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UK TARGETED SANCTIONS QUARTERLY UPDATE

31 January 2024

REDRESS

This briefing provides an overview of recent developments in the UK's use of targeted sanctions as of 23 January 2024.¹ Our previous updates from April 2023 and September 2023 can be found [here](#) and [here](#).

SUMMARY OF RECENT SANCTIONS DEVELOPMENTS

Since September 2023, the UK Government has imposed at least 12 sanction packages to respond to serious human rights violations in a variety of contexts – nine of which were coordinated with the UK's international partners:

- **Human Rights Day.** The most significant sanctions package, consisting of 46 designations, was [issued](#) on 8 December 2023 to mark the 75th anniversary of the Universal Declaration of Human Rights. The UK's designations specifically focused on human trafficking, forced labour, and torture in Southeast Asia and the suppression of fundamental freedoms in Belarus, Haiti, Iran, and Syria.
- **Targeting Arms Dealers and Financiers.** In October 2023, the UK, US, and Canada [designated](#) arms dealers and financiers of the Myanmar military responsible for the repression of the civilian population in Myanmar. Similarly, in [November](#), [December](#), and [January](#), the UK and US targeted Hamas leadership and financiers "*in an effort to disrupt the group's acts of terror*".
- **Iran.** To mark the first anniversary of Mahsa Amini's death, on 15 September 2023, the UK, alongside the US, Canada, and Australia, [sanctioned](#) senior Iranian decision makers responsible for drafting

¹ 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. Targeted sanctions can be used against individual persons and entities.

and implementing Iran's mandatory hijab law. In December 2023, the UK, in coordination with the US, further designated seven Iranian individuals and one entity with links to Hamas and Palestinian Islamic Jihad. These latter designations marked the first use of a new Iran sanctions regime, which was announced in July 2023.

- **Travel Ban on Israeli Extremist Settlers.** In December 2023, following similar action by the US, the UK imposed a travel ban on Israeli extremist settlers responsible for *"targeting and killing Palestinian civilians."* However, it has not named those subject to the ban nor provided information on how many individuals were sanctioned.
- **Combatting efforts to undermine democracy.** In September 2023, the UK designated 10 individuals and one entity in response to Russia's sham elections in occupied territories of Ukraine. In December 2023, the UK and US designated two more Russian individuals *"for their involvement in the preparation of spear-phishing campaigns (...) that resulted in unauthorised access and exfiltration of sensitive data, (...) intended to undermine UK organisations and more broadly, the UK government."* In January 2024, the UK further designated Bosnian marketing agency Mania for activity which reportedly *"threatened to undermine the constitutional order and destabilise peace"*.
- **Addressing Sanctions Circumvention.** In November 2023, the UK designated individuals and entities operating in and supporting Russia's gold, oil, and other strategic sectors. One month later, in December 2023, the UK imposed targeted sanctions on 46 individuals and entities responsible for *"supplying and funding Putin's war machine."* In a further attempt to curb sanctions evasion, in December 2023, the UK established a new civil enforcement body, the Office of Trade Sanctions Implementation (OTSI), and introduced further legislation to address sanctions evasion in the Russian context.
- **Legal Challenges to Sanctions.** In January 2024, two alleged Russian oligarchs challenged their sanction designations under the UK's Russia Sanctions Regulation before the UK Court of Appeal, alleging that the measures against them were arbitrary and lacked evidential basis. Also in January 2024, the Administrative Court rejected Graham Phillips' application for review of the decision to maintain his designation, in the first case in the UK to consider the relationship between targeted sanctions and freedom of expression.

Notably, during the reporting period, no targeted sanctions were imposed by the UK Government against individuals or entities based in a country the UK Government considers to be a security partner or ally.

KEY HUMAN RIGHTS AND ANTI-CORRUPTION SANCTIONS DESIGNATIONS

The UK Government has issued coordinated sanction packages, targeting those responsible for human trafficking and forced labour in Southeast Asia, arms dealers and financiers supporting Hamas and the Russian and Myanmar military, as well as those interfering with democratic processes around the world. These designations reflect the UK Government's stated human rights priorities, including combatting slavery, supporting human rights defenders, and promoting democracy.

- **INTERNATIONAL HUMAN RIGHTS DAY:** On 8 December 2023, to mark International Human Rights Day (IHRD) and the 75th anniversary of the Universal Declaration of Human Rights, the UK, US, and Canada announced coordinated sanctions packages targeting individuals and entities involved in serious human rights violations around the world. The UK led with 46 total sanctions, while the US

and Canada followed with 22 and seven designations respectively. The UK specifically targeted nine individuals and five entities involved in human trafficking, forced labour and torture in Cambodia, Laos, and Myanmar, as well as 32 individuals involved in the “*systematic repression of people exercising fundamental freedoms*” in Belarus, Haiti, Iran, and Syria.

These designations are a welcome step in tackling the increase of violence against those who dissent and raise their voices against authoritarian regimes. It is also one of the first packages by the UK to explicitly tackle those involved in human trafficking and the torture and ill-treatment that results from these practices. In our report, Multilateral Magnitsky Sanctions at Five Years, sanctioning authorities were encouraged to recognise a wider range of human rights abuses in their sanctions packages, focus on underrepresented regions, and provide accountability for historically marginalised victim-groups. Recent sanctions packages by the UK and its allies show an encouraging move in this direction.

- **TARGETING ARMS DEALERS AND MILITARY FINANCIERS:** In October 2023, in response to “*ongoing and worsening aerial attacks, including against civilians in Myanmar*” the UK, alongside the US and Canada, designated “*arms dealers and financiers of the Myanmar military responsible for the repression of the civilian population in Myanmar.*” While the UK designated one entity and five individuals “*involved in either providing financial services to the regime or the supply of restricted goods including aircraft parts,*” the US designated three entities and five individuals and Canada designated 22 entities and 39 individuals involved in similar activities. The coordinated sanctions package comes as part of a broader strategy seeking to exert sequenced and targeted pressure on the Myanmar military regime to return to democracy, while mitigating adverse consequences for civilians. The measures also follow reports by the United Nations Human Rights Office documenting that at least 3,857 civilians have been killed by the Myanmar military, and at least 1.2 million have had to flee their homes due to violence since the February 2021 military coup in Myanmar. In a joint submission with Justice for Myanmar and the Australian Centre for International Justice, REDRESS highlighted the need for the UK Government to effectively deploy its targeted sanctions regime against those supporting the Myanmar military in order to cut off its financing and deter the commission of further violations.

Also, in November, December, and January, the UK and US targeted Hamas leadership and financiers based in Sudan, Lebanon, and Algeria in an effort to restrict the group’s access to finances and disrupt its operations. According to the December announcement, the sanctions form part of a wider tranche of measures aimed at “*disrupting the group’s acts of terror, including the recently announced international taskforce set up to enable the UK and partners to share financial intelligence*”.

- **CONTINUED FOCUS ON IRAN:** Marking the anniversary of the death of Mahsa Amini, on 15 September 2023, the UK sanctioned, in coordination with the US, Canada, and Australia, four “*senior Iranian decision makers responsible for drafting and implementing Iran’s mandatory hijab legislation*”. Those designated include Iran’s minister for culture and Islamic guidance, his deputy, the mayor of Tehran, and an Iranian police spokesperson. In announcing the designations, then-Foreign Secretary James Cleverly, noted that the sanctions would serve to send “*a clear message that the UK and our partners will continue to stand with Iranian women and call out the repression it is inflicting on its own people*”. Substantiating Cleverly’s remarks, REDRESS’ recent case-based report Evaluating Targeted Sanctions highlighted how targeted sanctions on Iranian perpetrators of human rights violations have had a powerful public accountability impact from the perspective of victims by identifying the alleged perpetrators and internationally acknowledging the abuses committed.

December 2023 also saw the UK Government using for the first time its new Iran Sanctions Regime developed to respond to an escalation in threats from Iran. The new regime was announced in July 2023, and reported on in our September Quarterly Report. Accordingly, on 14 December 2023, the UK designated, in a coordinated action with the US, seven individuals and one entity with links to Hamas and Palestinian Islamic Jihad for *“their involvement in hostile activity by an armed group, backed by the Government of Iran, consisting of activity being threatening, planning or conducting intent to cause the destabilisation of Israel.”*

Despite repeated calls by civil society and victims, the UK Government is yet to utilise its enhanced sanctioning powers to address those responsible for Iran’s dangerous practice of state hostage-taking and its deeply destabilising effects on international security and the protection of human rights.

- **TRAVEL BAN ON ISRAELI EXTREMIST SETTLERS:** On 14 December 2023, following a similar ban by the US on 5 December 2023, the Foreign Secretary David Cameron announced on social media that the UK had imposed a travel ban on Israeli extremist settlers responsible for *“targeting and killing Palestinian civilians”*, and *“undermining security and stability for both Israelis and Palestinians”*.

The announcement was followed by a joint statement by the UK, EU, and more than a dozen other States on 15 December 2023, condemning *“violent acts committed by extremist settlers, which are terrorizing Palestinian communities”* and calling out Israel’s failure to protect the Palestinian civilian population in the West Bank, thereby creating *“an environment of near complete impunity in which settler violence has reached unprecedented levels.”* The action marks one of the first times that the UK Government has publicly announced the imposition of immigration sanctions (without corresponding asset freezes) to respond to the commission of serious human rights violations. However, it has not named those subject to the ban nor provided information on how many individuals are sanctioned.

As highlighted in a recent report by Human Rights First, confidential visa sanctions have become an increasingly popular tool in the US Government’s response to human rights abuses, corruption, and attacks on democracy. Yet, in withholding the names of those targeted, these measures do less to promote accountability for abuses than ones that publicly assign blame and make it impossible to understand how governments are enforcing the bans.

- **COMBATTING EFFORTS TO UNDERMINE DEMOCRATIC PROCESS:** On 29 September 2023, the UK designated 10 senior Russian officials and one entity, the Central Election Commission of Russia (CEC), over *“sham elections”* held in occupied parts of Ukraine in September 2023, following Russia’s illegal attempt to annex these territories a year earlier. In October 2022, 143 States voted to condemn Russia’s attempted illegal annexation of Ukrainian territory at the UN General Assembly, stressing that no territory gained by the use of force will be recognized as legal internationally. Despite the widespread international condemnation, in September 2023, the Kremlin organised ‘elections’ in Russian occupied Ukrainian territories, which were widely described as ‘illegitimate’, in an attempt to tighten its grip over Ukraine.

Further, in December 2023, the UK, together with the US, designated two members of Star Blizzard – a group associated with the Federal Security Service (FSB) – for their involvement in the preparation of spear-phishing campaigns that resulted in unauthorised access of sensitive data, intended to undermine UK organisations, and more broadly, the UK Government. According to the Government, both individuals designated were responsible for: (i) targeting UK parliamentarians from different political parties from at least 2015 through to this year; (ii) hacking UK-US trade documents that were leaked

ahead of the 2019 General Election; (iii) hacking the UK pro-democracy think tank ‘the Institute for Statecraft’ in 2018; and (iv) targeting universities, journalists, public sector, NGOs and other civil society organisations.

The action coincided with a press release by the UK Government, announcing that the UK Foreign, Commonwealth and Development Office (**FCDO**) had summoned the Russian Ambassador to express the UK’s deep concern about Russia’s sustained attempts to use cyber attacks to interfere in political and democratic processes in the UK and beyond. The US Department of Justice concurrently unsealed indictments against the individuals designated.

Additionally, on 15 January 2024, the UK designated Bosnian marketing agency Mania for activity which the UK Government said “*threatened to undermine the constitutional order and destabilise peace*”. The announcement states that Mania had delivered a contract to “*organise illegal public celebrations to mark the so-called ‘Republika Srpska Day’*”, an activity which reportedly has been ruled unconstitutional and discriminatory by Bosnia and Herzegovina’s Constitutional Court.

INCREASED COORDINATION

Recent designations outlined above demonstrate that the UK Government has stepped up its efforts to coordinate sanctions with international partners, including the US, Canada, Australia, and the EU. In fact, of the 12 targeted sanction packages discussed in this briefing, nine were announced in coordination with international partners. Further, 27 of the 46 UK IHRD 2023 designations (about 59%) were already sanctioned by either the US, EU, Canada, Switzerland, or Australia, whereas in 2022 only 24% of 2022 IHRD sanctions were previously sanctioned by other jurisdictions.

REDRESS and its international partners have previously highlighted the importance of multilateralisation in enhancing the effectiveness of sanctions, including by increasing the impact on the targeted person and presenting a united condemnation of the sanctionable conduct, in their Multilateral Magnitsky Sanctions at Five Years report. This increased coordination between the UK Government and other jurisdictions should be commended and continued.

ADDRESSING SANCTIONS CIRCUMVENTION

Given the number of designations currently in place globally, the UK has increasingly turned its attention towards ensuring that designated persons and their enablers cannot exploit loopholes by seeking refuge in other jurisdictions and that existing sanctions are effectively complied with.

- **TARGETING INTERMEDIARIES:** On 6 December 2023, the UK’s National Economic Crime Centre issued a ‘red alert’, warning that Russia is “*exerting significant effort*” to procure sanctioned goods from other countries, including goods originating in the UK. On the same day, the UK Government, working alongside its G7 partners, designated 46 individuals and entities responsible for “*supplying and funding Putin’s war machine*.” Those designated include businesses in Belarus, China, Serbia, Turkey, the UAE, and Uzbekistan who continue to support Russia’s illegal invasion of Ukraine, as well as Russian weapons manufacturers and defence importers, three actors linked to the Wagner Group, and four operators of Russia’s ‘shadow fleet’ – a group of aging tankers with unclear ownership used to circumvent international sanctions. One month earlier, on 8 November 2023, the UK Government

had already imposed a round of 29 sanctions, this time targeting individuals and entities operating and supporting Russia's gold, oil, and finance industries, which serve as *"critical revenue streams for its illegal invasion of Ukraine"*.

REDRESS and its international partners have highlighted how widespread sanction evasion risks undermining the impact of sanctions as a tool for accountability and behavioural change in our recently released report, Evaluating Targeted Sanctions. To effectively counter this risk, the UK Government must commit to investing in strong enforcement mechanisms and target the channels designated persons use to access resources facilitating the commission of further violations.

- **NEW ENFORCEMENT UNIT ESTABLISHED:** In an effort to strengthen the UK's sanction enforcement capabilities, on 11 December 2023, the UK's Industry and Economic Security Minister announced the establishment of the Office of Trade Sanctions Implementation (**OTSI**). OTSI will be responsible for the civil enforcement of trade sanctions, including those against Russia. According to the Government, it is designed to *"clamp down on companies dodging strict trade sanctions"* by helping businesses comply with sanctions and investigate potential breaches, *"issuing civil penalties and referring cases to HMRC for criminal enforcement where needed."* OTSI is due to launch in early 2024 once the new legal requirements are in place.
- **NEW LEGISLATION INTRODUCED:** On 14 December 2023, the UK Government introduced new legislation to sanction further goods, technology, and sources of funding that could support Russia's war efforts in Ukraine. In addition to banning the export of a range of goods that carry a risk of military and industrial usage, such as machine parts and electronics, and the import of certain Russian metals and diamonds, the legislation also *"includes a series of financial measures designed to support businesses that decide to divest from Russia"*. The changes will also introduce new reporting obligations *"to provide greater transparency of assets held in the UK and improve compliance with the existing sanctions regime."*

UPDATES ON SANCTIONS CHALLENGES

On 17 January 2024, it was reported that alleged Russian oligarchs Eugene Shvidler and Sergei Naumenko had taken legal action to overturn UK sanctions imposed against them following Russia's invasion of Ukraine. The UK Court of Appeal is hearing their claims that the measures against them were arbitrary and lacked evidential basis. Shvidler and Naumenko lost their initial challenges to the sanctions in August 2023 and July 2023, respectively.

On 12 January 2024, in the first case in the UK to consider the relationship between targeted sanctions and freedom of expression, the Administrative Court rejected Graham Phillips' application for review of the decision to maintain his listing. Phillips, a British citizen, was designated in July 2022 for being a *"video blogger who has produced and published media content that supports and promotes actions and policies which destabilise Ukraine and undermine or threaten the territorial integrity, sovereignty, or independence of Ukraine."* Phillips sought, among other things, an order quashing his designation and declarations that it was unlawful on grounds of illegality and a breach of his rights under Article 10 (freedom of expression), Article 8 (respect for private and family life), and Article 1 (peaceful enjoyment of his possessions) of the First Protocol to the European Convention on Human Rights (**ECHR**). While recognising that the designation did interfere with his ECHR rights, the court ultimately found that it was *"proportionate to the legitimate aim of protecting the UK's national security."*

UPDATES FROM THE GLOBAL MAGNITSKY SANCTIONS COALITION

On 9 November 2023, REDRESS submitted evidence to an inquiry by the House of Lords' European Affairs Committee into [‘the implications of Russia’s invasion of Ukraine for UK-EU relations’](#). The inquiry explores the UK-EU coordination on sanctions, including their enforcement and effectiveness, and the future reconstruction of Ukraine. The submission highlights how nearly two years since Russia invaded Ukraine neither the UK’s and the EU’s efforts to impose a large number of targeted sanctions, nor their significant financial support pledges, have been enough to deter Moscow from committing further violations of international law in Ukraine and adequately support victims of the conflict.

- On 16 November 2023, REDRESS, Human Rights First, Open Society Foundations, the Raoul Wallenberg Centre for Human Rights, and the Pan American Development Foundation published a joint report– [Evaluating Targeted Sanctions: A Flexible Framework for Impact Analysis](#)– identifying five categories of impact of targeted sanctions. The framework, which civil society and government stakeholders can utilize to assess the impact of targeted sanctions in other contexts, is accompanied by seven case assessments from Iran, Equatorial Guinea, Ukraine, Bangladesh, Paraguay, Belarus, and Tunisia
- Also in November 2023, Human Rights First released a report– [US Global Magnitsky Sanctions in their Sixth Year](#)– documenting a noticeable decline in the use of Magnitsky Sanctions, along with notable new precedents.
- [The European Union’s Use of Global Human Rights Sanctions in 2023](#), a December 2023 report published by Open Society-Europe and Central Asia, provides a review of the EU’s Global Human Rights Sanctions in 2023, detailing significant successes and making recommendations for how the regime can be improved.
- In December 2023, Human Rights First released a report– [Shaming without Naming: The Limits of Confidential US Visa Sanctions for Accountability](#)– discussing how the lack of transparency limits the effectiveness of visa sanctions and provides recommendations to improve the use of these tools.
- Human Rights First also published a new explainer– [US Visa Sanctions Under Section 7031\(c\)](#)– on human rights and anticorruption sanctions focused on the US Government’s visa restriction program known as Section 7031(c), which can target current and former foreign government officials involved in significant corruption and gross violations of human rights.
- On 23 January 2024, REDRESS released a briefing paper– [Innovative Avenues to Finance Reparation in the UK](#)– identifying important legal and policy reforms that the UK Government should implement to ensure the repurposing of profits derived from violations of international human rights and humanitarian law to provide reparations to victims.