

The UK government today released translated sector-specific guidance for non-UK companies operating in Georgia, Armenia, Kazakhstan, Kyrgyzstan and Uzbekistan, outlining compliance expectations under the UK's sanctions regime against Russia ([HERE](#)). This move signals a significant tightening of scrutiny in a region increasingly central to global enforcement efforts.

Strategic Timing Linked to Enforcement Escalation

This guidance follows the UK's largest sanctions package against Russia to date, announced in February 2025, which targeted over 50 individuals and entities involved in facilitating military production and sanctions circumvention. Notably, that package included entities based outside of Russia, including financial institutions and logistics companies in Central Asia, marking a critical shift in enforcement strategy.

According to official communications at the time, the UK aimed to disrupt Russia's "shadow procurement networks" operating across Eurasia. One Kyrgyz financial institution was explicitly designated for enabling high-risk transactions tied to defence-related supply chains.

The Region's Role in Circumvention Networks

Since early 2024, Western authorities have voiced growing concerns over the diversion of restricted goods and technologies, particularly dual-use items, through intermediary jurisdictions. Companies and logistical hubs in Central Asia and the South Caucasus have played a growing role in reexporting machinery, electronics and materials initially shipped from Europe or Asia, which later find their way to Russia.

While some of these flows are deliberate, others may occur through insufficient due diligence or unclear contractual arrangements. In particular, firms with operations or partnerships in the region may unknowingly become part of larger circumvention schemes if compliance safeguards are not actively enforced.

UK Sanctions and the Risk for Non-UK Firms

Although UK sanctions law applies primarily to UK nationals and UK-incorporated entities, foreign companies may still face serious consequences. This is particularly true if they employ UK nationals, engage in business with UK suppliers or banks or use UK-based services such as insurance, legal advice or payments. Even if not formally covered by UK law, foreign companies can be sanctioned by the UK for facilitating circumvention of its measures. Designation can result in the freezing of assets held by UK institutions, loss of access to UK financial and professional services and reputational damage that prompts derisking by other global partners.

The UK's sanctions regime includes three principal categories: financial, trade and professional services. Each carrying distinct obligations for companies that operate in, or engage with, jurisdictions where the risk of indirect exposure to Russia remains high. The latest guidance places particular emphasis on these pillars, clarifying their scope and how they apply in practice.

Together, these restrictions form a comprehensive framework intended not only to constrain Russia's military and economic capacity, but also to hold accountable those who assist in circumventing the rules. The UK government has made it clear that firms operating across Eurasia must internalise and apply these measures in full, regardless of whether their principal operations are located inside or outside the UK.

Compliance Measures Expected of Regional Companies

The new UK guidance makes it clear that companies operating in Georgia, Armenia, Kazakhstan, Kyrgyzstan and Uzbekistan are being strongly advised to comply with UK sanctions. These suggestions are essential to any companies wishing to avoid getting caught up in circumvention networks or facing exclusion from the UK and international markets.

The first step is conducting a thorough risk assessment, utilising commonly known metrics to identify red flags, which could expose them to the risk of breaching UK sanctions or national laws. Based on this assessment, companies should adopt a clear sanctions compliance policy tailored to their risk profile. This policy should include formal approval and ongoing oversight by senior leadership, as well as regular and role-specific training for employees across relevant business units.

Customers should be asked to confirm at least the following standard questions:

1. They are not designated as subject to an asset freeze under the sanction laws of the UK, the US, the EU or other applicable national sanctions laws nor are they 50% or more owned, or controlled by, any person or entity designated under such laws
2. The goods will not be sold, supplied or otherwise provided, directly or indirectly, to any person or entity designated as subject to an asset freeze under the sanction laws of the UK, the US, the EU or other applicable national sanctions laws or any entity 50% or more owned, or controlled by, any person or entity designated under such laws

3. The goods will not be sold, supplied or otherwise provided directly or indirectly to, or for use in, Russia or in any other country or region that is subject to sanctions imposed by the UK, the US or the EU, where that act would be in breach of the terms of such sanctions if conducted by a national of those countries, or Member States of the European Union:
4. The goods will not be sold, supplied or otherwise provided directly or indirectly to a person that is ordinarily resident or located in, or to an entity that is incorporated or domiciled in, Russia or in any other country or region that is subject to sanctions imposed by the UK, where that act would be in breach of the terms of such sanctions if conducted by a national of the UK
5. The goods will not be exported, sold or otherwise supplied and delivered, directly or indirectly, to a third-party unless that third-party accepts the commitments listed in this declaration as binding for itself and on condition that the third-party is known by us to be trustworthy and reliable in the observance of such commitments
6. That any violation of a particular undertaking shall constitute a material breach of an essential element of a contractual agreement, and you shall be entitled to seek appropriate remedies, including, but not limited to termination of our agreement and a penalty
7. That they shall immediately inform you of any problems in meeting the commitments listed in this declaration, including any relevant activities by third parties that could frustrate those commitments.

Such internal audits of new and long-standing customers should be renewed routinely to test compliance, and companies should sign up for UK government e-alerts to stay informed of new measures, designations and best practices.

Why This Guidance Matters

Today's publication makes clear that the UK's sanctions regime can extend well beyond its own borders, potentially applying to non-UK companies that play a role in facilitating Russia's access to prohibited goods or services. This includes companies that engage in the trade of restricted goods or technologies, those that reexport UK-origin or G7-origin items to Russia via indirect routes and entities providing financial or logistical support to supply chains that are ultimately controlled by Russian interests. Moreover, companies that fail to conduct adequate due diligence on end-users and transit partners may also find themselves in breach of the UK's evolving sanctions framework. The decision to issue translated versions of this guidance, likely in Russian and other regional languages, underscores the UK's growing determination to communicate directly with foreign market participants operating in high-risk jurisdictions, rather than relying solely on compliance by UK-based firms with overseas exposure.

Recommended Action

In light of the UK's increased attention to third-country circumvention routes, companies with any exposure to the Eurasian region, particularly those operating in logistics, commodities, industrial machinery or financial services, should take immediate steps to fortify their sanctions compliance. This includes reviewing all contractual arrangements with regional partners to ensure that robust "no-Russia" clauses are in place, thereby reducing legal exposure. In parallel, businesses should implement enhanced due diligence protocols, especially in sectors or transactions that involve high volumes or sensitive technologies. Mapping out the supply chain is also essential to identify potential indirect pathways that could enable restricted goods to reach Russia. Finally, companies are strongly advised to consult legal counsel to assess their overall risk profile under UK, US and EU sanctions regimes, which are increasingly coordinated in targeting circumvention through neighbouring states.

Contacts



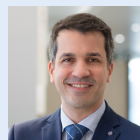
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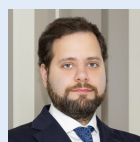
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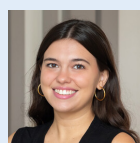
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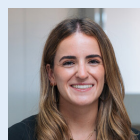
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