

Sanctions: Legal services

News

Updated 7 July 2023

Following an amendment to the Russia (Sanctions) (EU Exit) Regulations 2019 (the Russia Regulations) on 29 June 2023, restrictions are now in force on providing legal advisory services to non-UK persons in certain circumstances. This is an obligation on both UK citizens, wherever they might be in the world, and persons in the UK.

It is now prohibited to provide legal advisory services in relation to financial or trade activity which would be prohibited under the UK sanctions regime if the activity had the necessary links to the UK. This means that legal advisory services cannot be provided on this type of activity, even where the activity does not involve a UK person or is not taking place in the UK.

Legal advisory services, for these purposes, is limited to non-contentious matters only and comprises the following:

- the application or interpretation of law
- acting on behalf of a client, or providing advice on or in connection with, a commercial transaction, negotiation or any other dealing with a third party
- the preparation, execution or verification of a legal document.

There are also exceptions in place, including consular or diplomatic matters, or advice on the scope of the Russia Regulations themselves. In particular, there is an exception for legal advisory services provided:

- in satisfaction of an obligation arising under a contract concluded before 30th June 2023, or
- an ancillary contract necessary for the satisfaction of such a contract.

Legal professionals can only take advantage of this exception if **both** of the following requirements are fulfilled:

- the act is carried out before the end of 29 September 2023
- the legal professional involved notifies the Secretary of State of the provision of the services, before or after the act is carried out, by the end of 29 September 2023.

You should also note that the Legal Services General Licence,

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1153971/Legal_Services_GL_INT20232954852.pdf]

which allows fees to be paid for legal work, explicitly does 'not authorise any act which results in a breach of the Russia Regulations, the Belarus Regulations or any other regulations made under the Sanctions and Anti-Money Laundering Act 2018, save as specifically permitted under this licence'. The ban on legal advisory services therefore takes precedence over the Legal Services General licence.

You can find out more information in the following:

- HM Treasury press release [<https://www.gov.uk/government/news/new-law-imposes-fresh-sanctions-on-russia-accessing-uk-legal->

expertise#:~:text=A%20new%20law%20introduced%20today,UK's%20world%2Dleading%20legal%20expertise]

- explanatory memorandum

[https://www.legislation.gov.uk/ukSI/2023/713/pdfs/ukSIem_20230713_en_001.pdf]

- text of the amending instrument [<https://www.legislation.gov.uk/ukSI/2023/713/made>]