

News release

Law firms reminded of importance of sanctions compliance

Updated 4 March 2022 | Published 23 February 2022

Please note: since publication of this release, we have published further, more detailed information [<https://www.sra.org.uk/sra/news/russian-conflict-and-sanctions/>] on complying with financial sanctions, as well as meeting obligations in other areas such as anti-money laundering and not misusing litigation.

In the wake of the UK Government imposing sanctions on Russia, we are reminding law firms of the importance of their role in ensuring all measures and restrictions are complied with.

All SRA-regulated firms must have appropriate policies in place to ensure they comply with sanctions legislation, including undertaking regular and appropriate checks of sanctions lists.

The financial sanctions regime prevents law firms from doing business or acting for listed individuals, entities or ships. Firms should check the financial sanctions lists before offering services or undertaking transactions for clients. If an individual is on the sanctions list and subject to an asset freeze, firms may not deal with those funds or make resources available to that person.

They must also make a report to the Office of Financial Sanctions Implementation (OFSI) if they suspect a customer of their firm is a designated person under the financial sanctions regime.

Law firms have responsibilities under this regime to safeguard the UK and protect the reputation of the legal services industry. Breaching the financial sanctions requirements can result in criminal prosecution or a fine.

The lists and information about the UK sanctions regimes in force, are constantly updated and published online

[<https://www.gov.uk/government/collections/uk-sanctions-regimes-under-the-sanctions-act>] .

The FCA has also published helpful guidance on the sanctions regime

[<https://www.fca.org.uk/news/statements/new-financial-sanctions-measures-relation-russia>] .

There are some exemptions for which firms can seek a licence from the Office of Financial Sanctions Implementation (OFSI). These include reasonable fees for the provision of legal advice. OFSI will judge whether the fees are reasonable. Guidance on these

[<https://www.gov.uk/government/publications/financial-sanctions-faqs>] is available online.