



**Business and Trade
Committee**

Monday, 2 February 2026

**Sir Chris Bryant MP
Minister of State (Minister for Trade)
Department for Business and Trade
Old Admiralty Building, Admiralty Place
London SW1A 2DY**

**John-Paul Marks CB
First Permanent Secretary and Chief Executive
HM Revenue and Customs
100 Parliament Street
London SW1A 2BQ**

[by e-mail]

Subject: Enforcement of UK trade sanctions

Dear Chris, dear John-Paul,

I write to request information on the UK trade sanctions regime, ahead of the Business and Trade Sub-committee's planned evidence session with your Departments later this month.

Responsibility within Government for various aspects of trade sanctions is divided between numerous Departments. Enforcement is now of course carried out principally by the Department of Business and Trade (DBT), in particular its Office for Trade Sanctions (OTSI), and HMRC. DBT also carries out important licensing functions with respect to trade sanctions. However, the publicly available information on enforcement activity published by your Departments suggests there are, at present, limited practical consequences for UK companies that breach UK trade sanctions. This is particularly so with respect to UK restrictions on trade involving Russia, a key component of the UK's steadfast support for Ukraine and wider European security.¹ We note that in 2025 alone, US sanctions enforcer OFAC publicised financial penalties for sanctions breaches totalling \$265.7 million (£193 million), with offenders publicly identified. The UK by contrast has levied approximately £3.7 million in financial penalties since the start of 2022 for violations of trade sanctions, and it has not publicly identified a single company for the breaches involved.

¹ House of Commons Library Research Briefing, Sanctions against Russia: Targeting third countries, November 2025



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OTSI: trade sanctions enforcement activity

While we are mindful of the legal limitations on OTSI's ability to apply civil enforcement action to breaches of sanctions that took place prior to its establishment in October 2024, it is striking that the Office has not publicised a single instance of enforcement action since then. OTSI's first 'Corporate Report' from December 2025 notes that it had "received reports or referrals relating to 146 potential breaches" and had "a number of investigations underway", but lacked some key figures and facts to enable us to carry out effective scrutiny of its work. There was also no commitment to publish details in the OTSI Annual Review for financial year 2025-26 due later this year.

We also note that the Treasury's Office for Financial Sanctions Implementation (OFSI) in January announced changes to its enforcement policy, including new legislation to increase the maximum penalties it can impose for violations of financial sanctions and a higher discount to penalties resulting from self-reported breaches. No parallel announcement has been made with respect to trade sanctions enforcement by OTSI.

We would therefore be grateful for the following information:

- 1. OTSI's full-time equivalent headcount, and the number of staff working exclusively or primarily on proactively investigating potential breaches of UK trade sanctions (for example by analysing export data or UK industrial supply chains);**
- 2. The total number of investigations into breaches of trade sanctions OTSI has opened and how many it has closed;**
- 3. How many of OTSI's total cases were based on a voluntary disclosure by one of the parties to the potential sanctions breach, and how many were the result of the Office's proactive investigations;**
- 4. The number of financial penalties imposed to date as part of the civil enforcement process and the amounts involved, but which have not yet been publicised;**
- 5. The total number of cases of potential trade sanctions breaches referred to HMRC or other Government partners for follow-up;**
- 6. A description of OTSI's compliance and enforcement activity beyond general guidance and information (for example tailored to specific sectors or types of goods/services);**



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- 7. Whether OTSI, when it publicises enforcement action, intends to include the name of the company responsible for the breach;**
- 8. Whether the recently-announced changes to OFSI's enforcement policy, including the changes to its approach to financial penalties for financial sanctions breaches, will also be introduced in parallel by OTSI with respect to trade sanctions.**

ECJU and Import Controls and Sanctions team: Licensing activity in respect of trade sanctions

Licensing is a key aspect of the UK trade sanctions regime, enabling businesses to engage in certain transactions that would otherwise be prohibited. We note that OTSI in its Corporate Report disclosed the number of licence applications received (60) and granted (12) since its establishment, mostly in relation to the provision of business services to Russia.

However, the Export Control Joint Unit (ECJU) and the Import Controls and Sanctions (ICS) team within DBT, which at present are responsible for licences to waive prohibitions on trade in goods with sanctioned destinations like Russia, do not appear to provide statistics specifically on licences they have granted that relate to trade sanctions (as opposed to, for example, relating purely to strategic export controls on sensitive goods).² This makes it difficult to consider the extent to which UK businesses have been permitted to lawfully engage in transactions that would normally not be allowed under UK trade sanctions.

As such, we would be grateful if you could provide the following information on behalf of the ECJU and Import Licensing Branch:

- 9. The number of licences applied for and issued by the ECJU and ICS team since the start of 2022 under the UK's various trade sanction regimes by licence type, as well as the number of such licences applied for and granted under the Russia sanctions regime specifically.**

² ECJU, United Kingdom strategic export controls annual report 2024, July 2025.



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10. What consideration has the Department given to improving transparency of trade sanctions licensing by disaggregating the enforcement data in its Strategic Export Controls Annual Report to show where enforcement actions relate to breaches of either export licences on the one hand, or sanctions and embargoes on the other.

HMRC: Trade sanctions enforcement activity

In the absence of any published OTSI enforcement activity, HMRC is the only Department where we have any visibility of action taken in response to breaches of UK trade sanctions. While there are no prosecutions or convictions for such breaches by HMRC that we are aware of, there are eight notices of “compound settlements”, financial penalties in lieu of prosecution.³ These notices however are completely anonymised, mentioning neither the name of any individuals or companies involved; nor the types of goods concerned; nor the nature of the breach (be it accidental or deliberate).

We note that this is not a practice that is shared across Government: the Office for Financial Sanctions Implementation in HM Treasury discloses the identities of the companies subject to civil enforcement action for breaches of UK financial sanctions such as asset freezes, and provides details about the nature of the breach and how it was uncovered.

HMRC has argued that, where businesses have taken steps to bring themselves into compliance after an “inadvertent sanctions breach”, naming-and-shaming could have a “disproportionate impact on their reputation, and ability to trade” and anonymity “helps maintain an incentive for businesses to self-report [...] non-compliance with trade sanctions”.⁴ As all publicised compound settlements to date are anonymised, this suggests that they were all the result of “inadvertent” breaches of UK trade sanctions and/or self-reported to HMRC by the companies involved.

In a similar vein to our request for information about OTSI’s enforcement activity, we ask HMRC to share with us the following information:

11. The number of investigations into breaches of trade sanctions HMRC has opened and closed, respectively since the start of 2022;

³ HM Government, [Sanctions Enforcement Collection](#) [accessed 28 January 2026]

⁴ [Letter from Jim Harra to the Chair of the Treasury Committee](#), 17 February 2025.



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- 12. The proportion of this total number of investigations that were based on a self-reported disclosure;**
- 13. The number of compound settlements reached and the value of the penalty in each, beyond the eight settlements already publicly announced;**
- 14. The number of trade sanctions breaches that have been referred for potential prosecution, as well as the number of prosecutions actually commenced and concluded for breaches of trade sanctions on the basis of a referral by HMRC;**
- 15. Whether HMRC and the Government more widely consider that further changes may be required to ensure there are sufficient resources available to pursue criminal prosecutions as a method of enforcement, and in particular whether adverse costs exposure in legal action against those alleged to have breached sanctions inhibits such enforcement action;**
- 16. HMRC's view on the possibility of issuing anonymised enforcement case bulletins that provide more information on how breaches of trade sanctions occurred and which goods were involved, or similar measures to communicate such developments to the private sector to improve compliance; and**
- 17. A description of HMRC's compliance and enforcement activity in relation to trade sanctions beyond general guidance and information (for example tailored to specific sectors or types of goods).**

Enforcement of the CHPL and circumvention via third countries

As you know, a key objective of UK trade sanctions, as coordinated with our partners, is to deny Russia as much access as possible to military and dual-use items on the Common High Priority List (CHPL). The Committee has heard how ensuring compliance with this critical sub-set of our sanctions requires strategic and targeted enforcement activity that complements Ukrainian military activity.



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It is unclear to us however if the Government has comprehensively identified the UK businesses that play important roles in the supply chain for CHPL goods, and monitors their international commercial activity to determine whether they may, inadvertently or otherwise, be part of supply chains that reach into Russia. In this context, the issue of circumvention of restrictions on exports and related restrictions, for example on supply or delivery of goods to or from Russia, via 'third countries' is well known, with the Government already having advised exporters to carry out 'enhanced due diligence' on customers in a number of jurisdictions.⁵

With that in mind we would be grateful if you could clarify:

- 18. Whether the Government has identified the UK firms that are part of international supply chains for Common High Priority List items;**
- 19. What compliance and enforcement activity is undertaken tailored to the relevant industries and businesses that are in the supply chains for items on the Common High Priority List;**
- 20. Whether the Government is considering the use of further 'secondary sanctions' to restrict exports to jurisdictions known to be used for the transit of goods on the CHPL to Russia, even if this is at the expense of trade flows with those countries.**

We would be grateful for a response by 16 February.

Yours sincerely,

Rt Hon Liam Byrne MP
Chair of the Business and Trade Committee

⁵ DBT and OFSI, [Countering Russian sanctions evasion - guidance for businesses](#) [accessed 29 January 2026]