

Factsheet: Russia sanctions: OFSI reporting obligations

General guidance under the Sanctions and Anti-Money Laundering Act

The guidance is produced by the Office of Financial Sanctions Implementation (OFSI), part of HM Treasury, which is the authority for the implementation of financial sanctions in the UK, and can be found [here](#).

It outlines your obligations under financial sanctions as well as OFSI's approach to licensing and compliance issues.

Financial sanctions are restrictions put in place by the UN or UK to achieve a specific foreign policy or national security objective. They can:

- limit the provision of certain financial services
- restrict access to financial markets, funds and economic resources.

Financial sanctions are generally imposed to:

- coerce a regime, or individuals within a regime, into changing their behaviour (or aspects of it) by increasing the cost on them to such an extent that they decide to cease the offending behaviour
- constrain a target by denying them access to key resources needed to continue their offending behaviour, including the financing of terrorism or nuclear proliferation
- signal disapproval, stigmatising and potentially isolating a regime or individual, or as a way of sending broader political messages nationally or internationally
- protect the value of assets that have been misappropriated from a country until these assets can be repatriated.

When the UK imposes financial sanctions, they are implemented through a combination of statutory instruments (UK regulations) and primary legislation:

- Sanctions and Anti-Money Laundering Act 2018 (Sanctions Act)
- Counter Terrorism Act 2008 (CTA 2008)
- Anti-Terrorism, Crime and Security Act 2001 (ATCSA 2001).

All individuals and legal entities who are within or undertake activities within the UK's territory must comply with UK financial sanctions that are in force.

All UK nationals and legal entities established under UK law, including their branches, must also comply with UK financial sanctions that are in force, irrespective of where their activities take place.

Reporting obligations to OFSI

Under UK financial sanctions regimes, there is a reporting obligation that applies to firms in certain sectors.

Relevant firms that are subject to specific reporting obligations as set out in UK regulations made under the Sanctions Act include:

- a person who has permission under Part 4A of the Financial Services and Markets Act 2000 (FSMA 2000) (permission to carry on regulated activity)
- an undertaking that by way of business operates a currency exchange office, transmits money (or any representations of monetary value) by any means, or cash cheques that are made payable to customers
- a firm or sole practitioner that is a statutory auditor or local auditor
- a firm or sole practitioner that provides by way of business accountancy services, legal or notarial services, advice about tax affairs or certain trust or company services
- a firm or sole practitioner that carries out, or whose employees carry out, estate agency work
- the holder of a casino operating licence
- a person engaged in the business of making, supplying, selling or exchanging articles made from gold, silver, platinum, palladium or precious stones or pearls.

All regulations apply to a UK person or entity who is outside the UK.

Examples of information to be reported:

A designated person or entity	A customer or client of yours is a known or suspected designated person or entity. As well as providing OFSI with any information you hold about the designated person or entity by which they can be identified, if the designated person is a customer or client you must also inform OFSI of the nature, amount, quantity of any funds or economic resources held on behalf of the customer or client, at the time this knowledge or suspicion arose
Offences	Exact offences will depend on the relevant legislation, but can include: <ul style="list-style-type: none">• making funds or economic resources available to a designated person or entity (except where an exception applies or under licence)• dealing with frozen funds or economic resources (except where an exception applies or under licence)• activities that circumvent an asset freeze• breaching licensing conditions

Funds and economic resources	<p>You must include details of the nature, amount or quantity of any funds and economic resources held</p> <p>Types of funds or economic resources can include but are not limited to:</p> <ul style="list-style-type: none"> • cash • cheques • postal orders • crypto assets • bond futures • precious metals or stones • vehicles • antiques
Credits to frozen accounts	<p>A relevant institution must inform OFSI immediately whenever it credits a frozen account:</p> <ul style="list-style-type: none"> • where it receives funds transferred to it for the purpose of crediting that account

When reporting to OFSI, you must include:

- the information or other matter on which the knowledge or suspicion is based, and
- any information you hold about the person or designated person by which they can be identified.

If you know or have reasonable cause to suspect that a person is a designated person and that person is a customer of your (relevant) firm, you must also state the nature and amount or quantity of any funds or economic resources held by you for that customer.

Reports of frozen funds and economic resources, information regarding a designated person, and notifications of credits to frozen accounts should be emailed to ofsi@hmtreasury.gov.uk.

Reports regarding suspected breaches should be submitted to OFSI [using the form on GOV.UK](#).

OFSI will handle all information it receives in compliance with applicable data protection laws.

A relevant firm that fails to comply with its reporting obligations, as set out in the relevant legislation, will be committing an offence, which may result in a criminal prosecution or a monetary penalty.

Your obligation to report to OFSI is in addition to any other sanctions reporting obligations you may have. These could include reporting required by your regulator (if you have one), or submitting Suspicious Activity Reports (SARs) to the National Crime Agency (NCA) under the Proceeds of Crime Act 2002.

In some cases, you may have specific obligations to report under section 19 of the Terrorism Act 2000.

Please note that reporting to your regulator or submitting a SAR does not meet your reporting obligations under financial sanctions. If you have information to report regarding financial sanctions, this must be sent to OFSI: ofsi@hmtreasury.gov.uk.

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