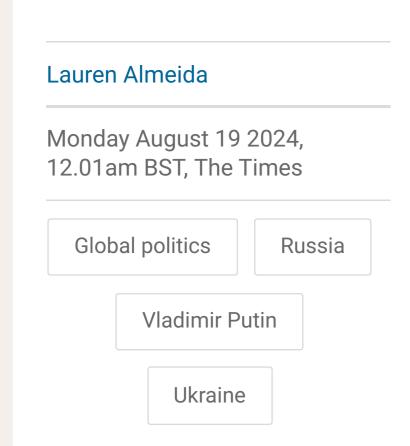
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## Companies admit breaching sanctions against Russia last year

Most of the violations were 'probably accidental' and were self-reported to gain leniency





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Seventy-five further British companies have admitted that they may have

ANATOLII STEPANOV / AFP

down.

has revealed. The disclosures bring the tally of companies that have voluntarily alerted the

Treasury of possible sanctions breaches to 161 since Russia invaded Ukraine in

February 2022, according to data from the Office of Financial Sanctions

breached sanctions against Russia last year, a freedom of information request

Implementation. Sanctions breaches can attract civil penalties of £1 million or 50 per cent of the value of the breach, whichever is greater. They may also be referred for criminal prosecution, where unlimited fines can be imposed or prison sentences handed

To date, the largest civil penalty issued in Britain for a breach of sanctions against Russia is £20.5 million, related to breaches in 2015 to 2018. Stacy Keen, a partner at Pinsent Masons, the law firm that made the FoI request,

said that most of the recent sanctions violations were likely to have been

accidental. "In many instances, firms are breaching sanctions in the hours or

days after the UK adds an entity to the sanctions list," she said. "However, if

businesses want to get lenient treatment from the UK authorities for sanction breaches, then they need to self-report those. "The challenge for businesses is that individuals and organisations subject to sanctions remain eager to keep a foothold in the UK, to trade with UK

counterparties or to access UK investments. They will often do that through

shell companies or trusts where it is harder to see who the ultimate owner is."

"Russian-linked businesses can hide their ownership and control structure well," Keen said. "Companies need to ensure they have robust due diligence and risk-

Britain has imposed sanctions on about 2,000 individuals, companies and

groups in Russia, as of February this year.

monitoring protocols in place."

of them were Chinese companies.

Last year the Moral Rating Agency, which monitors companies involved with the economies of autocratic regimes, found that of the 122 largest corporations in the world involved with Russia at the time of the invasion in February 2022, only 17 had exited from all their activities and 46 had not announced any exit. Many

on Russia, which includes alerting industry to potentially suspicious activity and encouraging reporting. "In addition to other routes of investigation, the OFSI values and encourages firms self-reporting potential breaches, in part because they help to identify

A spokesman for the Office of Financial Sanctions Implementation said: "We

work closely with other government agencies to robustly enforce UK sanctions

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other companies that may have committed breaches."

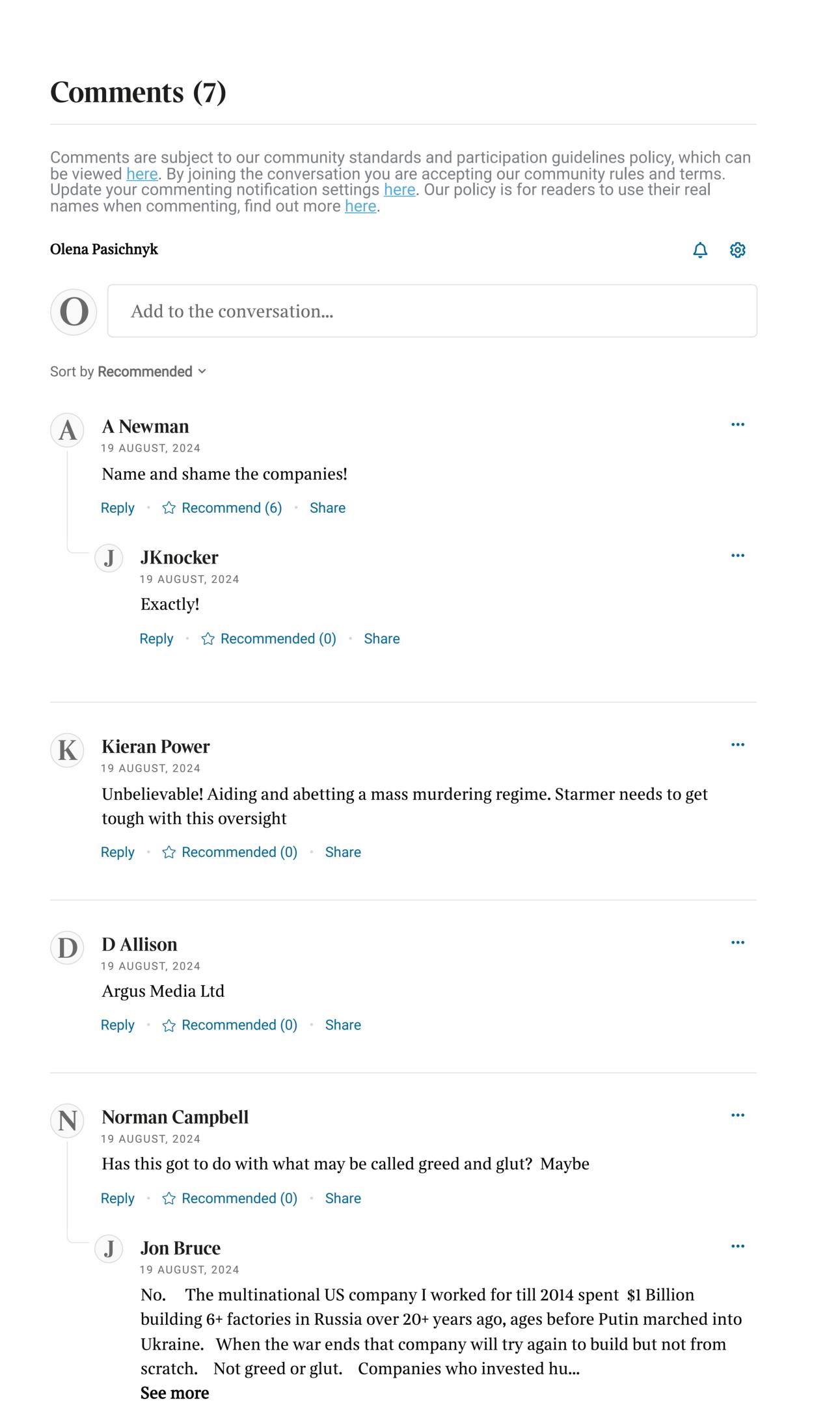
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