

Taking the Pulse of Major Sanctions Lists:

A look back on 2023 with predictions for 2024

ENTER

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Introduction

For sanctions compliance professionals, 2023 emerged as another year of significant activity.

While 2022 set an unprecedented benchmark, largely due to western sanctions targeting Russia, 2023 sustained the momentum. **Russia remained at the core, but to a lower extent than in 2022.**

As the conflict in Ukraine rages into its third year, this ebook provides insights into the continued sanctions pressure on Russia and helps to grasp the emergence and resurgence of other international emergencies.

Terrorist groups continued to pose global threats in 2023, and risks of proliferation materialized with heightened activity in North Korea, Iran and through international criminal groups. Various countries, primarily in Africa, face civil or regional conflicts, and human rights abuses and corruption continue to be prevalent in many places.

As part of our ongoing research, LexisNexis® Risk Solutions regularly analyzes sanctions data from the **United Nations (UN)**, **European Union (EU)**, **Office of Foreign Assets Control (OFAC)**, and the **UK Office of Financial Sanctions Implementation (OFSI)** to identify trends and changes in policy. In this ebook, we examine data from these four core regulators from January 1, 2023 to December 31, 2023 and reflect on what it may signal for 2024.

What do we mean by sanctions activity?

Global sanctions activity refers to the measures taken by governments and international organizations to restrict trade, financial transactions, and other forms of engagement with individuals, entities, or countries that are deemed to pose a threat to international peace and security or that violate human rights.

The UN, EU, OFAC, and OFSI are major players in imposing sanctions globally. Sanctions can take many forms, including asset freezes, travel bans, arms embargoes, and trade restrictions.

Sanctions can have significant economic and political impact as they can severely limit a target's ability to conduct international trade and access financial systems. However, the effectiveness of sanctions is not guaranteed. It depends on various factors, including the target's willingness to change its behavior, the international community's willingness to enforce the sanctions, and the target's ability to adapt and find alternative sources of financing and trade. Sanctions can also have unintended consequences, such as harming the civilian population of the targeted country.

Sanctions will likely continue to be a significant tool in the geopolitical landscape, with developments and changes in the sanctions policies of various countries and organizations shaping global politics and trade.

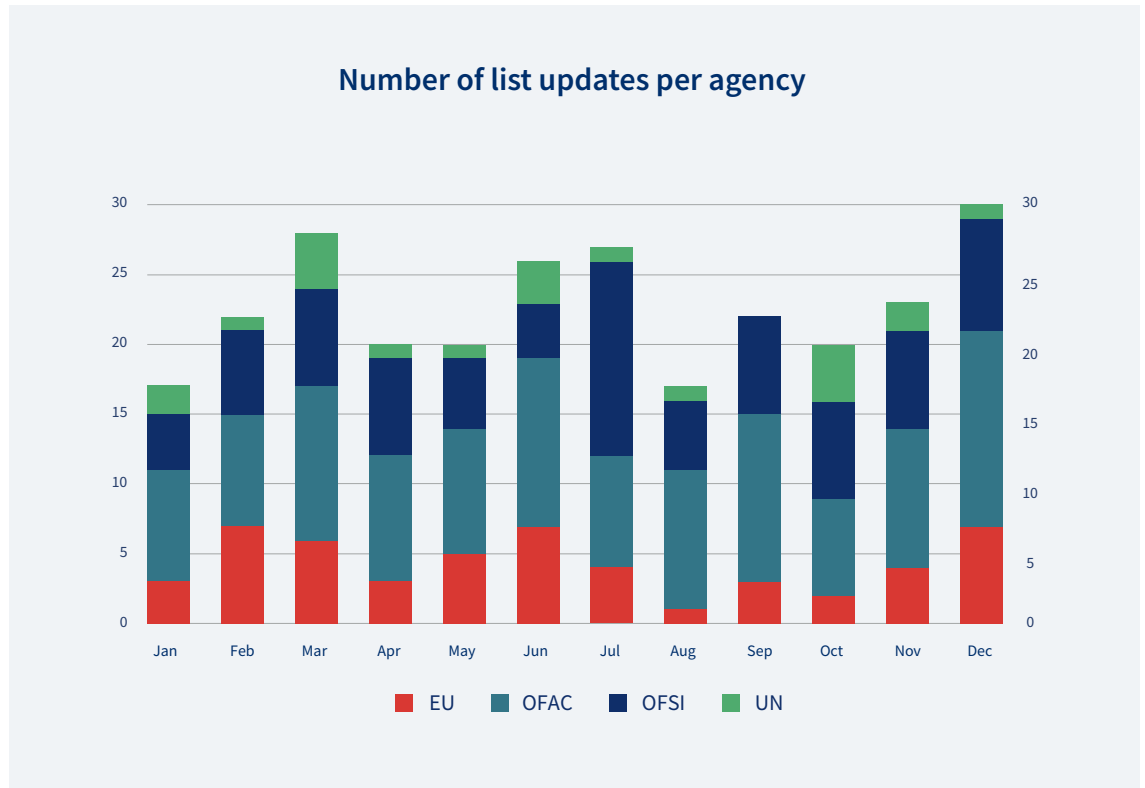
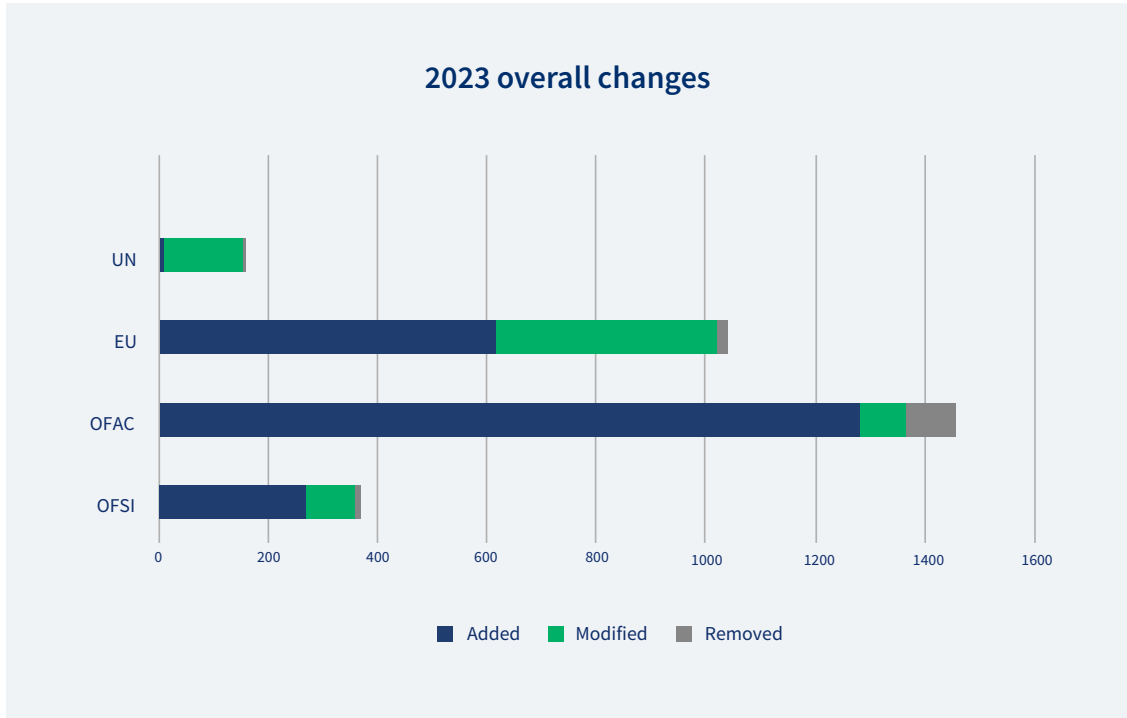
It is important for businesses to be up to date on sanctions activity to ensure they are not inadvertently engaging with sanctioned entities or individuals. Failure to comply with sanctions regulations can result in severe financial and reputational damage, including fines, penalties, and legal action. **It can also result in loss of business opportunities and damage to relationships with customers, suppliers, and partners.**

Moreover, sanctions are constantly evolving, with new entities and individuals being added to lists, and existing records being updated. As such, it is crucial for businesses to have a robust sanctions compliance program in place, which includes regular screening of customers, vendors, and business partners against sanctions lists as well as implementing appropriate risk mitigation measures.

Sanctions activity by the numbers: An overview

Although 2023 sanctions activity could not match that of 2022, the number of updates and net designations added were nonetheless significant.

	Number of updates (UN, EU, OFAC, OFSI lists)	Net designations added
2023	272	+3,789
2022	329	+5,674



Key sanctions activity

OFAC updates were particularly significant in 2023. They were nearly double the overall changes of the EU and completely eclipsed the activity of the UN due to a combination of Russia-related sanctions and thematic sanctions, including terrorism, human rights abuses and narcotics trafficking.

Russia-related Sanctions

In 2023, Russia-related sanctions once again took the spotlight, accounting for the top five updates (by net changes), 68% of new sanctioned persons and entities and 31% of list updates. Sanctions by OFAC stood out with the net addition of 1,663 designations related to Russia.

The 13 largest list updates were made under Russia-related sanctions. OFAC accounted for four of the top five largest updates.

Russia-related Sanctions					
Date	Programs	Added	Modified	Removed	List
19 th May 2023	Russia	323	3	7	OFAC
12 th December 2023	Russia	276	5	0	OFAC
24 th February 2023	Russia - Belarus	252	4	3	OFAC
2 nd November 2023	Russia - Terrorism	238	4	3	OFAC
25 th February 2023	Russia - Mali - Human rights	233	0	0	EU

Other emergencies that triggered sanctions designations

Country Programs

Iran: Iran-related sanctions were on the rise in 2023 as a response to continued internal repression, support for Russia's military capabilities and concerns over Iran's nuclear program development.

Africa: Instability in many African countries was a significant issue, resulting in sanctions activity under various country programs:

- The UN terminated its Mali sanctions but maintained measures in relation to the situation in the Democratic Republic of Congo, Libya and Somalia.
- The U.S. and UK implemented sanctions in relation to Sudan, South Sudan and the Central African Republic.
- The UK together with the EU maintained Mali-related sanctions.
- The EU revised their measures on Tunisia and implemented a new program in relation to Niger, although no targets were yet sanctioned.

Thematic Programs

In addition to country-specific sanctions, thematic sanctions aimed at terrorism, human rights abuses and narcotics trafficking continued to be a priority.

Terrorism remained the key global issue for sanction-imposing bodies, triggering most of the UN's activity and 10% of OFAC's designations, which included Hamas-related sanctions toward the end of 2023. Severe human rights abuses prompted various sanctions developments:

- The EU's designations under this program almost tripled in 2023.
- OFAC and OFSI measures grew by 76 and 25 designations, respectively.

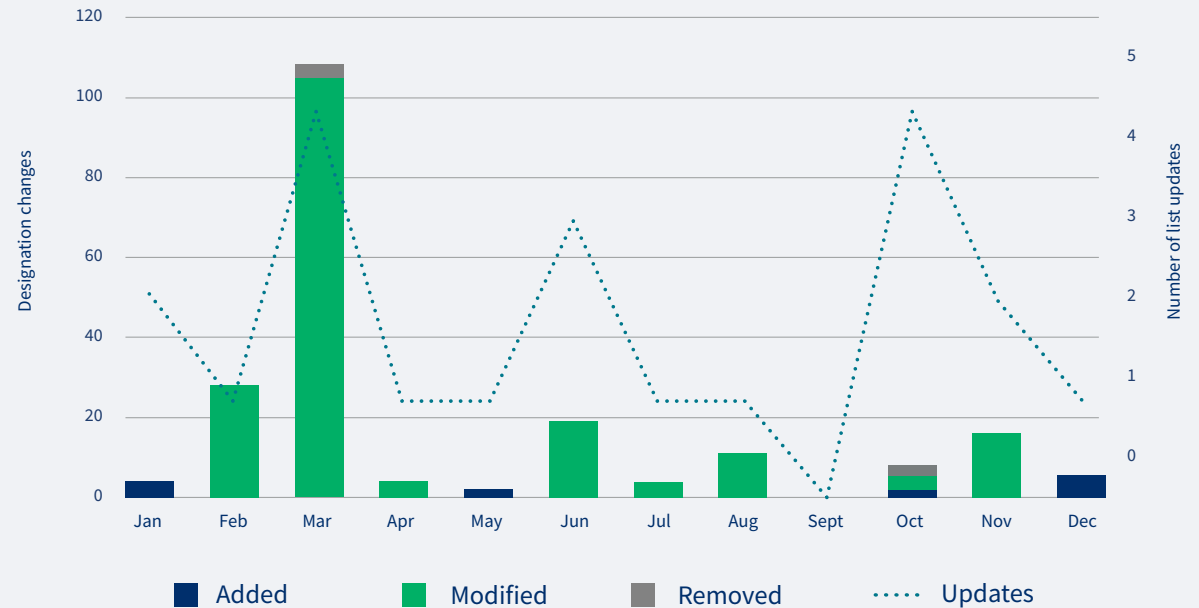
Narcotics trafficking was another notable global issue. OFAC administered several sanctions programs against narcotics trafficking, which were subject to frequent changes, accounting for 22% of OFAC's list updates in 2023.

A closer look by agency: United Nations (UN)



The United Nations (UN) is one of the major organizations imposing sanctions globally. The UN Security Council has the power to impose sanctions on countries or individuals who threaten international peace and security. The UN's existing 15 ongoing sanctions regimes, which can include asset freezes, travel bans, and arms embargoes, "focus on supporting political settlement of conflicts, nuclear non-proliferation, and counterterrorism."¹

UN Updates: Scale and Nature of Changes





Key activity – UN

The UN continued to show limited sanctions activity in 2023, with only 21 list updates to seven programs.

Except for limited designations under the Haiti and Congo sanctions regimes, 2023 sanctions activity for the UN Security Council remained largely focused on terrorism, and primarily centered on the modification of existing designations.

The failure to renew the sanctions regime implemented in relation to the situation in Mali illustrated a lack of consensus at the UN Security Council. Overall, the UN Sanctions list remained stable in size in 2023 (+5 records).





Key activity – UN

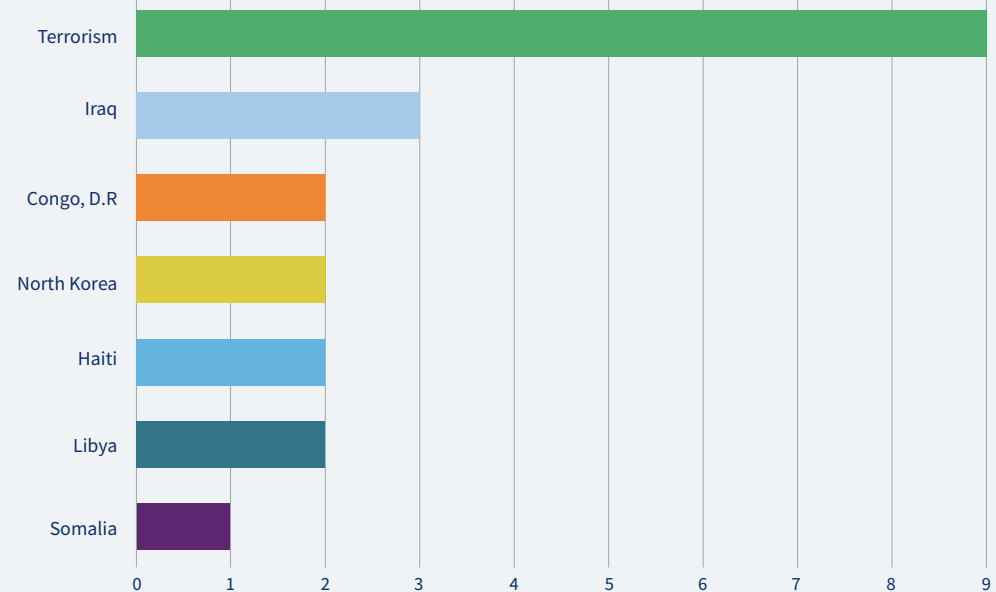
The Security Council made 11 new designations:

- **Haiti:** four leaders of Haitian gangs, following the deteriorating situation in Haiti and pervasive gang violence.
- **Terrorism:** three leaders of ISIL/Al-Qaeda groups and one leader of ISIL Southeast Asia were sanctioned.
- **Democratic Republic of Congo:** two leaders of armed militias.
- **Somalia (Al-Shabab):** one individual

The UN waived sanctions against six persons and entities:

- Four persons and entities previously designated under the Iraq sanctions program, continuing the progressive waiving of Iraq sanctions.
- Two individuals removed by the ISIL/Al-Qaida Sanctions Committee, as a result of delisting requests sent by member states.

Programs triggering the 21 updates

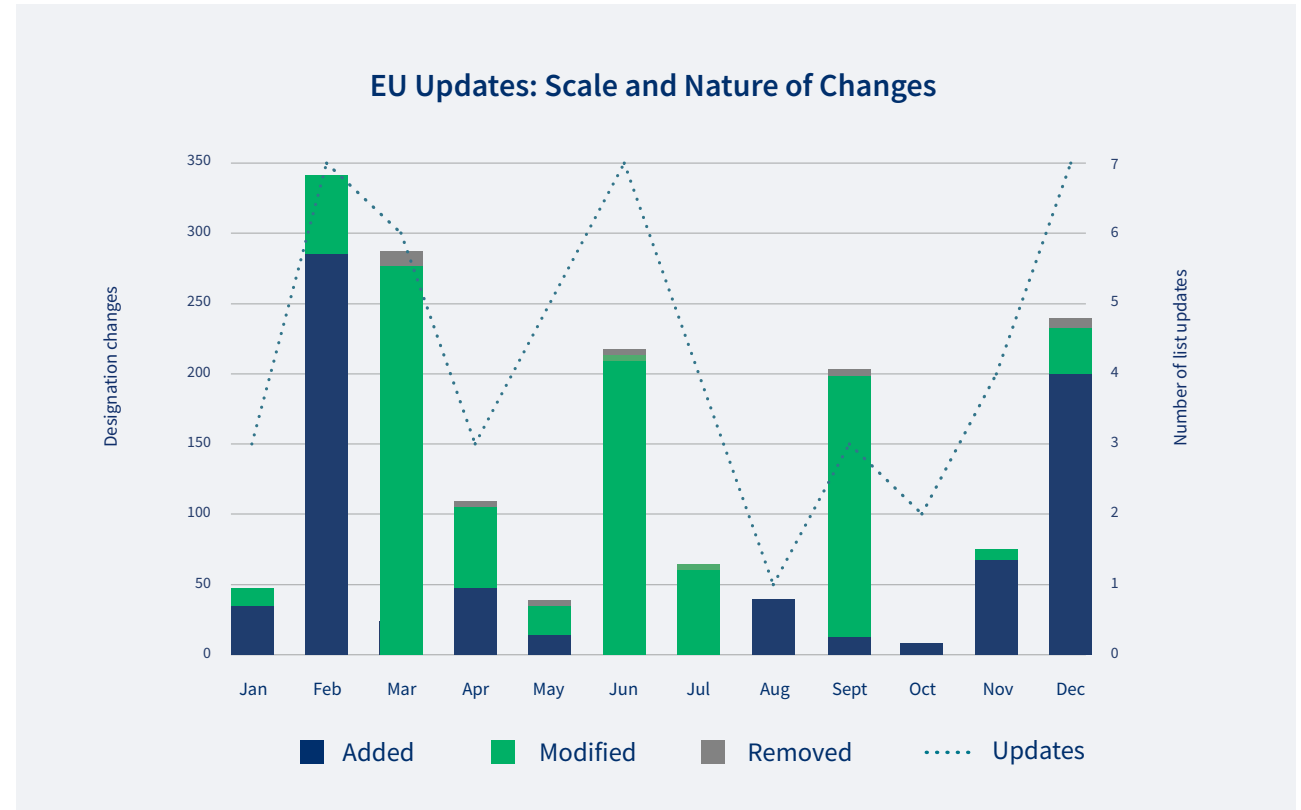


A Closer Look by Agency: European Union (EU)



The **European Union (EU)** is another significant authority that can impose sanctions. EU member states are responsible for implementing and enforcing EU sanctions in line with the objectives of the Common Foreign and Security Policy (CFSP), which is governed by the EU's High Representative for Foreign Affairs and Security Policy.²

EU sanctions can target governments, companies, groups, or individuals through restrictive measures such as embargoes, travel bans and asset freezes.





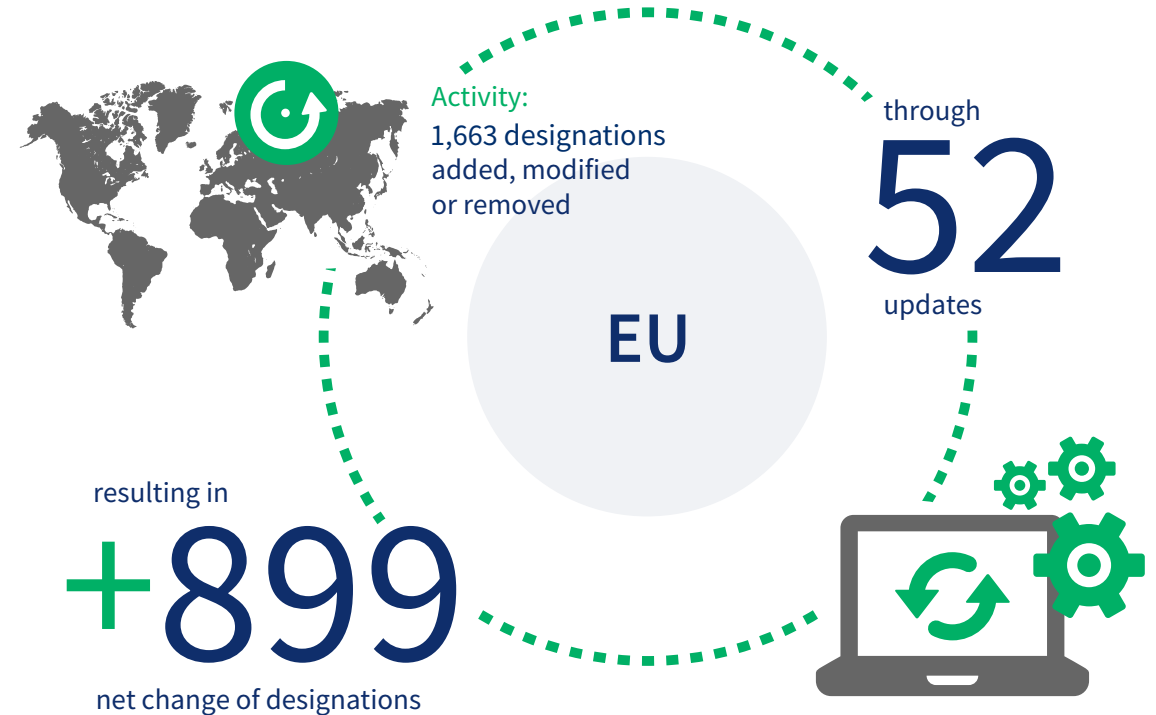
Key activity – EU

The EU maintained high pressure on Russia throughout 2023 with significant sanctions activity; 27% of list updates and 67% of net designations were related to Russia in 2023.

Spikes in February, June and December correlate to three additional sanctions packages implemented in 2023 in response to the ongoing Russia/Ukraine conflict:

- 10th Package (February 25th): added 217 designations under Russia sanctions
- 11th Package (June 23rd): added 191 designations under Russia sanctions
- 12th Package (December 18th): added 176 designations under Russia sanctions

In addition to Russia-related sanctions, there was continued sanctions activity for a variety of other programs.





Key activity – EU

Country programs:

Iran:

- There were 123 net designations primarily in response to continued internal repression.
- In July 2023, the EU implemented new sanctions targeting Iran’s military support to Russia’s war of aggression against Ukraine. 11 designations were made under this new program on December 11th.

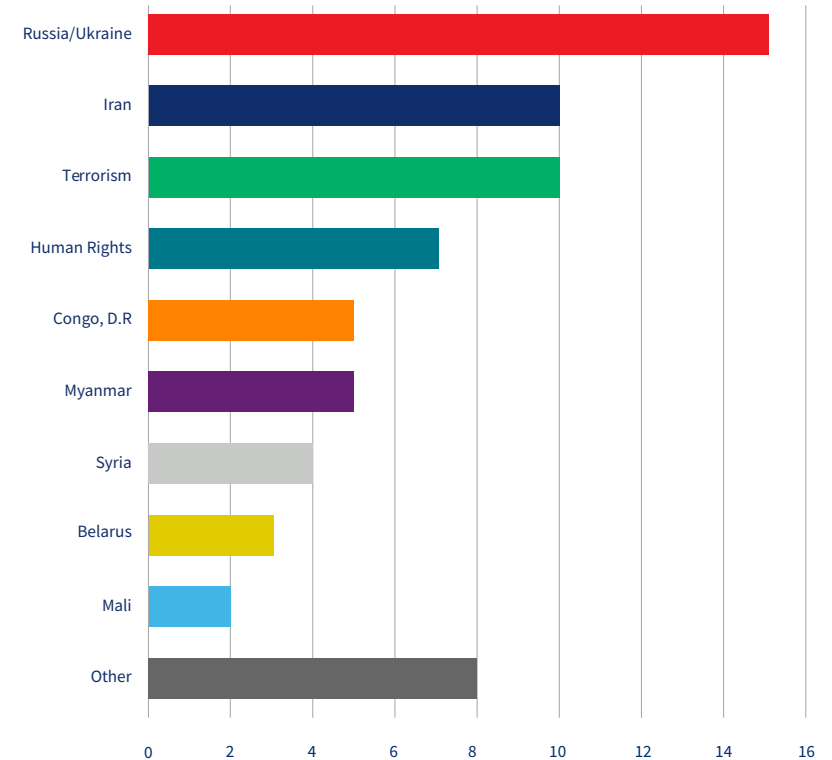
Myanmar and Belarus: Internal repression and severe violence against political opponents led to 29 net designations under the Myanmar sanctions regime and 41 net designations under the Belarus sanctions.

Africa:

There was notable sanctions activity involving countries in Africa:

- The EU added 7 designations under the Democratic Republic of Congo program and maintained the Mali sanctions despite the UN’s termination.
- A new program was implemented in relation to the military coup in Niger, with no targeted sanctions in force yet.
- Several individuals and entities in the Central African Republic, Sudan and South Sudan were designated by the EU under the Global Human Rights Sanctions.

Programs triggering updates





Key activity – EU

Thematic programs:

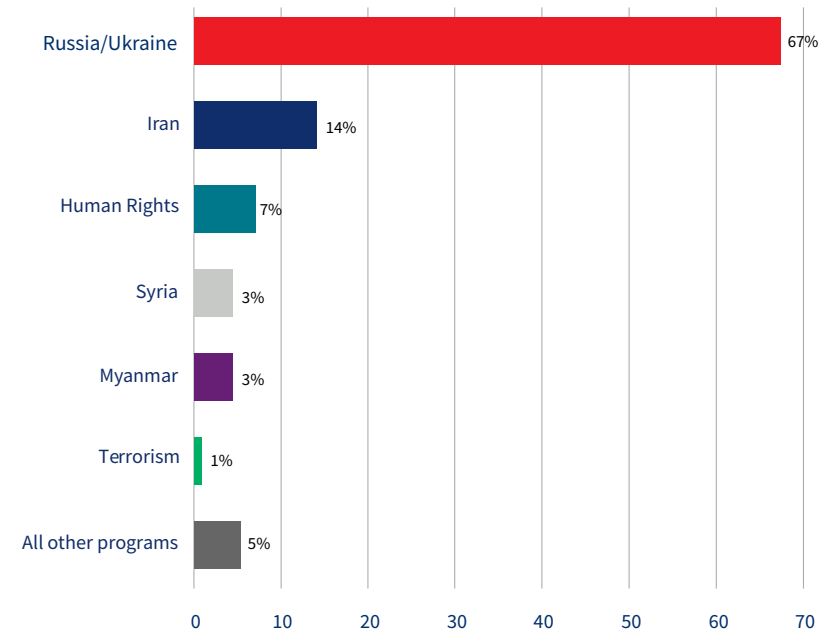
Terrorism:

- Although there were fairly frequent updates (10), only a very limited number of new designations were added (+5 net).

Global human rights:

- With 65 net additions in 2023, the EU's global human rights sanctions grew by 283%.

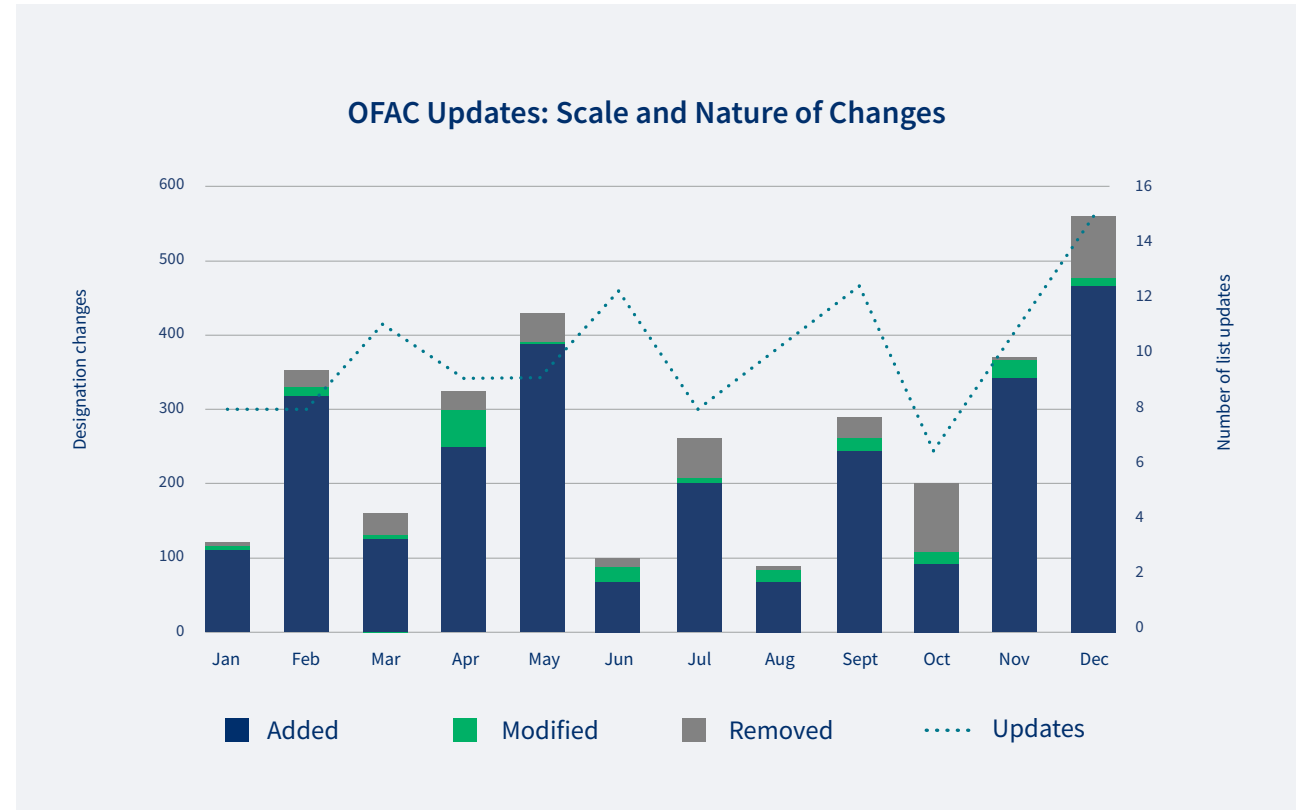
Net changes (by percent)



A Closer Look by Agency: Office of Foreign Assets Control (OFAC)



The U.S. Treasury Department's **Office of Foreign Assets Control (OFAC)** is responsible for administering and enforcing U.S. sanctions. OFAC implements sanctions programs that target countries, entities, and individuals engaged in activities such as terrorism, drug trafficking, and human rights abuses. OFAC's sanctions can include blocking property, prohibiting transactions, and banning travel.



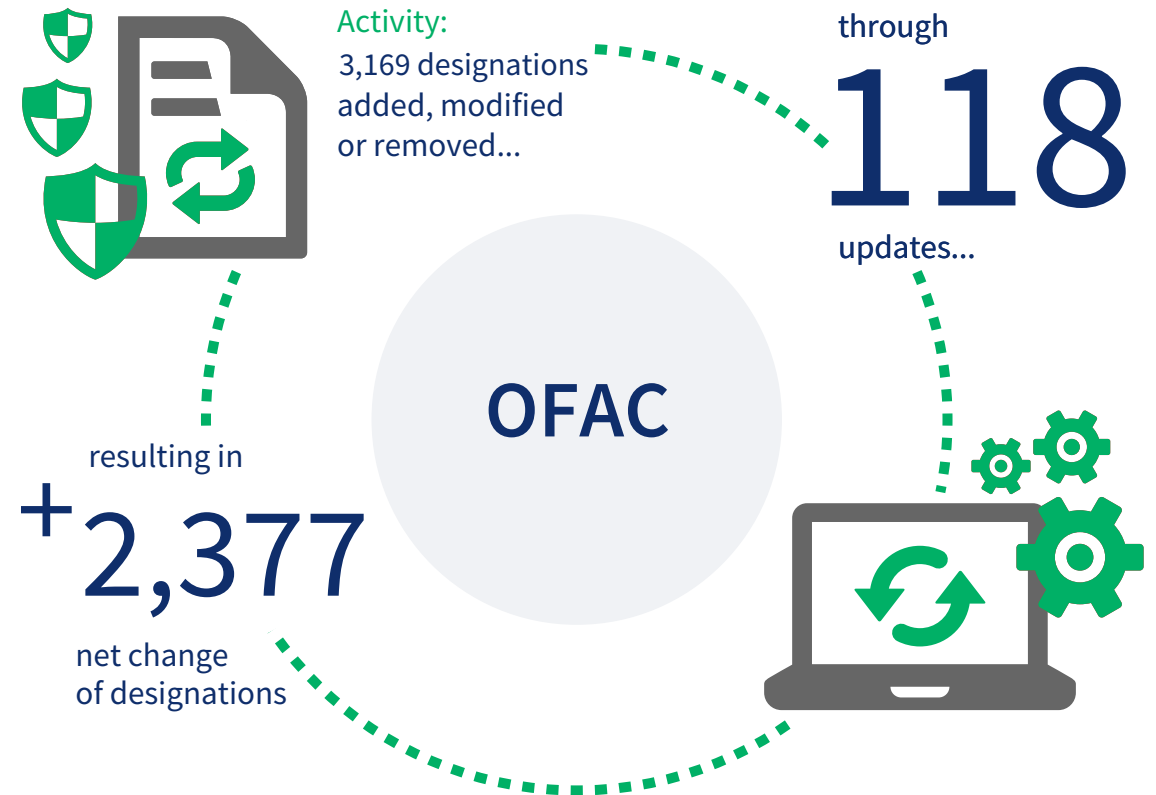


Key activity – OFAC

OFAC kept the 2022 pace in their 2023 Russia-related sanctions activity relating to the Russia/Ukraine conflict. Russia-related sanctions accounted for 38 list updates (v.s. 34 in 2022) and 1,663 net designations, representing 32% of list updates and 70% of net additions, respectively.

In 2023, OFAC focused on disrupting sanctions circumvention networks with designations of persons and entities located in more than 20 jurisdictions targeting:

- Procurement networks involved in facilitating shipments to Russia of controlled items or technology.
- Vessels and ship owners engaged in illicit exports of Russian oil, violating the G7 price cap mechanism.





Key activity – OFAC

Country programs:

Iran:

- There were 24 updates resulting in a net addition of 221 designations.
- OFAC notably sanctioned a shadow banking network of 39 entities for allowing the Iranian regime to generate billions of dollars from oil exports.

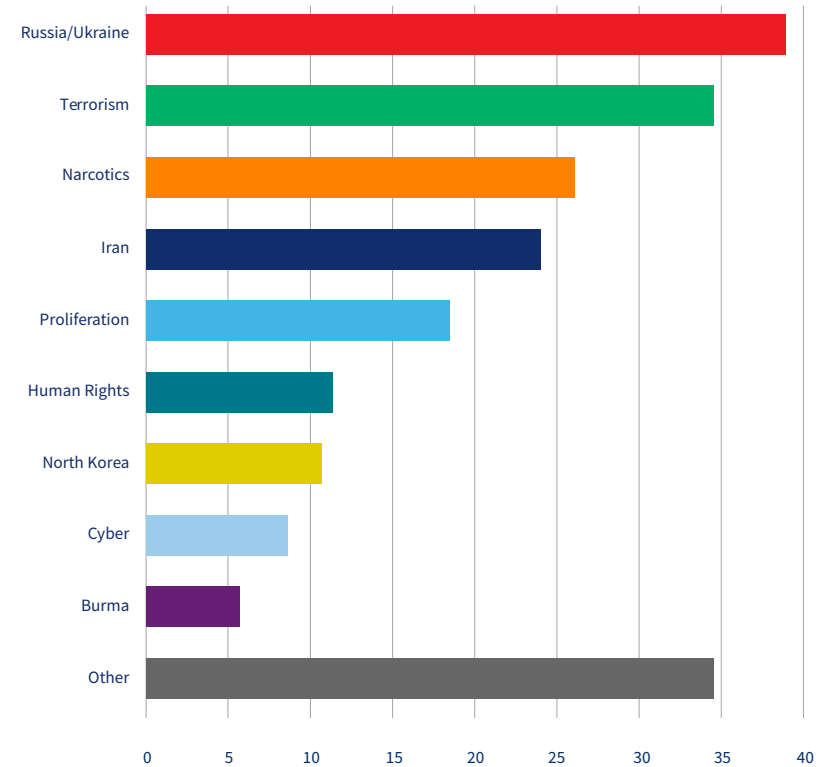
Myanmar and Belarus:

- There were 6 updates and 32 designations added, targeting the military regime in place for more than two years.
- Several actions were taken in conjunction with U.S. allies to condemn continued use of violence and oppression against the people of Burma.

Syria:

- There were 4 updates adding 15 designations. Underlying reasons include human rights abuses in Northern Syria, state-sponsored trafficking of Captagon, and financial facilitators working for the Al-Assad regime.

Programs triggering updates





Key activity – OFAC

Thematic programs:

Terrorism:

- There were 34 list updates, adding 243 designations.
- OFAC reacted promptly to the Oct. 7th Hamas-led attack on Israel by adding 41 Hamas-related designations to the SDN list.

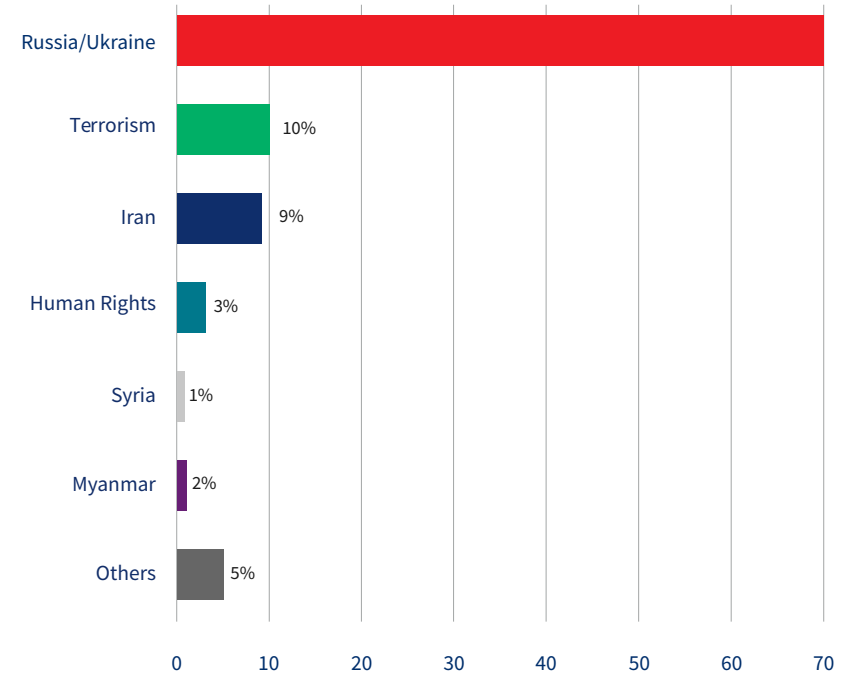
Global human rights:

- There were 12 updates adding 76 targets to the SDN list.
- A landmark action targeted a transnational corruption network of 46 persons and entities led by 2 former Afghan government officials.

Narcotics:

- Sanctions in relation to narcotics trafficking remain a primary contributor to OFAC’s sanctions policy. In 2023, there were 26 updates, with a range of new designations and removals.

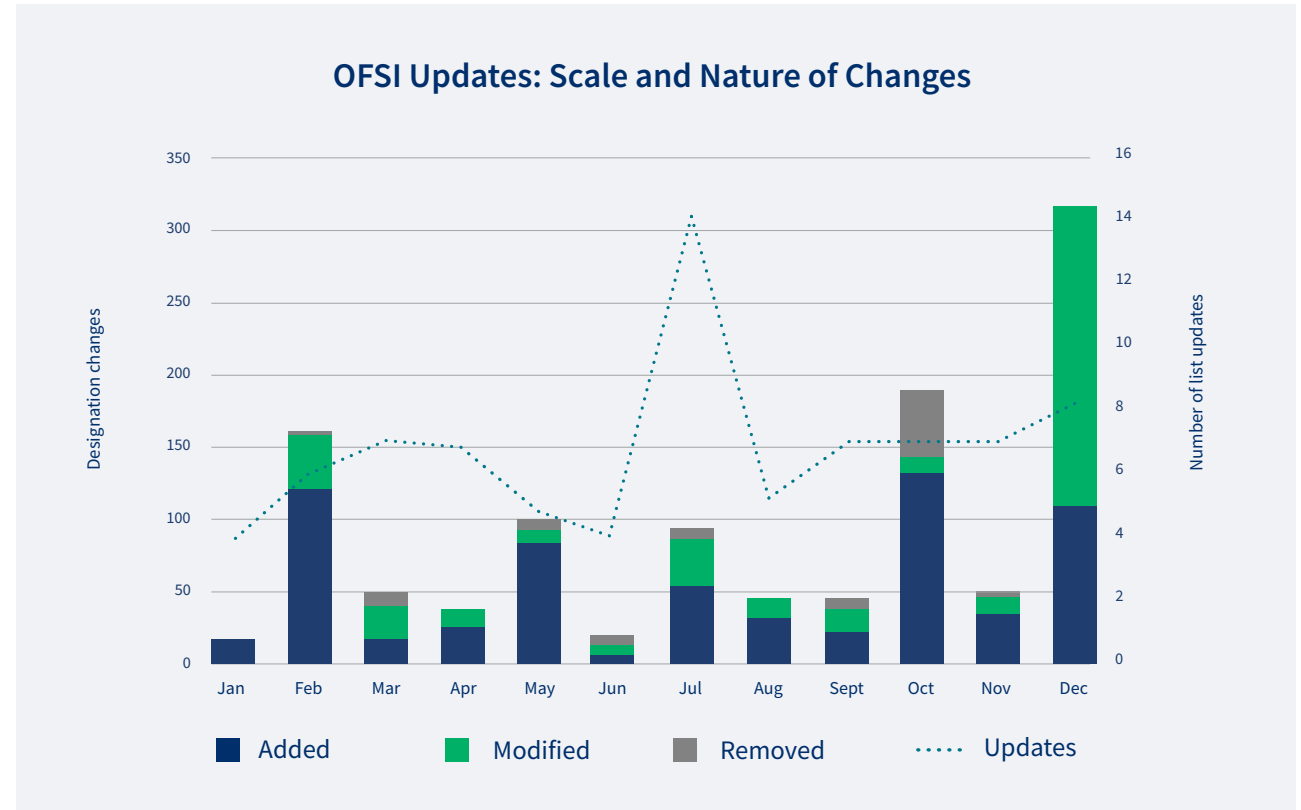
Net changes (by percent)



A Closer Look by Agency: Office of Financial Sanctions Implementation (OFSI)



The UK's **Office of Financial Sanctions Implementation (OFSI)** is responsible for implementing and enforcing financial sanctions in the UK. OFSI's sanctions can include asset freezes, travel bans, and trade restrictions.





Key activity – OFSI

In 2023, OFSI maintained sanctions activity related to the Ukraine/Russia. With 37 updates (representing 32% of list updates) and 64% in net additions, a significant concentration of OFSI sanctions activity came from Russia-related programs.

- The highest number of new designations (92) occurred in February, the one year anniversary of Russia's full-scale invasion of Ukraine and in May (86 designations).
- 8 out of the 10 largest set of designations in 2023 were related to Russia.





Key activity – OFSI

Country programs:

Iran:

- FSI had 18 updates, adding 53 designations amid continued internal repression, nuclear program development, and malign regional and international activities.

Myanmar and Belarus:

- OFSI had 5 updates adding 12 designations, primarily persons and entities supporting the actions of the Myanmar Security Forces, including aviation fuel.

Syria:

- There were 5 updates adding 10 designations, primarily senior officials of the Al-Assad regime involved in repression against civilian population.

African countries:

- There were 19 updates to various programs implemented in relation to the Central African Republic, Democratic Republic of Congo, Libya, Mali, Somalia, South Sudan and Sudan adding a net 21 designations.

Thematic programs:

Terrorism:

- There were 13 updates, adding 16 designations, including members and supporters of Hamas.

Global human rights:

- There were 7 updates, adding 25 designations.
- Sanctions targeted individuals involved in human trafficking, forced labor and gross human rights abuses. Victims were forced to work as scammers targeting English-speaking individuals.

Cyber:

- There were 5 updates, adding 20 designations, including through the joint designation with OFAC of 11 individuals composing the Trickbot group, a Russia-based group involved in cyberattacks against U.S. critical infrastructure during the COVID-19 pandemic.

Global sanctions outlook: **What to expect in 2024**

The level of activity in 2023 from the main sanctions imposing authorities is clear evidence that the sanctions storm, which started in February 2022, is not quite over yet. As the conflict in Ukraine shows no sign of coming to an end, the U.S., EU, and UK continue to leverage sanctions as a key foreign policy tool against the Kremlin and its supporters or facilitators.

Unequivocally, Russia continued to bear the most significant weight in 2023, although to a somewhat lower extent than in 2022. Russia-related sanctions programs accounted for 70% of net additions to the OFAC list in 2023 (vs. 79% in 2022), and approximately 65% of net additions to the EU and OFSI lists in 2023 (vs. 90% in 2022). Although Russia remains the epicenter, it is joined by a cloud of allied countries and rogue states, including Iran, Belarus and Syria.

With sanctions activity at its peak two years in a row, the 2022 sanctions storm may turn out to be a shift to a new normal, as opposed to a temporary extreme event. The 2023 sanctions list data suggest persisting global geopolitical tensions and international issues, which will likely continue to translate into ever-expanding sanctions lists.



Global sanctions outlook: What to expect in 2024

The situation in Central America and certain countries in Latin America may also result in sanctions activity, primarily related to organized crime groups and narcotics trafficking.

Lastly, Asia will not be immune from sanctions risks, as tensions between North Korea and its neighbors have recently reached new heights. All eyes will be on China, which appears resolute to pursue its territorial claims, notably over Taiwan. Facing another sanctions storm in 2024 is far from a remote possibility.

Conclusion:

The sources of concern are plenty. The sanctions landscape will not only grow bigger, but also more complex as the crippled international order embodied by the UN forces foreign policy responses into national ones. While like-minded countries develop cooperation channels such as the G7+ Price Cap Coalition to coordinate their sanctions responses, sanctions compliance professionals will continue to face an increasingly fragmented landscape.

Navigating this complex sanctions landscape requires impeccable data and powerful technology to keep up with ever-changing regulations and potential risks.

The **2024 sanctions outlook** could revolve around the following issues:

Russia-related sanctions will likely continue to target persons and entities directly involved in the conflict in Ukraine, increasingly expanding to disrupt international proxies, financiers, facilitators and any actor supporting the circumvention of sanctions by Russian entities.

In late December 2023, the U.S. President signed an Executive Order that puts foreign financial institutions engaging in significant transactions with Russia's military-industrial base at risk of secondary sanctions.

Iran-related sanctions were clearly on the rise in 2023, fueled by several causes. At the local level, internal repression, gross human rights abuses, and acceleration of the nuclear program triggered Western sanctions. At the regional or international level, Iran's continued support to Russia's war machine as well as Tehran's sponsoring terrorist groups in Yemen, Lebanon, Gaza and beyond all bear the potential for further sanctions reactions.

Various African countries are facing persistent instability often fueled by terrorist groups and causing pervasive and severe human rights abuses.

Sources

¹ <https://www.un.org/securitycouncil/sanctions/information>

² https://www.eeas.europa.eu/eeas/european-union-sanctions_en

To learn more about our award-winning solutions visit:

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Our advanced analytics and real-time data effectively screen individuals, entities, and transactions against global sanctions lists to help organizations comply with regulations and reduce the potential for costly compliance violations. Make informed decisions about business operations with confidence.

Contact us to learn how the advanced tools and technology from LexisNexis® Risk Solutions can dramatically improve sanctions screening and protect your organization.

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