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UK TARGETED SANCTIONS UPDATE

20 April 2023



UK Anti-Corruption Coalition

REDRESS

This update provides a snapshot of the UK's use of its targeted sanctions regimes between December 2022 and April 2023. 'Targeted sanctions regimes' include Global Human Rights Sanctions (**GHRS**), which address human rights abuses, Global Anti-Corruption Sanctions (**GACS**), which target corruption anywhere in the world (together known as 'Magnitsky sanctions'), as well as country-specific sanctions regimes which are used to address specific issues (such as human rights or rule of law issues) in relevant countries. Such targeted sanctions can be used against individual persons and entities.

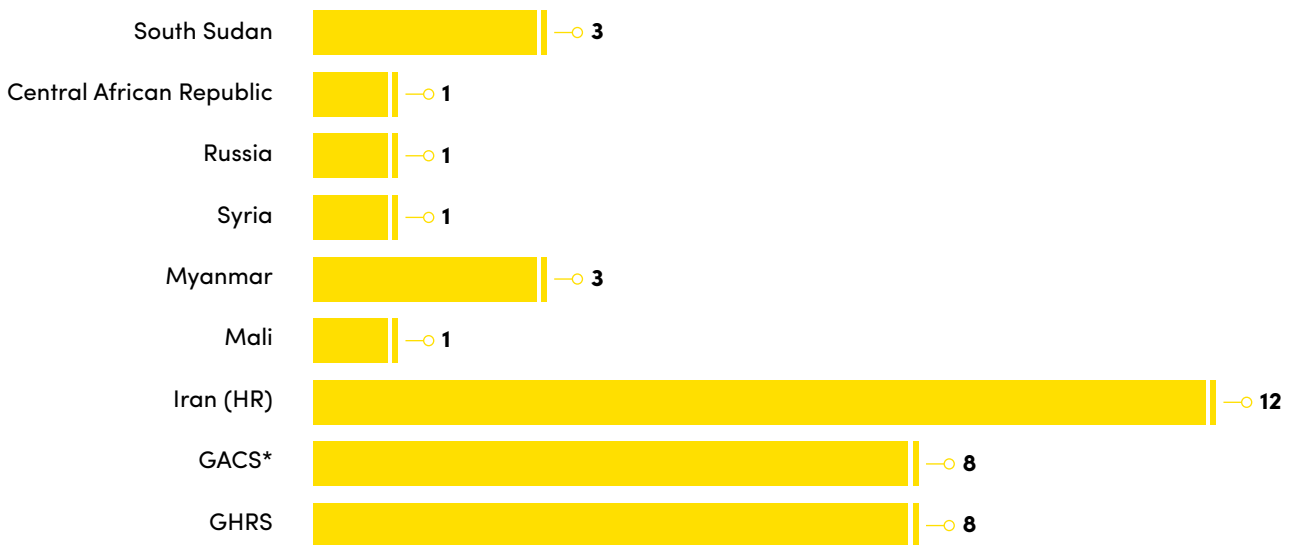
SUMMARY OF RECENT SANCTIONS ACTIONS

In December 2022, Foreign Secretary, James Cleverly MP, announced that the UK is committed to utilising the UK's targeted sanctions regimes as one of "*the most important tools*" of UK foreign policy to combat serious human rights violations and corruption.

Coinciding with this announcement, to mark International Human Rights Day (**IHRD**) and Anti-Corruption Day (**ACD**), the UK government imposed 30 sanctions on 26 individuals and four entities from 11 different countries (Russia/Crimea, Iran, Kosovo, Mali, Moldova, Myanmar, Nicaragua, Pakistan, Serbia, South Sudan, and Uganda) for their involvement in serious human rights violations or corruption. At least five of these designations reflect evidence provided by civil society organisations in collaboration with REDRESS.

So far in 2023, the UK government, in coordination with the US, has imposed sanctions under GACS on three influential Bulgarian individuals who abused their positions of power by redirecting state funds for their own benefit. In addition, to mark International Women's Day (**IWD**), the UK sanctioned, under its country specific regimes, five perpetrators of gender-based violence in conflicts in Syria, South Sudan, the Central African Republic, and Iran. The UK government has also made numerous designations under the Iran (Human Rights) and Myanmar country sanctions regimes targeting perpetrators of human rights violations.

Designations by sanctions regime (IHRD/ ACD 2022; IWD 2023)



* GACS designations include 2023 designations of Bulgarian individuals

In March 2023 the UK government announced a £50 million Economic Deterrence Initiative to strengthen the implementation and enforcement of UK targeted sanctions, including by tackling sanctions evasion, increasing the number of sanctions staff to ensure that future measures are more precise and have greater impact, and working with international partners to make multilateral controls more effective.

March 2023 also saw the first sanctions challenge under section 38 of the Sanctions and Anti-Money Laundering Act 2018 dismissed by the UK High Court. The decision sets an important precedent on the standard of review applied by courts in challenges, the types of information which can be considered by sanctions decision-makers and the nature of “*involvement*” for the purposes of sanctioning. The Office of Financial Sanctions Implementation (**OFSI**) has also confirmed that it will take a presumption against granting general licenses for legal fees relating to defamation and similar cases, following a controversial case involving the head of the Wagner Group who sought to bring a defamation claim in London.

In April 2023, the UK government, in coordination with the US, designated ten individuals and four entities who knowingly assisted sanctioned Russian oligarchs to hide their assets in complex financial networks.

These developments follow recommendations highlighted in our briefing paper, *Stuck in First Gear*, in which we called for the UK government to increase its use of Magnitsky sanctions to hold human rights abusers and kleptocrats accountable; to coordinate with its allies in ensuring the effective use of sanctions; and increase the resources of the UK’s Foreign, Commonwealth and Development Office (**FCDO**) and HM Treasury sanctions teams in order to increase capacity for sanctions designations and support more effective enforcement.

HUMAN RIGHTS SANCTIONS

IHRD 2022 Designations, High Level Stats:

- The UK government imposed a total of 25 human rights designations under its GHRS and country specific sanctions regimes. Of these, 21 individuals and four entities were designated.
- Six sanctions regimes were used to target perpetrators of human rights violations, and there were eight designations under the GHRS regime.
- Designations were made against individuals from eight different countries: Iran, Mali, Myanmar, Nicaragua, Pakistan, Russia/Crimea, South Sudan and Uganda. These designations show an increasingly geographically diverse use of human rights sanctions, and include:
 - **Katiba Macina**: the first entity to be listed under the Mali Sanctions Regulations, and the first time the Mali sanctions regime has been used since 2019.
 - **Kale Kayihura**: the first individual from Uganda to be designated under the GHRS regime.
 - **Yohaira Hernandez Chirino and Sadrach Zeledon Rocha**: the first individuals from Nicaragua to be designated under the GHRS regime.

IWD 2022 Designations, High Level Stats:

- The UK government imposed five human rights designations under its country specific sanctions regimes. Four individuals and one entity were designated.
- Four country regimes were used to target perpetrators of gender-based violence.
- Designations against individuals from four different countries: South Sudan, Central African Republic, Syria, and Iran.

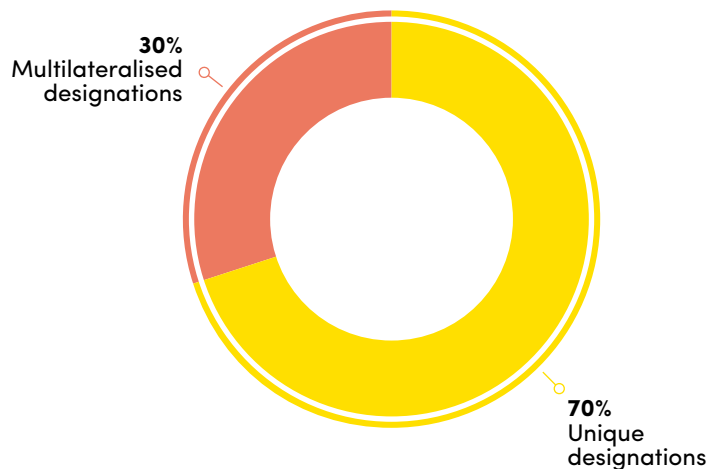
Focus on Conflict-Related Sexual Violence (CRSV) and Sexual and Gender-Based Violence (SGBV):

- In December 2022, the UK government sanctioned six individuals and entities for engaging in CRSV, including:
 - **Katiba Macina (Mali)**: was designated based on his involvement in rape and other forms of SGBV, including forced marriages.
 - **33rd & 99th Light Infantry Division of the Myanmar Armed Forces (Myanmar)**: were designated for perpetrating rapes and other forms of sexual and gender-based violence, which constitutes torture.
 - **Gordon Koang Biel & Gatluak Nyang Hoth (South Sudan)**: were designated for mobilising militias and other groups to carry out rapes.
- In March 2023, the UK government sanctioned four individuals from South Sudan, Central African Republic, Syria and Iran for their involvement in SGBV, including military figures who have overseen rape and other forms of violence in conflict zones. This set of sanctions also targeted government institutions in Iran responsible for enforcing mandatory dress codes for women with unreasonable force.

Victims' Recognition:

- REDRESS has previously highlighted, that prior to December 2022, not a single Magnitsky sanction had been imposed that recognised or identified one or more women and/or girls as victims. In a welcome shift, there are now eight designations between the IHRD and IWD sanctions packages that explicitly recognise women and girls as victims of human rights violations.

First time v. Multilateral designations



Coordination of Sanctions:

- Of the 25 UK human rights designations made on IHRD 2022, 18 designations were unique to the UK (i.e., no other jurisdiction has sanctioned these individuals or entities). Of the five designations made on IWD 2023, three designations were unique.
- Six of the 25 IHRD 2022 designations and two of the IWD 2023 designations were previously sanctioned by other jurisdictions.
- Only two of the UK designations on IHRD were coordinated concurrently with other jurisdictions, these include: Iman Afshari who was sanctioned by both the UK and Canada, and Allah-Karam Azizi who was sanctioned by both the UK and the US. Azizi was previously sanctioned by Canada. Both of these individuals were sanctioned under the UK's Iran (Human Rights) sanctions regime for their involvement in human rights violations against protestors and detainees in Iran.
- Prior REDRESS research showed that 69% of global Magnitsky sanctions imposed by the US, EU and Canada had not been replicated by the UK. While the UK has shown leadership in making first-time designations, we continue to call on the UK government to coordinate with other jurisdictions and work with allies to promote the multilateralization of designations.

ANTI-CORRUPTION SANCTIONS

High Level Stats:

- Five anti-corruption designations were made on ACD 2022 against individuals.
- Designations were made against individuals from three different countries: Kosovo, Moldova and Serbia including:
 - **Slobodan Tesic (Serbia)**: was designated for bribing the Chief State Prosecutor of another country.
 - **Ilan Shor (Moldova)**: was designated for bribery.
 - **Vladimir Plahotniuc (Moldova)**: was designated for capturing and corrupting state institutions.
 - **Zvonko Veselinovic (Kosovo)**: was designated for using public contracts to misappropriate state funds.
- Three additional anti-corruption designations were made in February 2023 against Bulgarian officials.

Coordination of Sanctions:

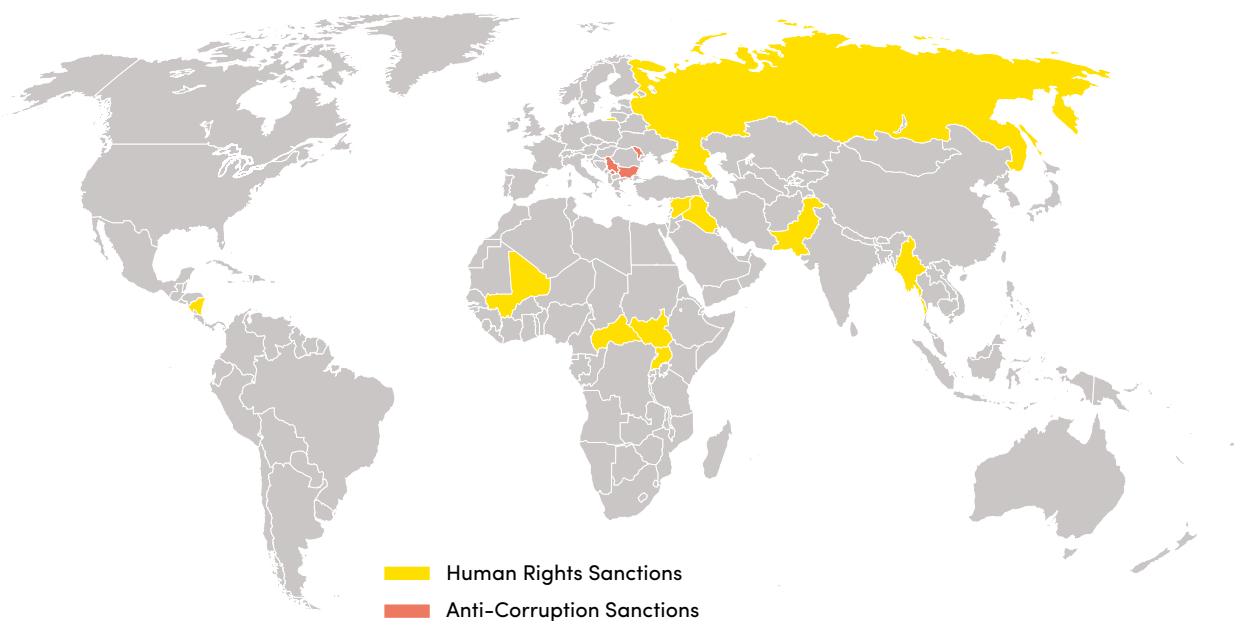
- All five individuals designated on ACD in December 2022 were previously sanctioned by the US.
- In a coordinated action, the UK and US jointly announced sanctions against eight Bulgarian officials.
 - The three individuals designated by the UK were previously sanctioned by the US.
 - The five individuals designated by the US have not yet been designated in the UK.

Improving the Impact of Anti-Corruption Sanctions:

- These are the first anti-corruption designations made since 2021 and is a welcome move by the UK government.
- The UK government should continue to utilise its GACS regime to ensure it is effectively and proactively tackling transnational corruption and stopping illicit flows of finance to the UK. In particular, continuing to cooperate with partners in sanctioning the same individuals and networks is crucial – pre-December 2022 analysis showed that only around 6% of corruption cases have been sanctioned multilaterally leaving plenty of room for improvement.
- The UK is still yet to designate an entity for corruption under its GACS regime.
- To improve the impact of its sanctions programme the UK government should focus on targeting corrupt networks as a whole and ensuring that enablers and facilitators are also the target of its sanctions action.

Geographic Distribution of Sanctions Designations

IHRD/ ACD 2022; IWD 2023; Anti-Corruption Designations February 2023



Recommendations

REDRESS and the UK Anti-Corruption Coalition (**UKACC**) welcome the designations to date and the UK government's commitment to increase the use and effectiveness of its targeted sanctions regimes. However, we urge the UK government to:

- Continue to consistently and systematically use its targeted sanctions regimes to combat a wide range of human rights violations and corruption.
- Continue to build on its effective coordination with allies, including through information sharing and coordinating concurrent action with allies to strengthen the impact of sanctions.
- Act as a global leader in utilising targeted sanctions regimes without fear or favour even in cases of human rights violations and corruption in countries where the UK has strategic interests.
- Continue to build on positive engagement with civil society in developing its sanctions and accountability strategies and as a source of evidence to be used in prioritising targets.
- Ensure that sanctions regimes link up with law enforcement, so that assets can be frozen effectively and, where appropriate, followed up with civil recovery investigations.