

# Tougher UK Sanctions Penalties on the Horizon as Consultation is Launched

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On 22 July 2025, the UK's Office of Financial Sanctions Implementation ("OFSI") published a [consultation](#) paper proposing significant reforms to its civil enforcement processes. The proposals aim to enhance the effectiveness, transparency, and deterrent impact of OFSI's sanctions enforcement regime.

## 1. Key Consultation Proposals

- **New Case Assessment Matrix:** OFSI intends to publish a matrix to clarify how it assesses the seriousness of breaches and determines appropriate enforcement outcomes.
- **Settlement Scheme:** A formal settlement mechanism would be introduced for monetary penalty cases, offering reduced penalties in exchange for early resolution and acceptance of OFSI's findings.
- **Early Account Scheme (EAS):** A new voluntary process allowing firms to self-investigate and submit a report within six months, potentially qualifying for a higher penalty discount (up to 40%).
- **Streamlined Enforcement for Technical Breaches:** OFSI proposes simplified processes and additional guidance for breaches involving information, reporting, and licensing obligations.
- **Increased Civil Penalties:** The statutory maximum penalty for financial sanctions breaches may be raised from 50% to 100% of the estimated value of the breach. Where the value is indeterminate, the default fine of £1 million may also be increased.
- **Revised Discount Structure:** OFSI proposes a unified discount cap of 30% for all cases, replacing the current tiered approach.
- **Transparency Commitments:** OFSI reaffirms its policy of naming parties subject to enforcement action, rejecting anonymised settlements as inconsistent with public interest objectives.

## 2. Scope of the Reforms

These changes apply exclusively to OFSI's civil enforcement powers in relation to:

- financial sanctions breaches (including Russia-related asset reporting);
- the UK's maritime services ban; and
- the oil price cap exception.

The reforms do not affect:

- criminal enforcement of financial sanctions; or
- civil enforcement of non-financial sanctions (e.g., trade or transport sanctions),

which remain under the remit of other government bodies.

### 3. Next Steps

The consultation is open until 13 October 2025. OFSI plans to host a stakeholder engagement event ahead of the deadline, with details to be announced. A formal response and potential draft legislation are expected to follow.

### 4. Further OFSI development of Online Forms

OFSI had a further update recently, where it confirmed in a blogpost on 17 July 2025 that it has launched [online forms](#) for suspected sanctions breach reporting and the obtaining and amendment of licences. The aim of the online forms is to speed up the respective processes and reduce OFSI's response time, which is very much welcomed.

For further information, please reach out to [ukreg@proskauer.com](mailto:ukreg@proskauer.com).

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