

Foreign Affairs Committee

Oral evidence: The UK's sanctions strategy, HC 699

Tuesday 10 June 2025

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Members present: Sir John Whittingdale (Chair); Alex Ballinger; Aphra Brandreth; Phil Brickell; Dan Carden; Richard Foord; Blair McDougall; Edward Morello.

Questions 44 - 65

Witnesses

I: Chloe Cina, International Sanctions Lawyer, Cina Consulting; Oliver Windridge, Senior Adviser, The Sentry, and Senior Counsel, International Lawyers Project.

II: Sir David Natzler KCB, Former Clerk of the House (2015-2019), House of Commons.

Examination of witnesses

Witnesses: Chloe Cina and Oliver Windridge.

Q44 **Chair:** Good morning. I apologise for keeping you waiting. This is a session of the Committee's inquiry looking specifically at the imposition of sanctions and the parliamentary scrutiny that takes place of that. We have with us Chloe Cina, who I will invite to introduce herself, and Mr Windridge, who is joining us online. Perhaps you would each like to just say a brief word of introduction.

Chloe Cina: Thank you very much. Good morning, everyone. My name is Chloe Cina. I am a senior associate fellow at RUSI. I have about 20 years of sanctions experience, having worked as a legal adviser in the Foreign Office and also in a number of international financial institutions, and now in private practice at Robertson Pugh.

Oliver Windridge: Good morning, everybody. Thank you very much for inviting me to give evidence today. As you have mentioned already, my name is Oliver Windridge. I serve as a senior adviser at The Sentry, a DC-based non-profit that focuses on the financing of conflict, and also as senior counsel at the International Lawyers Project in our governance and accountability team.

By way of background, I am a solicitor by training and qualification in England and Wales, and spent about the first eight years of my career as a lawyer for the United Nations, primarily working at the war crimes tribunals for Rwanda and for the former Yugoslavia. Since leaving the UN, I have increasingly focused on the use of sanctions as a tool for accountability, in particular for human rights violations and corruption, in the UK, as well as the US, Canada and the EU.

Q45 **Chair:** Thank you. I should also add that we have apologies from our Chair, who is otherwise engaged with a very important engagement. Perhaps I could start by just asking you to set out briefly the process for the designation of sanctions, and the extent to which Parliament is or should be involved in that.

Chloe Cina: Sanctions are the final foreign policy tool available to Governments before boots on the ground. That is common ground for most who are involved in sanctions. Over the last 20 years or so, and certainly since 9/11, we have seen a real uptick in the way that they have been aggressively legislated for. We have seen sanctions that have been imposed to address terrorism—for example, in terms of 9/11, UN resolution 1267 against al-Qaeda under the Security Council mandate. We have seen sanctions that have been imposed in relation to the misappropriation of assets in relation to Libya. There is a whole raft of foreign policy reasons as to why sanctions have been pursued.

In 2022, following the full-scale invasion of Ukraine by Russia, we saw a real shift in the evolution of those sanctions. In terms of the designations



that we saw from 2022 until 2025 in relation to Russia, the foreign policy objectives there have been twofold. One is to coerce behaviour change. Of course, that has not been achieved, but I do not think that anybody thought that that would be possible. There is a deterrent value in terms of the sanctions as they are imposed. It has been to address, essentially, restrictions on the Russian Federation's access to funds to continue to fuel and fund the ongoing war in Ukraine, and also in relation to restricting them having access to the critical goods that they need to continue the war in Ukraine.

What we see in terms of the raft of designations across the board in the Russia context is an attempt to coerce behaviour change through the relationships of allies of and individuals who are close to President Putin, as well as other individuals who are instrumental in continuing the war efforts.

In terms of the procedural side, we see Russia being at the forefront of the FCDO's policy. The FCDO takes a very serious approach to the designations, because there are the legal thresholds that have now been set, distinct from when we were in the European Union. There are evidence packs that are gathered and put together, which have sufficient information to substantiate the allegations that those individuals who are going to be designated will have, in order for them to be able to understand the reasons behind it, and also to defend and challenge, so that the FCDO can defend any challenges to those in the administrative courts.

The evidence packs will generally now have sufficient information that is open source. Traditionally, there was less of that sort of material. Certainly during the Iran era, a lot of it was based on intelligence, and, of course, many of those cases were challenged in the administrative courts and were successful as a result of closed material procedures. What we see now is that the evidence packs that are being put together are much more robust and can stand up to scrutiny. In fact, there is only a handful of cases that have been successfully challenged.

Once those cases have been put together at a policy level, they go through legal advisers and have a review in terms of whether the evidence meets that threshold. They then go to ministerial submissions for the decision-making on when they will be placed on the list for designation. There have been some urgent designations, and there is a review under SAML 2018 that allows for those urgent designations to take place. After roughly a six-week period, they will then be placed beyond the urgency, and the statement of reasons will be amended with the relevant evidence in order for them to be cemented in law in terms of how they are placed with their statements of reasons.

Q46 **Chair:** That is very helpful. Just before I bring in Mr Windridge, the one word that you have not mentioned is "Parliament". Where does Parliament fit in to this process?



Chloe Cina: There has been a lot of focus by this Committee on designations, which is quite right, because it affects individuals. The effect of sanctions being placed on a list can be incredibly detrimental to an individual's personal life.

In terms of Parliament's role, having been a Foreign Office legal adviser, there is very little that a scrutiny Committee can and should do at the time that designations are being prepared and decided upon at a ministerial level. The reason for that is that there is often—and we know this from the case of Russia—an urgency, and any delay could be significant in terms of asset flight.

I know that that is something that is canvassed quite a lot by the Government, but it is something that I firmly believe is correct. Having worked for seven years in international financial institutions, I have seen the movement of assets and the restructuring of companies prior to designation, when an individual or company has got wind of the fact that they may be placed on the list. Secrecy and confidentiality are imperative.

There is a role for scrutiny post designation and also, potentially, during that six-week period, if there has been an urgent designation that gets reviewed in terms of what further evidence can be provided, and whether there are any amendments to the statement of reasons. At that point, the private sector financial institutions have already been obliged to freeze assets if they hold any on behalf of those who have been designated. In that sense, there potentially is a role to play, and it would not hamper the two points that I have made, which are about delay and asset flight.

Q47 **Chair:** Mr Windridge, would you like to add to that?

Oliver Windridge: Chloe has set it out very well. To your question on Parliament's role, it is important and very helpful to think of pre-designation, designation and post-designation in terms of parliamentary oversight. If we are focusing at the moment on pre-designation, the reality is that Parliament has no more insight or power than I do as a human rights and anti-corruption lawyer. I can put information before the FCDO sanctions directorate staff, and I do that on a regular basis. They take that evidence on board and will review it.

Members of Parliament are entitled to do the same and provide information to the FCDO's sanctions team on recommended targets. In terms of your question on where Members of Parliament sit in terms of being able to go beyond that, the answer is that, currently, and for the reasons set out by Chloe, rather sensibly we are in a situation where Parliament involvement should happen, either at the time or post designation.

Q48 **Chair:** We have talked about cases where the Government have decided to impose sanctions and how that is then examined, but there have been



a number of cases where Parliament has been pushing for sanctions to be imposed, particularly around individual cases—originally, Sergei Magnitsky, and most recently the Iranian attack on Iran International, and so on. Should there be some additional mechanism by which Parliament can promote or push for additional sanctions?

Chloe Cina: My view is no. If Parliament has an opportunity to be able to push for designations with a formal mechanism, it is straying into the very questionable position of the separation of powers. Rather than the FCDO determining what the foreign policy objectives should be at the time of the Government's policy, it should be something that remains directly with the Executive.

I do not think that there should be no involvement of Parliament in any of the processes. Just as with a particular international organisation such as Transparency International or investigative journalists who have gathered a huge amount of information about an individual who allegedly committed human rights violations, there is a role there for everybody in society to play collectively in providing material to help Government with their policy and decision making. Ultimately, it has to stop there, and there should not be a formal mechanism.

Oliver Windridge: Just to add to that, going back to the basics of this, which I know you covered in your last section, as a foreign policy tool, sanctions are part of that great soup of diplomacy that the UK practises around the world. To Chloe's point, what the Foreign Office is able to do is marshal evidence of alleged corruption, human rights violations or what-have-you, but it also has the tentacles and network of embassies and high commissions around the world in order to really test and determine whether a designation will have impact and how effective it would be.

It is very difficult, if not impossible, for Members of Parliament to even tap in to that level of resource and access, so it becomes like the dark arts of sanctions. I do not mean that facetiously, but the ability to come up with not only a legal argument but a policy argument for designation requires so many ingredients. It is quite challenging to imagine how parliamentarians, with the best will in the world, would be able to gather that kind of information. I rather suspect that they would end up coming to the FCDO for some of that information, which might somewhat negate the process.

I would say—and maybe we will get on to this—that the US system has built into it much clearer processes by which members of Congress can put forward information, and there is a requirement for that to be looked at. That would potentially be an area where you would have a more formal standing to do it, but it is worth emphasising that, even within the US system, it is still recommendations. It is still, "We would like to put this forward, and we would like it to be considered", and the response that is required is still something, but is not a power to designate. It is very much the ability to put forward recommendations.



Going back to my point earlier, I am not sure how much further that takes us than what we have currently, which is that, as Members of Parliament, as Chloe says, just like NGOs, we can put forward evidence, but that would put it at least on a more formal setting. Chloe's points around the policy aspect of sanctions make it a challenge, for sure.

Q49 Edward Morello: I understand the point that you have both been making about the powers to designate residing with the Executive. In terms of parliamentary scrutiny, though, we have seen, for example with FIRS, countries go on to the enhanced tier of FIRS without understanding why. You can look at other countries and, from the outside, think, "They would meet the same criteria to any bystander. Why are they not on it?" because Parliament does not have visibility on the process behind that.

When it comes to what powers Parliament has to scrutinise the overarching sanctions policy, rather than an individual designation case, what powers does Parliament have? Post designation, in terms of enforcement, what powers does Parliament have to scrutinise?

Chloe Cina: It is a very good question. We should think about this beyond individual designations and look at the policy as a whole. When I was preparing for this hearing, designations are not really a big part of my work. I look more at the wider impact of the policy on certain sectors. We have seen, of course, pretty much all sectors impacted by the Russia sanctions. It is the first time that we have had that, especially when there is a G20 economy that is entrenched in the international financial system.

I cannot speak to the powers, but in terms of Parliament's role, we are missing a trick in the UK in so far as Oliver's reference to the ability in the US of Congress to be able to advance particular recommendations. In the UK, it would be fantastic if there was a better opportunity for a wider pool, by which I mean beyond Parliament, to be able to assist the Government in their policymaking when it comes to pre-sanctions impact assessments that are going to really be far reaching and touch areas in the economy that have perhaps not been hit by sanctions before.

That is something that we have not seen done successfully in the UK during the currency of the three years of the Russia sanctions. That is an area that really needs to be a focus, because a lot of the sanctions were imposed at pace, and have been unprecedented and novel. There had been very little work done behind the scenes in the Foreign Office and other Government Departments, such as the Department for Energy and the Ministry of Justice, in terms of not being cognisant of the need to understand how far reaching these are, what the unintended consequences are, and how we can prevent collateral damage.

That is an area where, perhaps beyond the capabilities of individual Departments, Parliament has insight and resources to be able to assist with those impact assessments, which is something that is done quite well in the US.



Oliver Windridge: I can only add to that and say—and it is a very helpful point to make—that, if we put aside the nuts and bolts of specific designations of specific individuals, Parliament should have a part to play in that wider policy and strategy. We tend to be incredibly reactive in terms of our sanctions policy in the UK, which, by dint of what it is, to a certain extent has been a policy tool.

Parliament has an opportunity to be proactive in this space. Something that I continue to see a lack of is the horizon-scanning that we need in order to properly talk about the impact and effectiveness of sanctions, before we get to that stage of which individuals or entities are going to be designated.

Part of that is recognising the wide range of players that are involved in sanctions policy, while the FCDO holds the pen on who in particular is going to be sanctioned. We are talking about law enforcement, as well as the private sector, as Chloe mentioned, as gatekeepers of a lot of sanctions—and particularly financial ones. The ability for Parliament to take a step back and do that horizon-scanning is a valuable role and one that could be much stronger and much more codified.

None of us wants another taskforce or working group—maybe that is just me—but I do think that having that ability to put together a strong parliamentary representation on sanctions policy, if not the specific cases, allows you to be in the game, so to speak, in that pre-designation space. Post designation, it becomes very interesting. With the best will in the world, the FCDO will want to hold as much internally in terms of its decision making about these things, because, as the Foreign Office, that will be its role.

The ability to scrutinise not only the reason for designation but the impact of that designation, is incredibly important, because we learn not only about those individuals and entities at that time, but we can, like I say, talk about that horizon-scanning. Have these sanctions actually worked? That is a very challenging question to ask in any space, but particularly in the sanctions space. If they have not worked, is there a way that we can learn lessons from it? That lesson-learning ability is somewhat hampered at the moment by the fractured landscape that we have of sanctions in the UK, and that is where Parliament could really play a much stronger role and have that unifying capability.

Q50 **Edward Morello:** You will have to forgive my ignorance on this, but on that differentiation between post designation and enforcement, I take your point about there being no feedback process for this. What role can or should Parliament have in understanding the effectiveness of the enforcement and of the sanction?

Oliver Windridge: It is a really good way of setting it out. In terms of the ability to understand enforcement, you have to understand the root causes or challenges that the UK currently faces. Parliament's ability to oversee and potentially bring legislative change in that area is really



important. In particular, the ability to go after comes down to money. This is often one of those things.

The ability to understand the budgetary constraints and the resourcing that is available, not only to OFSI, but also to the National Crime Agency, which is running a lot of the enforcement aspects as well, is an area where we could really see parliamentary oversight for you to understand better, on our behalf, how it is that we are using resources—and, frankly, budget—in order to go after individuals and entities after designation. That space is ripe for improvement, or indeed, dare I say it, growth.

Q51 Phil Brickell: My question is for Chloe Cina. I took the liberty before today's meeting, as a former financial crime compliance officer, to speak to some of my former colleagues who are responsible for implementing sanctions at a number of financial services firms here in the UK, to ask them about how they felt the UK Government had gone about consulting and working with industry, which have to implement new designations swiftly and accurately. I will just quote the response that I had back, and then ask for your comment, if that is okay.

The response that I had was, "It would be good if the UK Government and OFSI could prepare frequently asked questions to publish concurrently with any meaningful regulatory updates or designations. In the US, the Office of Foreign Assets Control does that as business as usual. It is helpful to get a sense of what the US Government's aims are and the spirit of whatever it is they are announcing. UK Treasury does not do that. When they do, they are not always good at publishing useful FAQs and eventually publishing anything at all. I suppose a bit of engagement with industry, where possible, would help with that".

To what extent do those comments reflect your experience? Is there potential for greater publication of FAQs and explainers that would help parliamentarians, as well as business, understand the Government's thinking about designations?

Chloe Cina: That is excellent research, Phil, and a very good question. As I said earlier when I introduced myself, I have the benefit of having been a legal adviser in the Foreign Office. Then, I was in banking and held the position of global head of sanctions advisory at Deutsche Bank for almost six years, which included the start of the full-scale invasion.

I can see it from a global perspective, having held that position, but also working in a German bank. I had a very good relationship with the Bundesbank and the Ministry of Foreign Affairs in Germany, so I have seen how it is done in Europe, which, of course, after Brexit, is almost the same, but not quite, and I can give you a view on the US side.

I wanted to just pick up very briefly—and it feeds into your point as well—on the impact assessments. I do not know if you have all come across de-SWIFTing, when certain banks were removed from the SWIFT network. That was inconceivable prior to it happening. We at Deutsche Bank were asked by the Bundesbank to look at our transactional data and



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see what the impact would look like if there was to be action taken against Sberbank, for example, and how it would have a ripple effect across the international financial community. I wrote a paper on it, and it was a very good piece of work that was done prior to the de-SWIFTing of certain Russian banks. That is what I talk about in terms of doing an impact assessment, because it benefits the policy and the implementation, thereby making it much more effective.

Going back to the FAQ and interpretive guidance question, we all know that OFAC has had many more years to prepare for this, because it has been around for longer. In terms of OFSI, it has been eight years since the inception of the specialised unit. We now have the same for OTSI, which is the trade version. They are not in embryonic stage, but are certainly much more youthful than their US equivalent.

Over the past eight years, we have seen a very good amount of growth and development, although most people in the private sector do not have that impression, because they do not look at the positives. I can think about 2008 onwards, when I was working on sanctions in Government, and look at the sanctions directorate now, not just in terms of the number of people who are resourced, but the budgets, the attention, and things such as the FCDO strategy, which is to look back and to look forward with regard to how effective all of these are.

What we have seen in the space of FAQs and licences, which are there to deal with very specific issues that could not necessarily have been foreseen at the time that the policy was implemented, is that the UK could get better at this. It could be more proactive and forward-leaning in terms of the sorts of FAQs that it put out there and the sort of guidance that it develops. We are now seeing much more guidance across all sectors—around the charity sector, humanitarian guidance and high-value assets. Other parts of the sanctions policy now have their own specific guidance.

The FAQs are still lacking. They are only really in the context of Russia, and there is not enough direction in terms of read-across to other regimes and whether you can apply that. If I think of the number of FAQs that the EU Commission, which was also new to the development of FAQs in 2022, has put into the public domain, we are talking about hundreds as opposed to what is quite a handful in the UK context.

The Commission's consolidated FAQs are divided into different thematic categories, from trade to asset freezing and best-efforts obligations. It is a very easy, interactive model. What you need from the private sector is something that is accessible and understandable. We are getting better at that, but we are not quite there.

In fact, the biggest problem is that the relationship between the Foreign Office and OFSI is perhaps not as constructive as it could be. There is a bit of a lag between what the foreign policy objective is and what OFSI is



prepared to put in public when it drafts these FAQs and makes them available to the private sector.

Q52 Phil Brickell: One of the concerns is about FAQs and explainers being published after the fact. When a new regime comes in or new designations are announced, firms and parliamentarians are scrabbling around to implement or understand how and why. Is there an argument to be made that, as a principle, where there is a substantive change in a regime, or a new regime put in place, there should be an explainer published by the powers that be?

Chloe Cina: I will give you three answers to that, each one quite brief. The first is around where those that you consulted are coming from, which is, "We are scrabbling around and do not know what any of this means. Why is there not an FAQ?" That is fair enough. The second is from somebody who has worked in both sectors. I understand that it may not be the case that the collateral damage or the need for interpretive guidance has been understood until the sanctions are introduced and implemented.

Then there is a noise coming from the industry to say, "How does this work? How does that work?" That has been the case for, let us say, regulation 54D, which is on the quite novel legal advisory prohibitions that came in, which we had not seen before. There is an opportunity there to be quicker.

I am not convinced that, for every new type of restrictive measure, there will always be an opportunity to have an accompanying FAQ on the day. I am not saying that that is not possible, but for some, it is only when you find out how that has impacted particular sectors that you can do so. It is about frequently asked questions, so if all the financial institutions ask the same question on day two, you know that it needs to be addressed in an FAQ. We do it too slowly in the UK because, while the information gets through very quickly, it may take six weeks or two to three months, by which point it is probably too late and you have derisking happening in the private sector.

I have a solution, which is where I go back to the Bundesbank point when they consulted us over the potential impact that de-SWIFTing certain banks would have. Certainly, if we look at Russia, we were all singing from the same hymn sheet. If the UK was more forward-leaning and allowed consultation prior not to designations but to novel sanctions measures, and understood what the potential impact would be by consulting industry experts, it would know in advance, or have a much better opportunity to than where it is now, what interpretive guidance was needed on the day of the adoption of the particular new measure.

Oliver Windridge: If I could rattle through a few points on this, which have already been touched on. It is a really good question around OFSI's role in this. The reality is that we are somewhat hamstrung by the fact that we have a fractured system, whereby, as you by now know very



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well, the FCDO decides and designates, and OFSI then implements and enforces. That structure and that system creates gaps. With the best will in the world, although I am sure that everyone in both Departments works together all the time, that does create gaps.

I was once told—and I am sure that it is wrong; it has to be wrong—that OFSI is aware of designations only very shortly before they are announced. I am sure that that is not true. If there is any truth to that, it is concerning: you cannot write up FAQs unless you know what is going on; you do not know what the Qs are, so to speak.

That goes briefly to my second point, which is on policy. You cannot write the introduction to your essay until you have written the essay. You cannot write your FAQs until you know what it is that you want to do with the action that you have taken. The US does this a lot better. The FAQs are the public-facing product of what is a very intense internal process, which they often call a 360 review, where various departments are brought in and asked to stress test the designations that are going ahead. That is an area where, if we had more cross-departmental oversight, the FAQs almost become easy, because you know where it is that you want to go. You have already tested it and can see where the issues are. Policy drives that, and we are somewhat lacking.

The third very brief point is an issue around legal protection. The US system has a different way of protecting the US Government from cases—from being sued—and also the individuals who provide evidence. Quite often, we in the UK tend to shift, for reasons of legal exposure, the requirements on to the private sector to do their own homework.

I was once on a call in relation to Belarus. I am not sure why I was invited to the call. I do not act in the private sector, but I was on it. Whenever the private sector engaged OFSI and said, “How would this work? How could we do this?” what I consistently heard from members of OFSI was, “That is really a matter for you to go away and decide”. The scales fell from my eyes, to a certain extent, in terms of the ability of OFSI, unfortunately, to really provide that kind of detailed information, so we need to get better at that.

Just as a very brief last point, as somebody who works with those who are often in countries that are most affected by the conduct that is being sanctioned, it is not just a good thing to increase this area of FAQs for the private sector, but also good for those who work and are directly impacted by sanctions. If you are a civil society group, or even an individual, to understand what it is that is going on and why it is that the UK is taking this action is important. I would just put that on the board as well as another reason why transparency from OFSI—and, indeed, from the FCDO—is really important in order for us to demonstrate why we are taking the action that we are taking.

Q53 Alex Ballinger: Can I come back to the advantages and disadvantages of Parliament having a greater role in sanctions policymaking? The



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Committee was in Washington last week for a delegation visit. We met lots of Congressmen, and they were often talking to us about Lindsey Graham's secondary sanctions Bill that is going through Congress at the moment. I do not understand the process exactly, and it may be helpful for that to be explained, but it will allow Congress to push forward a particular sanctions policy that the Executive was not supporting immediately. You can see that there might be advantages from that in a place where the Government might be a bit more cautious around sanctions. I can think of examples in the UK such as Smotrich and Ben-Gvir, where there is a lot of public support for sanctions but the Government are a bit hesitant to do that. Might there be advantages in that area?

Chloe, you talked about the disadvantages around secrecy and confidentiality, and the fact that talking about these things up front may allow people to move assets ahead of time. I would be keen to explore those two aspects a bit more. I know that you are in the States, Oliver, so maybe you could start us off with some reflections on how it works in America.

Oliver Windridge: It is a good question. The US landscape is different. In the US, you have a couple of ways that sanctions really come together. You have the legislative and executive order. In the legislation that is passed in relation to Iran, for example, there will be a piece of legislation that is passed in Congress and calls for sanctions on individuals and entities that are involved in ongoing repression and a lack of good governance or democracy. Often, those will not have names in them, so it will not say, "Sanction this person. Sanction that person", but there will be a legislation foundation on particular countries or regimes. That is one way that Congress is able to push for sanctions within the US system. The other is through executive order, which comes from the President.

In both examples, something such as the Global Magnitsky Act, which many of the Committee members will be familiar with, has baked into it, like I said earlier on, specific wording whereby members of Congress, ranking members and committee chairs can provide or feed information in, and that information must be considered or discussed. There is a requirement that, within 120 days, a report or a note is given to that individual or that committee on the decision of whether to impose sanctions.

In some ways, that is a more transparent system. The advantages are that there is a lever that can be pulled by Congress. Like I said earlier on—it is worth emphasising once again—these are recommendations. Ultimately, these are not powers to impose designations themselves.

To your point on Congress being able to, if not circumnavigate, then provide an additional track, for sanctions that can be helpful, particularly if leadership is going one way within the Executive, and there is a



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groundswell of support, or ongoing support, for a different situation or a different stance to be taken, so you can create those tracks.

That becomes somewhat challenging in terms of the way that parliamentarians or Congress can then engage on it. My understanding is that the reality for all of this is that most of that work still happens behind the scenes and is very convivial and collegiate because, ultimately, what you are talking about here is persuading either OFAC in the US or the FCDO in the UK to use a power that it has huge deference for.

The ability to publicly call for particular sanctions can be somewhat counterproductive when, ultimately, you are going back to the same people and saying, "Will you take this action?" Asset flight is one part of it, but a reputational and human aspect of it is that, when you make those kinds of public statements, it is not always entirely productive in the long run, but there is that system that allows for greater work.

I would say—maybe we will get on to this later on—that it also creates, in my experience, some exposure for parliamentarians where they have that ability to at least formally recommend designations. I was speaking to a number of US officials recently, who were talking about this and saying how they are starting to see more and more the weaponisation of this system.

Very briefly, there is no greater power or very strong weapon in terms of going after your political foes, or people who you do not want on the scene anymore, than to have them sanctioned by the US—or, I would include, the UK. Their assets are frozen, they cannot travel, and they are at risk of having many of their financial services affected or even stopped. You see more and more use of lobbying and pushing for particular designations of individuals or entities, which, when you source them back, may well be, like I say, sourced by political enemies and foes.

It is worth mentioning that, if you are to recommend the ability of Parliament to be more involved in that process, you have to think as well about the protection or, indeed, the exposure that Members of Parliament could have to those kinds of weaponisation tactics, which are very well developed and, unfortunately, being used somewhat in the US.

Chloe Cina: Oliver has answered this extremely well and in great detail. I have only a couple of points to add, because I pretty much agree with everything that you have said. We do have to be careful because there was a period, before the former Prime Minister Liz Truss took that position, when she was Foreign Secretary, and we found that she was announcing certain measures before they had been adopted, which was particularly unhelpful. The former Prime Minister Boris Johnson was also guilty of similar behaviour, and that was, again, particularly unhelpful.

I was in the private sector and have first-hand experience from being at Deutsche Bank, a bank with a lot of exposure to Russia and a very



restrictive policy in terms of what it was prepared to do in terms of Russia activity, in line with the sanctions that were being imposed. From my experience, by having those sorts of announcements—and we have seen it again with the position of Congress, which can put together a wish list of what it thinks a sanctions regime should look like in the future—you get the immediate consideration by financial institutions or others in the market to derisk.

It can be very counterproductive, because, in fact, it does not necessarily mean that that is the policy position that is going to be advanced and introduced into law. What the financial sector will do is immediately derisk, because they do not want to be the last bank to be caught out and be an outlier. We have to be very careful about public announcements, or discussions or debates, or the advancement of potential policies in public at that time. There still has to be a degree of confidentiality, otherwise it can have a very damaging and far-reaching impact on certain sectors before it has become policy that is in law and enforced.

Q54 Blair McDougall: Can I ask you to expand a bit more on that? One of the things that is frustrating as parliamentarians is that, when you are outside the process of the inception of sanctions, a Government that are stalling on an issue look exactly the same as a Government that are actively preparing behind the scenes for meaningful sanction action. Is there anything from the Canadian and US systems, for example, that we could introduce into our own system and that would allow for a bit more confidence at that formulation stage, or is the risk of people taking pre-emptive action to move their money around and things like that just too great?

Chloe Cina: It is a very difficult position for all of these unilateral sanctions authorities—and you have named two others—to get the right message out publicly. You have talked about stalling, and that may well be the public perception in certain cases, whether it is under Magnitsky or another regime.

Forgive me for stating the obvious, but it is often a very fine balancing act between competing diplomatic, economic and national security interests. Oliver put it very well. Behind the scenes, there is a lot of work that the public simply cannot be allowed to know. Everybody wants to have sanctions administered on a particular country, for very specific reasons, and they get frustrated that that is not happening, but there may be very clear, albeit non-disclosable, reasons as to why that cannot be the case.

In the context of Canada, we have seen that it has had to make very difficult decisions on certain Russian exposure, because it has a deeper economic exposure to particular Russian entities. If you look across the board at certain designations, you will see that there is divergence. It is not because the sanctioning authorities are not aligned. It is just that they have had to weigh in the balance quite competing interests.



The Canadians have been quicker off the mark in terms of what they have been prepared to do. Certainly, when it comes to not the freezing but the seizure of assets—I know that we might touch upon it—we have learned a lot of lessons from the Canadians, just as we have in terms of closed material procedures and special advocates. They are quite forward-leaning and quite helpful to take lessons from.

The thing is that we should not limit our policy and the way that it is directed and implemented in a parochial way. There is a lot to learn across the board from all of our allies, and it is something that, when horizon-scanning, we should consider carefully, as Oliver well put it, “What has worked? What has been effective? How can we make it more effective in the future?”, so that the sanctions architecture does not lose credibility and can still be a foreign policy tool that can be deployed as opposed to military intervention.

Q55 Blair McDougall: Mr Windridge, can I ask you to answer the same question? Can I also invite you to expand a bit more on something that you said a moment ago about your concern that, if legislators are involved in this process, they are open to political and legal lobbying? Presumably, that takes place at the moment, but behind closed doors and without scrutiny. The same people who would be lobbying us if we were talking about sanctioning particular individuals or sectors are, presumably, doing that with Foreign Office officials and Ministers at the moment, but it is just not happening in a way that can be seen or scrutinised.

Chair: Can I ask you to be as brief as you can? We have another panel to come.

Oliver Windridge: Yes, of course. Just on the first point, I absolutely share your frustrations as somebody who regularly engages, provides information and advocates for the use of sanctions as an accountability tool on that dichotomy between the two stages of the work. Chloe has mentioned it, so I will not belabour the point, but, in terms of the ingredients that are required in order to create sanctions, it is a foreign policy decision, and so it is very difficult to see how we can impact that.

Just as the FCDO sanctions directorate is happy to speak to me on a regular basis—and hopefully still will be after this session—to learn more about their decision-making, I do not see any reason why Members of Parliament would not also be able to engage the FCDO. I imagine that there are processes and procedures that are required but, essentially, that is where OFAC are much better, in my experience, in terms of talking to people and to Congress, and being visible. The ability to be visible and public is just a very basic but practical step that we could take in order to understand, like I said earlier, the dark arts of sanctions.

Just very briefly on the lobbying point, I do not have insight into who goes into the Foreign Office after I have been in to speak to them, but it is a fair assumption to say there are ongoing discussions with various



people. The concern, particularly in the US, is that, once Congress has that kind of power, it is just a force multiplier and an ability to target individuals or groups of individuals in order to push an agenda.

To be frank with you, again without going on about resourcing and money, the machinery of the FCDO and, indeed, OFAC is much more resilient and aware of particularly that under-the-radar, disguised lobbying. That will be a concern particularly. It is very sophisticated. I know that we have another panel, so I will not talk about it too much, but it is very sophisticated in terms of not just outright lobbying, but employing non-profits as fronts, and employing individuals who might be affected to act as spokespeople in cases, and then going to OFAC or the FCDO themselves, rather than the lobbying group. That is the kind of sophisticated, under-the-radar, nefarious action that concerns a lot of people. It is just another area of exposure that we have to be very careful about.

Q56 Richard Foord: I wanted to ask about the global anti-corruption regime. So far, we have been talking very much about the UK sovereign sanctions regime, but thinking about global anti-corruption and the introduction in 2021 of the law here in the UK, could you talk a bit about the limitations on such things as unexplained wealth orders, racketeering, money laundering, illicit enrichment and misuse of office? Why are there these limitations on the global regime that we do not have so much in the sovereign space?

Chloe Cina: Forgive me, but that is not an area that I am an expert on. Oliver can probably answer that better than me.

Oliver Windridge: It is a good question. As you say, the global anti-corruption regime was started a few years ago, in 2021. As you have rightly stated, it is limited. The scope of the regime is the misappropriation of property and bribery, which are two offences under the UN anti-corruption convention. As I understand it, the reason or the rationale behind having a very limited GAC, or global anti-corruption, regime was to focus on those two specific offences, because they are mandatory offences under the UN convention.

Within that, it is important to understand that, while that is the conduct that can be sanctioned, the involved person test, which is around who can be sanctioned for that conduct, is extremely wide. You are probably aware that it is profiting from, assisting or supporting. It captures a large number of people who are involved in corruption, the definition of corruption being misappropriation of property, and bribery.

You are absolutely right to raise this. In my personal capacity, and with a number of non-profits that I work with, we have continued to work with the Foreign Office and advocate for an increased scope of the global anti-corruption sanctions regime. That could include designation for some of the actions that you have just mentioned around illicit enrichment and other corruption-related offences, which are contained in the UN



Convention against Corruption. We would not be reinventing the wheel. We would be just, I would argue, taking some of those international obligations that we already have in the UK and including them within the scope of the anti-corruption regime.

You also briefly mentioned unexplained wealth orders, which is an investigative tool in relation to illicit finance. This is another area where the global anti-corruption regime sometimes rubs up against the law enforcement angle of this. Again, it is important to emphasise that, to the best of my understanding—and we have worked with a number of really good lawyers on this—there is no reason why the UK cannot use anti-corruption sanctions in order to freeze the assets of and prevent travel for individuals or entities involved in corruption, and, at the same time, pursue law enforcement angles or the use of unexplained wealth orders. Account-freezing orders are another very effective tool in the illicit finance space, as well as criminal prosecution or civil forfeiture.

These are not exclusive tools. They can be used in the round and together. In some cases, where they have been used together, that is where you start to build up that network approach of the UK combating corruption and kleptocracy, which can be most effective.

Chair: That is all we have. I thank both of you very much for a very helpful session.

Examination of witness

Witness: Sir David Natzler.

Q57 **Chair:** May I welcome, for our second session this morning, David Natzler? Sir David is certainly well known to me, and probably to Dan as well, as longstanding Members of Parliament, but colleagues who are new will be less familiar, so perhaps you would like to introduce yourself.

Sir David Natzler: Yes, indeed. Good morning, and thank you for having me. My name is David Natzler. I was the Clerk of the House of Commons from 2015 to 2019. I think you want to ask me questions about scrutiny, Committee powers and so on. I know next to nothing about sanctions, although I have learned a great deal in the last hour. I would just say that, when I arrived in 1975, one of the big issues was the Bingham report into Rhodesian oil sanctions and the busting of those sanctions by British oil companies, so the issue is not, in that sense, a new one in Parliament.

Q58 **Chair:** Thank you. Despite your modesty, I have no doubt that your experience will be extremely helpful. Perhaps you would like to begin by just setting out your view of how Parliament could be most effective at scrutiny.



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Sir David Natzler: Forgive me if some of this will be obvious, particularly to you, John, as an ex-Select Committee chair. You are not a scrutiny Committee, in my view. You are an overview and scrutiny Committee, which to you, Mr McDougall, will mean nothing. In English local government, those of you who have been local councillors will be familiar with it.

They are two slightly separate things, which is why they are called overview and scrutiny. Overview is, evidently, about policy and, to some extent, about implementation of policy in the broad sense. Scrutiny is taken to mean the detailed, critical analysis of specific decisions either to be made or that have been made. That is defined in the excellent statutory guidance that the Department produced since the 2000 Local Government Act into overview and scrutiny.

Here in the House of Commons and in the Lords, we have what we call scrutiny Committees. The European Legislation Committee—now, alas, deceased—changed its name to the European Scrutiny Committee. It looked at every legislative proposition coming out of the Brussels machinery and reported not on its merit but on whether it was important. That sounds absurd, but it was a way around a political problem. Every statutory instrument is scrutinised for its legal vires, and by the Lords also for its merits.

More recently, there has been a mechanism for looking at treaties, as, again, I am sure you know. The House of Lords sets up its treaties Committee. There is not as yet, alas, a mechanism for looking at non-treaties, in other words the memoranda of understanding or agreements that have not been formed into treaties.

For the last 25 years—I was responsible for this at its inception in 1999—there was detailed analysis of arms exports in the wake of the Scott Report and Robin Cook's commitment to publishing more detail than hitherto of British arms exports. That parallel is a really interesting one for you, not least how it was different in some ways.

Sanctions regimes and their implementations, as I understand it, from what we have just been hearing, are obvious candidates for detailed analysis by a Select Committee, or several Select Committees, if it thought that was a priority area and the best use of staff and Member time and interest. You can extend staff time, just about, but obviously not Member time.

To judge whether it is worth it, there is a simple test. At the end of it, do you expect it to produce better results for the public? That is what it is all about. There are various ways of testing it. Academics have endlessly tried to test what scrutiny works and what does not.

A very good set of people to ask are those being scrutinised. In a sense, Chloe was one of those. Will they, if honestly pressed, admit, "Yes, you have hit the nail on the head; you have not necessarily found



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wrongdoing, but you have helped us produce more effective and better thought-out sanctions regimes that are fairer to those being sanctioned and will achieve what they set out to do”?

Personally, I would be very leery about formal involvement in what is described as pre-designation. Of course, if you are not designated, everything is pre-designation. We may all be being investigated for all I know. At that early stage, you would be as cautious as you would be about getting your hands in any police inquiry. As Members, you are more experienced than I am in that, but stuff comes up and you think, “That is for the police. I can report a crime like any other citizen, but I am not going to want Parliament, whether it is individual Members, Committees or the institution as a whole, to in any way get involved”, which in other countries is not always the case.

The idea of some sort of scrutiny of specific designations after they have been designated but before the six-week period for urgency has expired, in that particular case, must be a strong one if, again, you think you are going to find something useful. I do not know enough about sanctions regimes.

I am a little sceptical of the idea that Parliament should have a formal role in either raising activities that should be sanctioned—by that, I mean a gross breach of human rights in, let us say, one particular region of China—or insisting something that can happen or indeed in obliging the FCDO to prove that it has actively considered that. If any one of you as individuals raises those things, it will be taken very seriously anyway, as it will be if it comes from a respectable NGO.

There is a risk in the formalisation of that. I think of the parallels when any of you raises an immigration case. My belief is that it has a very special status in the directorate dealing with immigration. It gets an extra paperclip put on the top and it gets to the top of the heap. People think that is as it should be. As you know, it is a scarce resource and you use it carefully when you think you should really intervene. It is the same in local constituency housing cases, social security cases or whatever. You already have that. You are already a special status.

Stop me when you have had enough, Chair. I would warn you against the US too much. I know you have just been there. I have experienced over the years a certain number of visits by Committees to Congress. We all come back feeling like, “Why can we not be like that?” when they have these enormous rooms, 15 staff and so on. We are not. It is a different world. The witnesses before were very good in warning against the downside of that.

I would not like a system in which I risk being sanctioned—it is rather unlikely—because I had fallen foul of a majority of Congress and they did not like the cut of my jib. I would be even more nervous if the President could, by executive order, stop me traveling to the States, although I guess he can.



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The US is so different. Canada, which I know nothing about in this respect, is a much more useful example because it has such a similar system. Its constitution is so similar. Our Parliaments watch one another closely and learn from one another the whole time.

I would also urge you to look at other European Parliaments on the mainland. As we were setting up the Committees on Arms Export Controls, we went to Sweden. It was an eye-opener to see how things that seemed impossible turned out to be entirely feasible in a country that is not very different from our own in many ways. I have probably said enough or too much.

Chair: No, not at all.

Q59 **Dan Carden:** Welcome back, Sir David. You have answered all the questions in your first reply, but I will give it a go. I was going to touch on a couple of points. First, aside from Committee work, are there any other tools that Parliament has? I think you have given us quite a bit on that.

Secondly, when Parliament seeks to debate and scrutinise sensitive issues—perhaps you might think back to some examples of that—what is the best way for it to do it? We have a regime that is incredibly important to the UK national interest. The first panel touched upon how there is a role for making sure this is as effective as possible, and perhaps that is where Parliament could be most useful. How could we lend to the Government's efforts to make this as effective as possible?

Sir David Natzler: On the second one, you are absolutely right that Parliament does not want to think about how it can insert itself for, as it were, the pleasure of exercising power, which I am sure you are not. It feels like that sometimes when Parliament says, "We want more powers". You want to make it better. You presumably want to make sure those designated should have been designated, if it is about individual designations, because some of them perhaps have been unfairly or harshly treated. It tends to be people wanting to have designated other people who they despise and who are abusive in some way. It is very difficult to debate, from a basis of real understanding and knowledge, very sensitive issues.

The Defence Committee, of which I was the Clerk for some years, depended entirely on classified information. Mr Foord, you are a former member of the Army. Of course, everything in the Ministry of Defence is classified. That does not prove it is really important—far from it—but without access to quite high levels of classified information you simply could not do the job.

We did have one inquiry that was entirely held at first in private but then went public with a coding system for particular MOD bases, which had been guarded by private security firms very badly, particularly base No. 46. Luckily, I cannot remember where it was. That meant we could then



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sit in public and be seen to be scrutinising what had become, after the Deal bombing, a really serious issue. Why was the MOD using private security firms to guard its own bases? Why not its own personnel? That was one way around it.

The Exiting the European Union Committee had foisted on it by an address of the House in 2017 a whole lot of documents that the Government were not willing to release fully. A Byzantine system was invented in which there was a reading room into which Members could go, without pencils, to read this stuff, a certain amount of which had already appeared in the press. None the less, there are reading rooms. When you have access to classified information, it is not difficult.

There should not be a difficulty if the mere difficulty is classification, but I do not think that is the difficulty. In this case, a lot of it is about individual personal data, I imagine. If you have an individual who you would like to see sanctioned and the Foreign Office looks at it, I imagine that it will want to know a bit about his or her assets as well as his or her address and maybe his or her relations and company networks and whatever. That is all both commercially confidential and personally confidential.

As MPs, you see masses of personal data. I used to be appalled by how much. Your computers are absolutely full of the stuff, really sensitive information about individuals. You are perfectly used to dealing with it and I hope you are dealing with it securely, although that must be an anxiety at times. The Foreign Office has to trust you.

What this all comes down to is, if you want to do more, you have to tell FCDO what you want to see and why. Persuade them that you can make some use of it and that it is not mere curiosity. Work out what use you are going to make of it and, by your behaviour, ensure that its trust, Ministers' trust and the trust of the individuals whose data you are seeing is well placed. I do not know whether that begins to answer the question.

Q60 Dan Carden: Just to go back, you mentioned MPs already having a special status on things such as immigration cases. That is by convention more than anything else, is it not?

Sir David Natzler: Yes.

Q61 Dan Carden: It is not written down anywhere.

Sir David Natzler: That is my belief. It may be written down in a Home Office manual but, no, I do not believe there is any reason why you writing about a difficult asylum case should have any greater effect than when I write about it, but I think it does.

Chair: As a member of the Exiting the European Union Committee, I can remember very well being ushered into a room to read an enormous document without being able to take notes. I have to say it was not a particularly effective way of scrutinising. That may have been the



intention, of course.

- Q62 **Richard Foord:** Sir David, I take your point that you do not see a whole lot of value, as I understand it, in scrutiny in the pre-designation space. Thinking about the post-designation space and implementation area, do you see any value in having a Committee where the members and the staff have access to highly classified information? The Intelligence and Security Committee set up by the Justice and Security Act 2013, is set up on that basis, where both members and staff have access to highly classified information. Do you see that as being of any value in this space?

Sir David Natzler: The ISC was set up in 1994. It was renamed "Committee of Parliament" as a gesture 10 years later. It is a statutory Committee and not a parliamentary Committee. Does it do valuable work? Yes, 100%. It followed a long period, in the late 1980s and early 1990s, of debate as to how the intelligence and security services should be properly scrutinised, drawing on the experience of other nations that had managed to do something like that.

The compromise, from memory, was that it would not be a parliamentary Committee but a creature of statute. It would not be appointed in the normal way—how members are appointed has changed over the years—it would be staffed by civil servants and not by parliamentary staff, which is of a lower level of importance; and it did not live here. They had, and I think still have, their own offices.

We have been around that over the years and got quite close to bringing them in-house but failed for various reasons. If you wanted to have a sanctions Committee, which did nothing but look at sanctions, that would be one model. I would warn against it. It is much better if it is set up like any other Select Committee by resolution of the House. The protection of it being a creature of statute seemed necessary 30 years ago. You might persuade Ministers that that is no longer necessary and an ordinary parliamentary Committee could function in that space.

If you want to have a standalone Select Committee on sanctions, my advice to you would be beware of what you wish for, slightly. You have to find members who are going to have to give a lot of time to it and not much else. I would also advise you to engage the Lords because that halves your burden and doubles your output. They do not have unlimited money, but they have a lot of Members, many of whom are ideally suited for that sort of work.

There would still be legal difficulties. There are legal difficulties because those people who are being sanctioned and who do not like it, so far as I can see and judging also from briefly talking to the first set of witnesses, are about the most litigious people on earth.

I can say anything I like here, and I will, because I am covered, as you are, by parliamentary privilege. Once you have a joint Committee on



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sanctions, you will be addressed by a large number of discontented oligarchs and football clubs, which can be nameless. They will see that as a wonderful opportunity to complain, to harass and to advance their cause in a way that they have not been able to in the courts.

If the Committee were to get in any way involved or were seen to be involved in leading to sanctions against countries, people or particular companies, you would risk it going to the European Court. I hope Parliament would win, but our procedures are not those of a court. The "High Court of Parliament" is just a fancy expression.

Looking at the Chair, I am hesitant to say this, but when Committees have embarked on lengthy detailed inquiries into matters that were also in some cases before the courts, as on hacking, as you will know, you had to be fantastically careful, but you got there. It is a real thing to take on, if you take on anything that has those sort of legal ramifications. That is just a warning, but hardly necessary.

Chair: Certainly, I still bear the scars.

Sir David Natzler: I know that two of your members—you and the Chair—are Privy Councillors. Do not underestimate how valuable that might be. I do not fully understand Privy Councillor terms, but it does make civil servants feel better.

Q63 **Chair:** It has occasionally been suggested that Privy Councillors can receive information that others cannot. I have to say I have never seen in practice that that is the case.

Sir David Natzler: It may be the case more if you are an Opposition spokesman. You may get offered a briefing on Privy Councillor terms, which is the equivalent of being the ranking member on a congressional committee, if you see what I mean. It might be a way out.

Q64 **Chair:** I was just going to ask you something else. Some of us on the Committee, and indeed quite a number of other Members, you will be aware, have themselves been sanctioned by other countries, particularly by Russia, but there are one or two other countries that have sanctioned some MPs. Should that provoke some response, or should Parliament have some power to express its disapproval of the sanctioning of its Members?

Sir David Natzler: Parliament does have the power to express its disapproval of that. I am sure it does disapprove of it, if it prevents Members going about their business, which is very much the concern of Parliament. If a Member cannot do what they think is necessary for parliamentary business, they must not be stopped.

If a different sovereign regime has done it, there is not a lot that it can do. I believe the Speaker has expressed his dismay and concern—I want to be cautious here—both at sanctions and at the turning back of Members who went on a visit and were denied entry.



Yes, in general terms, certainly there should be some concern if Members, doing what they regard as their duties, are penalised in some way that affects them. I am not sure this connects with a sanctions regime.

Q65 **Chair:** You have been extremely helpful. In particular, you have flagged perhaps some of the risks attached to Parliament straying into this area, which chimes with some of the things that we have heard before. None the less, thank you very much for your time.

Sir David Natzler: Can I add one thing? From what I have read in your evidence, I do not understand why the FCDO and others seem to be so cagey about keeping you properly informed. I really do not see that. You need a flow of information. You need to define what that flow is in order to do your job as a scrutiny and overview Committee. You do not need my lesson in how you should go about going back at them, if necessary using the Liaison Committee, if you think you are being obstructed.

Reading that, I was frankly a bit taken aback at some of the things, most notably that in the 2018 Act there was a regime for regular publication of reviews, not just for Parliament but for the public, as to how sanctions regimes were being applied. In 2022 that section was removed from the SAMLA in the economic crime Bill. I did take the trouble to look up how that happened. It really casts parliamentary legislative procedures in a very poor light.

The Government, in 2022, suddenly brought up about seven new clauses with virtually no notice on a one-day Committee of the whole House stage on the Bill. There were seven lines of explanation by the then Minister, who got no further, which gave no idea why they were reducing that, except to presumably reduce the burden on FCDO or Treasury staff. It does seem to me the least you could do is ask for the restoration of those powers, which were removed for no obvious reason in 2022, or indeed the extension of them. I am afraid this may cause little work for other people, but it is really a shocking example of how we legislate.

Chair: That is hugely helpful, and we will look further into it. Thank you very much.