



Department for
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26 August 2026

Publication of OTSI's first Annual Review

Dear Liam,

I am writing to update you following previous correspondence relating to the Office of Trade Sanctions Implementation's (OTSI) 'One Year of OTSI' publication on GOV.UK. OTSI now intends to move to publishing reviews annually in line with each financial year.

As the Committee heard from my predecessor during the OTSI evidence session in February, trade sanctions implementation and enforcement remain core priorities for this department and the Government more broadly. This is how we maximise the effectiveness of our sanctions, including on Russia and underpins this Government's continued support for Ukraine.

Since OTSI's launch in 2024, we have steadily built our capacity and set trade sanctions at the heart of the Government's sanctions strategy. We continue to press ahead and look forward to continuing to work with the Committee to deliver our shared goal to enhance the impact of our sanctions. In that spirit, I am providing the members of the Committee with advance sight of an embargoed copy of OTSI's Annual Review for the financial year 2025-26, which will be published on GOV.UK tomorrow.

OTSI's operational performance

The review sets out OTSI's performance data for 2025-26, including from OTSI's licensing and enforcement functions. Licensing is a key sanctions implementation tool, through which OTSI supports businesses to comply with confidence. The Annual Review outlines that OTSI received 51 licence applications relating to prohibited services, the majority of which were assessed and decided within the financial year, including 17 applications granted in full or in part where appropriate.

The Annual Review also highlights how early engagement, guidance and compliance-promoting interventions have been central to preventing breaches and supporting legitimate trade, alongside the development of more proactive enforcement capability. By the end of 2025-26, OTSI had progressed a number of investigations to an advanced stage.

Many of OTSI's investigations are prompted by the breach reports it receives: it received 178 reports and referrals relating to potential breaches of trade sanctions in the last financial year. OTSI will continue to drive forward to enforcement outcome, increasingly applying a risk-based and intelligence-informed approach.

OTSI continues to publish a range of guidance and engages regularly across industry and government, as well as responding to queries from service users and the public. This facilitates and promotes sanctions compliance, and ensures our service offering is informed by the perspectives and experience of its users.

I look forward to your continued support and engagement as OTSI builds on the successful foundations built in 2025-26.

I am copying this letter to the Foreign Affairs Committee.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Anas Sarwar', with a stylized, flowing script.

ANAS SARWAR

Minister of State for Trade
Department for Business, Innovation, Science & Trade