, and action may be taken by other regulators such as the Solicitor's Regulatory Authority or the Financial Conduct Authority, separately and on top of actions taken by OFSI.

The bottom line: sanctions enforcement in the UK has grown into a stronger, assertive force. Sanctions compliance now serves as a key benchmark of good governance and operational adaptability.

**How Sanctions SOS Can Help - Advisory | Training | Investigations**

Adapting to these challenges requires expertise and effort, but organisations do not have to do it alone. Sanctions SOS supports clients by providing both specialised consultancy and practical training:

- Consultancy Services: Framework design/refinement/audit, customer due diligence (CDD), ownership and control analysis, and investigations support.
- Training Programmes: Unique, scenario-based training in sanctions compliance, export controls, and investigations & evasion detection: tailored for roles across compliance, legal, finance, and operations.

By partnering with Sanctions SOS, organisations will face the evolving sanctions landscape with confidence and clarity. We translate complex regulatory changes into practical guidance and help you build a resilient, evidence-based compliance framework and staff expertise that withstands scrutiny from OFSI and its international counterparts.

Contact us today to strengthen your response to sanctions regulation and protect your company: enquiries@sanctionssos.com | Sanctions SOS: Book Your Training | sanctionssos.com