

News release

Sanctions regime guidance helps firms stay compliant

28 November 2022

We have published guidance on the financial sanctions regime to help the profession adhere to the fast-changing rules.

Focus on how UK businesses do business with those connected to questionable countries or organisations has increased with the Russian invasion of Ukraine. There has therefore been a number of changes to the regime – which is underpinned by several pieces of legislation – in recent times.

Accordingly, we have published [guidance for firms](https://www.sra.org.uk/solicitors/guidance/financial-sanctions-regime/) [\[https://www.sra.org.uk/solicitors/guidance/financial-sanctions-regime/\]](https://www.sra.org.uk/solicitors/guidance/financial-sanctions-regime/) to make sure they understand their obligations and know what they need to do to play their part in keep suspiciously-earned funding out of the UK economy.

Paul Philip, SRA 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 to a key role to play. The changing regime means that firms have to keep up to date and our guidance will help them to do that.

'The sanctions regime applies to all firms that provide legal services, not just those that are captured by the anti-money laundering regulations. So some firms will need to take a closer look at, for example, implementing effective client due diligence measures.

'The guidance lays out what we expect from the firms we regulate and provides advice on how best to meet these obligations.'

As well as the requirements of the financial sanctions regime, the guidance explains how it differs from anti-money laundering rules, what to do when providing services under licence and red flags to watch out for if clients are trying to get around the regulations.

[The UK regime](https://www.gov.uk/guidance/uk-sanctions) [\[https://www.gov.uk/guidance/uk-sanctions\]](https://www.gov.uk/guidance/uk-sanctions) is operated by the Office of Financial Sanctions Implementation (OFSI). 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.

Publication comes as we have also published a [warning notice to the legal profession about getting involved in abusive litigation](https://www.sra.org.uk/solicitors/guidance/slapps-warning-notice/) [\[https://www.sra.org.uk/solicitors/guidance/slapps-warning-notice/\]](https://www.sra.org.uk/solicitors/guidance/slapps-warning-notice/) aimed at silencing

legitimate critics, known as strategic lawsuits against public participation (SLAPPS). We have also produced [information for those who might be the target of SLAPPS](https://www.sra.org.uk/consumers/problems/fraud-dishonesty/legal-threats-solicitor/) [https://www.sra.org.uk/consumers/problems/fraud-dishonesty/legal-threats-solicitor/], highlighting what to look out for and how to report any potential misconduct.