

News release

Firms offered advice on complying with sanctions

29 January 2024

We have written to more than 1,000 firms with guidance and support on complying with the UK's financial sanctions regime.

We gathered data from a number of firms [<https://www.sra.org.uk/sra/news/financial-sanctions-questions/>] and based on their responses [<https://www.sra.org.uk/sra/news/sra-update-119-sanctions-data/>] identified a large number of firms that had indicated they had poor controls in place. The letters sent include guidance on complying [<https://www.sra.org.uk/solicitors/guidance/financial-sanctions-regime/>] and guidance on completing firm-wide sanctions risk assessments [<https://www.sra.org.uk/solicitors/guidance/sanctions-regime-firm-wide-risk-assessments/>], including a template [<https://www.sra.org.uk/globalassets/documents/solicitors/sanctions-regime-firm-wide-risk-assessment-template.docx?version=492a46>] for firms to use.

We have also included information on client identification and screening, which firms can do for free using the online tool offered by the Office of Financial Sanctions Implementation (OFSI).

The UK financial sanctions regime [<https://www.gov.uk/guidance/uk-sanctions>] is operated by OFSI and the measures are imposed by the Government to achieve specific foreign policy or national security objectives. A breach of UK sanctions is a criminal offence and is punishable by a fine and/or imprisonment.

Juliet Oliver, SRA Deputy Chief Executive, said: 'Strengthening the financial sanctions regime is an important part of the government's response to war in Europe, and law firms have a key role to play. The sanctions regime applies to all firms that provide legal services, not just those that are captured by the anti-money laundering regulations.

'Firms we have written to responded to our survey last year by saying they did not have or were not aware of a written-down firm-wide risk assessment, or the process for identifying an ultimate beneficial owner. The support we've provided should help address these issues and help firms remain compliant.'

OFSI has also published guidance [<https://www.gov.uk/government/publications/russia-sanctions-guidance/russia-sanctions-guidance>] on the sanctions legislation. Those firms with further questions can contact our Professional Ethics Team on 0370 606 2577.

We have an on-going programme of on-site sanctions inspections to test compliance with the regime, and we will also be undertaking a programme of proactive desk-based reviews to test a sample of these firms' controls later this year.