

Key differences between the United Kingdom and the European Union

The following is a guide to the key features of the respective sanctions implementation regimes in the United Kingdom and the European Union. Following the United Kingdom’s departure from the European Union in 2020, it has since been free to dictate its own sanctions policy. Whilst the two regimes appear similar, it is important to highlight key areas of difference when it comes to designation criteria, implementation and appeals.<sup>1</sup>

UK 		EU 	
Jurisdiction	<p>Applies to:</p> <ul style="list-style-type: none"><li>a. The United Kingdom (England, Scotland, Wales and Northern Ireland).</li><li>b. 14 British Overseas Territories including the Cayman Islands, the British Virgin Islands <b>except</b> Gibraltar and Bermuda (who pass their own legislation which remains aligned to UK).</li><li>c. In addition to UK sanctions, Gibraltar continues to give automatic effect to EU restrictive measures for sanctions.</li><li>d. Crown Dependencies: (Jersey, Guernsey and Isle of Man).</li></ul>		<p>Applies to every EU member state: Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.</p>
Persons/ Companies	<p>British and British overseas citizens; UK incorporated/constituted entities, and any conduct by any person that takes place wholly or partly in the UK or in UK territorial seas.</p>		<p>Nationals of EU member States; EU incorporated/constituted entities within the territory of the EU; onboard any aircraft or any vessel under the jurisdiction of an EU Member State; and to any person or in respect of any business conducted in whole or part within the EU.</p>
Body responsible for implementation and licencing.	<p>The UK: Office of Financial Sanctions Implementation (‘OFSI’)</p> <p>British Overseas Dependencies and Crown Dependencies each have their own bodies to enforce sanctions within their territory.</p>		<p>Localised implementation and enforcement by the relevant government department in each Member State.</p>
Immigration	<p>Designated individuals will be refused leave to enter the UK or to remain in the UK.</p>		<p>Suspension of visa facilitation provisions for Russian diplomats and other Russian officials and business people.</p>
Trusts and management services	<p>Currently no express prohibition. However, on 4 May 2022, the UK announced further sanctions to cut off Russia’s access to the UK’s management consulting, accounting and PR services.</p>		<p>From 10 May 2022, it will be prohibited to provide management services to a trust to a Russian national or resident. Acting as a trustee, nominee shareholder, director, secretary will also be banned.<sup>2</sup></p>
Crypto/Digital Assets	<ul style="list-style-type: none"><li>• Applies if within scope of general asset freeze, eg. provision of economic resources to a designated entity.</li></ul>		<ul style="list-style-type: none"><li>a. Expressly confirmed that crypto assets fall within scope of asset freezes.</li><li>b. Provision of crypto-asset wallet, and related services to Russian nationals/ residents or entities prohibited if value exceeds EUR 10,000.</li></ul>
Licences	<p>In addition to those granted by the EU, the UK also allows licences for:</p> <ul style="list-style-type: none"><li>• Humanitarian assistance</li><li>• Diplomatic missions.</li></ul> <p>The UK has also introduced General Licences which permit certain activities to be carried out without a licence.</p>		<p>Allows licences for basic needs, legal fees, maintenance of frozen accounts, payment of court judgments, satisfaction of contractual obligations and extraordinary expenses.</p> <p>No General Licences.</p>
Right to request revocation or variation of designation.	<p>A U.K. designated person has the right to request a revocation or variation of their designation via an application to OFSI (or in the case of British Overseas Territories or Crown Dependencies, the respective governing body). Such an application may be made at any time.</p> <p>A designated person may appeal the decision to the High Court. The High Court will apply judicial review principles (e.g., was the decision illegal, procedurally unfair, or irrational).</p>		<p>Application to the General Court of the General Court of the EU within two months of designation.</p>

<sup>1</sup> NB – this guide is up to date as of 4 May 2022. As sanctions laws evolve over time it is quite possible the law will update and change.  
<sup>2</sup> Limited exceptions apply including unless the person holds an EU passport or residence permit.