

News story: New penalties for breaching financial sanctions now in force

From today (3 April 2017), the Treasury's Office of Financial Sanctions Implementation (OFSI) will start to use powers to impose penalties for serious financial sanctions breaches. These can be up to £1 million or 50% of the breach, whichever is higher.

This new power is one of a series of measures in the Policing and Crime Act which will strengthen the government's response to financial sanctions breaches. The penalty powers apply to offences committed after 1 April 2017. In 2016, just over one hundred suspected breaches were reported to OFSI, 95 of which were actual breaches, totaling around £75 million.

Economic Secretary, Simon Kirby, said:

Financial sanctions are a valuable tool against individuals, countries and terrorist groups who threaten UK foreign policy and financial services as well as our national security.

This government won't tolerate breaches of financial sanctions. We'll continue to place more emphasis on compliance and we will take tough action against those who deliberately flout the law.

Monetary penalties are a new way of responding to offences. The UK currently imposes financial sanctions in 27 sanctions regimes. Breaching sanctions is a criminal offence and the most serious cases could shortly incur prison sentences of up to seven years.

OFSI will normally publish summary details of penalty cases, to deter non-compliance and support compliance best practice.

In December 2016 OFSI consulted on guidance to support monetary penalties and [today publishes guidance](#) alongside a [summary of consultation responses](#).

Rena Lalgie, Head of OFSI, commented:

We'll continue to provide information and guidance to business, industry, the public and charitable sectors to facilitate compliance with financial sanctions. However, we will issue penalties for serious breaches and we won't hesitate in referring the most serious cases to law enforcement agencies.

OFSI, created on 31 March 2016, is the UK's Competent Authority for

implementing financial sanctions. It works with a wide range of individuals, businesses and not-for-profit organisations who could be impacted by financial sanctions to: raise awareness of financial sanctions, improve compliance, and detect and address breaches.