

On January 7, 2025, the Office of Financial Sanctions Implementation (OTSI) published a guide titled “Countering Russian Sanctions Evasion – Guidance for Exporters” (Guidance).

This Guidance serves as a key resource for exporters and manufacturers, providing clear recommendations for identifying Russian sanctions circumvention practices and developing effective strategies to mitigate the risk of goods being diverted. Its primary objective is to safeguard business technologies against misappropriation, while helping companies avoid potential financial losses and reputational harm stemming from direct or indirect involvement in prohibited trade activities.

The Guidance includes

- Insights on the range of goods at increased risk of being diverted to Russia
- Key red flag indicators of potential sanctions evasion through circumvention
- Recommendations for compliance best practices and enhanced due diligence procedures
- Additional resources to support businesses in managing risks and meeting their compliance obligations

A key element of the Guidance is the Common High Priority List (CHPL), developed by the UK in collaboration with the EU, US and Japan. This list identifies 50 critical items, including microelectronics and manufacturing equipment. In addition, Russia targets a wide range of UK-origin goods, such as industrial machinery, semiconductor devices and vehicle components, often using intermediaries in third countries<sup>1</sup> like Turkey, China and the UAE. Exporters are strongly encouraged to implement enhanced due diligence, particularly in high-risk sectors, and closely scrutinise intermediaries and end-users to prevent covert redirection to sanctioned entities.

Further, the Guidance provides a detailed, though not exhaustive, list of potential red flags to help businesses identify risks related to export controls and sanctions evasion. These red flags are grouped into four broad categories: inconsistencies concerning the product, customer, transaction or export destination.

While the presence of a red flag alone is not definitive proof of illicit activity, it signals the need for closer investigation. Businesses are advised to conduct a holistic assessment of transactions as part of their due diligence processes and remain vigilant for other potential indicators not explicitly outlined in the Guidance.

To address these challenges, the Guidance offers specific recommendations, including conducting strategic risk assessments to identify vulnerabilities, implementing enhanced due diligence frameworks tailored to high-risk sectors and jurisdictions, leveraging public and private screening tools, as well as continuously monitoring compliance practices.

Businesses are also encouraged to verify the legitimacy of end-users, carefully scrutinise transaction details and take immediate steps to address any identified risks.

This Guidance is designed to be a comprehensive resource for exporters in their day-to-day operations, and it emphasises the importance for UK companies to implement robust measures to avoid enabling Russia’s access to sanctioned goods and technologies. Non-compliance, including engaging in prohibited trade or facilitating sanctions evasion constitutes a serious criminal offense and poses significant reputational and legal risks.

Exporters are encouraged to review the full text of the Guidance for further details on its recommendations and compliance best practices. You can find the complete Guidance [here](#).

## Contacts



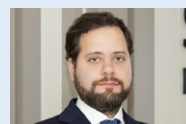
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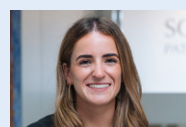
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<sup>1</sup> A more extensive, though neither definitive nor exhaustive, list of jurisdictions requiring heightened caution and due diligence is provided in the full text of the Guidance. This list will be updated periodically, and exporters are encouraged to consult it regularly