

Highlights There is a stark contrast between the activity of the UN and that of other agencies: ■ Changes to the UN list were relatively rare (25 updates) in 2021, which decreased the net overall number of UN sanctioned persons and entities (-32). This trend is consistent with what we've observed in recent years. As expected, OFAC continued to be the most frequently updated list in 2021, with 93 updates. Updates to the EU and OFSI lists were about half as frequent with 45 and 48 updates, respectively. ■ Looking at the net change in designations, however, the EU list grew more in 2021 (+266 designations) than the OFAC (+211) or OFSI (+72) lists. Major international issues triggered significant sanctions activity: ■ In terms of country sanctions, the situation in Myanmar and in Belarus triggered

many sanctions responses by the U.S., the EU and the UK.

sanctions programs in the EU and UK.

Looking at thematic sanctions, while terrorism remained very high on the political agenda, 2021 saw the continued expansion of human rights and global corruption programs, with steady designations from the U.S. and the emergence of similar

A Closer Look by Agency UN **Activity:** 225 designations added, modified or removed... through resulting in change of designations updates...

80

Libya

Yemen

Somalia

through

Sudan

UN Updates: Scale and Nature of Changes Designations changes Number of list updates 60 40 20 Feb. Jul. Oct. Nov. Dec. Added Modified Removed ····· Updates **UN Programs Triggering Updates** Terrorism Iraq 6 Central Africa Rep.



+266 updates... net change of designations EU Updates: Scale and Nature of Changes **Designations changes** Number of list updates 200 180 8 160 7 140 6 120 5 100 4 80 3 60 40 20 Jun. Modified Added Removed ····· Updates **EU Programs Triggering Updates (Top 10)** Terrorism 5 Ukraine Iraq Myanmar Global Human Rights Libya

2 Central African Rep.

2 Iran

through

updates...

Designations changes

600

500

400

300

200

100

Jan.

27 Terrorism

15 Narcotics

11 Burma/

Highlights

Myanmar

13 Iran

21 Human Rights

& Corruption

Added

OFAC Updates: Scale & Nature of Changes

Belarus

Syria

resulting in



net change of designations

Aug.

Removed

Oct.

······ Updates

Nov.

Dec.

Jun.

Modified

Apr.

OFAC Programs Triggering Updates (Top 10)

8 China

7 Russia

7 WMD

5 Yemen

5 Syria

updated include Iran, Myanmar, China, and Russia.

targeting a Bulgarian network of corruption.

investment ban.

Persons and entities in Belarus.

various countries across the globe

of designations related to Russia.

ability to use sanctions."

OFSI Updates: Scale and Nature of Changes

Designations changes

250

Proliferation

We observed very frequent changes to the OFAC list in 2021, with 93 updates. Three thematic programs accounted for more than half of all updates recorded: terrorism, global human

rights and corruption, and narcotics trafficking. Country programs that were most frequently

New designations occurred fairly consistently across the year, with spikes in June

December designations resulted primarily from numerous updates under the Global Magnitsky sanctions programs adding about a hundred persons and entities from

Finally, the 2021 sanctions program targeting "Specified Harmful Foreign activities" of the Government of the Russian Federation" triggered an extensive number

A rather unusual pattern was observed towards the end of the year, with OFAC

listed under counter narcotics authorities. This coincided with two developments:

in December 2021 were located in Colombia and/or connected to the FARC.

■ The publication in October 2021 of the Treasury Sanctions Review, which in part looked

■ The decision to remove the Terrorist Designations of the "Revolutionary Armed Forces of Colombia (FARC)." A number of persons and entities removed from the OFAC list

into the "potential operational, structural, and procedural changes to improve Treasury's

waiving sanctions against a significant number of persons and entities

Number of list updates

14

12

10

8

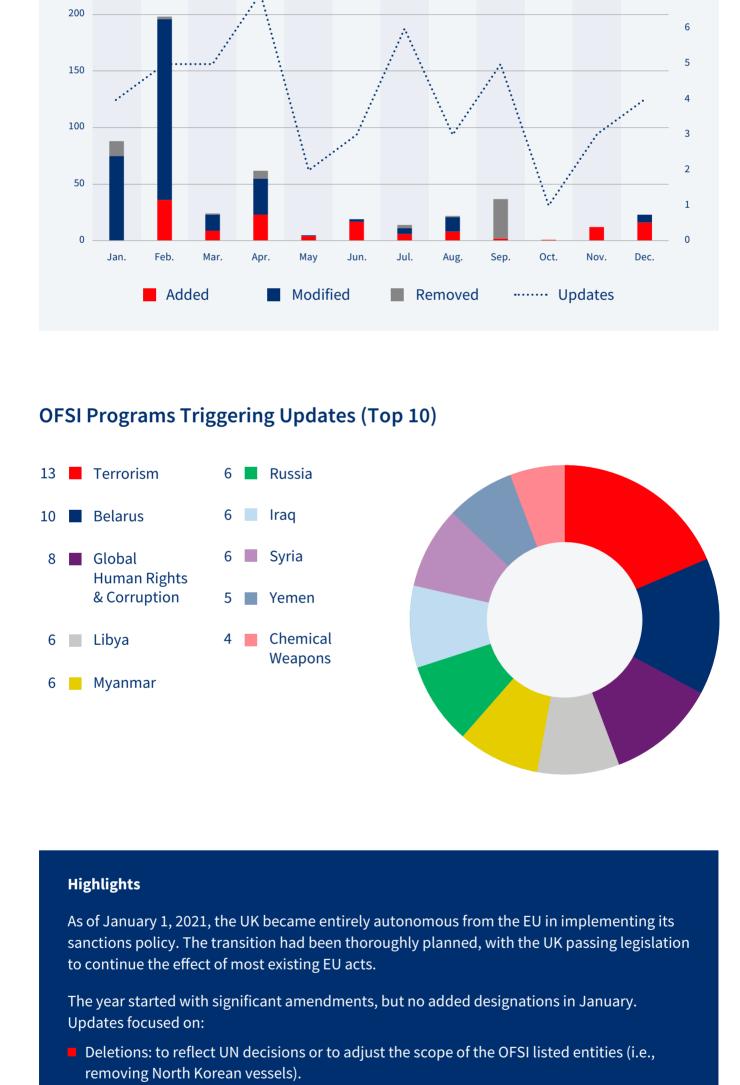
6

and December: June designations included: • The largest set of designations to date under the Global Magnitsky sanctions program, • A set of "Chinese Military-Industrial Complex" companies (CMIC) subject to an

■ These removals resulted in a net decrease in the size of the OFAC list during the second half of 2022. OFSI (UK) **Activity:** 505 designations added, modified or removed through resulting in of designations updates...

Number of list updates

8



2021 also saw the introduction of a new sanctions regime in the UK targeting global corruption. Combined with the existing human rights sanctions, these two regimes contributed to more than 25% of the 2021 designations: **27** individuals were sanctioned under the new anti-corruption sanctions, eight individuals under the human rights sanctions. ■ With 50 designations, Belarus was the largest contributor to the new targets.

from the EU list).

imposed against 27 individuals.

Looking Forward

All signs point toward the continued use of sanctions in relation to various foreign policy issues.

First, we expect to see more coordination among western powers and their allies to maximize

Council. At the time of publishing, we are seeing increased sanctions activity resulting from the situation in Eastern Europe, and these types of pluritalateral sanctions were also evidenced

Second, sanctions seem to have reached somewhat of a tipping point. With the increasing use of sanctions (particularly unilateral measures), foreign states tend to develop counter-sanctions mechanisms which in turn cause conflicts of laws and legal uncertainties, particularly for global

in 2021, through the coordinated sanctions of the U.S., EU, UK and Canada on Belarus.

However, recent developments also suggest a renewed focus on maximizing sanctions effectiveness.

the effects of sanctions for issues where no consensus can be reached at the United Nations Security

Amendments: to provide additional background information on the reasons of listing,

■ The first round of OFSI designations in 2021 occurred on February 1st, with four individuals added under the Zimbabwe regime (as of the end of 2021, these individuals are still absent

■ The bulk of new designations in February was related to Belarus with sanctions being

A spike in removals can be observed in September, corresponding to Iraqi targets.

which resulted in a spike of modified records in February.

Autonomous designations kicked in in February:

companies. Comprehensively sanctioned countries and entities continue to develop sophisticated evasion tactics, and more sanctions do not cause additional pain to the targets, but rather additional incentives to circumvent them (for instance by limiting a country's reliance on the U.S. dollar or the SWIFT network). Lastly, the unintended impacts of sanctions (particularly in relation to humanitarian aid and access to medical equipment) are becoming increasingly problematic. Sanctions against foreign governments or groups have had devastating impacts on ordinary citizens, as exemplified in the 2021 humanitarian crisis in Afghanistan or through the persistent difficulties for sanctioned countries to gain access to personal protective equipment, ventilators and vaccines throughout the pandemic.

For 2022 and beyond, we expect sanctioning countries to increase their focus on sanctions effectiveness. This will be achieved by tailoring measures that maximize the pain for the target while limiting impacts for civilian populations. More effective sanctions will also require increased cooperation among states to form a common front against the material threats to international security and fundamental human rights."

The sanctions landscape is in constant flux. More than ever, being equipped with quality watch list data is essential for sanctions compliance programs.

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