

# **SANCTIONS CIVIL ENFORCEMENT AUTHORITY**

## **SANCTIONS**

### **GUIDELINES**

22<sup>nd</sup> October 2026

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# FOREWORD

*This document sets out the Sanctions Civil Enforcement Authority's (the "SCEA") guidelines for businesses and organisations that need to understand more about what sanctions are and how they work.*

*Sanctions are non-military measures taken by governments and international organisations, which are aimed at preventing terrorism, combatting the development of illegal weapons and armed conflicts and limiting access to money and technology which threaten regional or global stability.*

*They help promote respect for human rights, democracy, the rule of law and good governance in the interests of international peace and security.*

# CONTENTS

|                                  |    |
|----------------------------------|----|
| 1. ACKNOWLEDGEMENTS.....         | 1  |
| 2. INTRODUCTION.....             | 2  |
| 3. SANCTIONS RULES.....          | 3  |
| 4. TYPES OF SANCTIONS.....       | 7  |
| 5. SCREENING AND REPORTING ..... | 10 |
| 6. LICENSING.....                | 12 |

# 1. ACKNOWLEDGEMENTS

Where appropriate, the Sanctions Civil Enforcement Authority will seek to ensure that locally published guidance notes are consistent with those published by sanctions authorities in other jurisdictions.

As well as reflecting the existing sanctions practices in Gibraltar, parts of this document reflect and/or incorporate the guidance from the UK's Foreign, Commonwealth and Development Office, Office of Financial Sanctions Implementation (OFSI), Office of Trade Sanctions Implementation (OTSI), Department for Business and Trade (DBT), Department for Transport (DfT) and HM Treasury.

The following document was used in the production of these guidelines:

(a) "Starter guide to UK sanctions<sup>1</sup>".

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<sup>1</sup><https://www.gov.uk/guidance/starter-guide-to-uk-sanctions> - accessed 18th June 2026.

## 2. INTRODUCTION

The Gibraltar Regulatory Authority (the "Authority") is designated as the competent authority for the enforcement of civil sanctions in Gibraltar. Pursuant to such designation, the Authority must discharge all the functions, duties and obligations in accordance with the Sanctions Act 2019 (the "Act"), acting in its capacity as the **Sanctions Civil Enforcement Authority (the "SCEA")**.

Under the Act, sanctions are legal, restrictive measures imposed by His Majesty's Government of Gibraltar (HMGoG) or international bodies such as the United Nations, European Union and the UK Government, aimed at restricting or prohibiting dealings with certain persons, entities, states or assets, in pursuit of national security, compliance with international law and other policy objectives. Sanctions are legally enacted through formal legal and political processes such as via international or domestic legislation, executive powers and regional agreements, which are enforced by customs agencies, regulators, the police and other competent authorities. In addition to domestic sanctions, the Act allows for the automatic recognition and enforcement of international sanctions once these have been imposed by the relevant international body.

The restrictive measures covered by sanctions include financial, trade, shipping, aircraft and immigration sanctions that can apply to legal (companies/organisations) and natural persons (individuals), states and governments. Unless the context otherwise requires, references to 'persons' include both natural and legal persons. Sanctions can also apply to economic sectors and resources and may involve asset freezes, prohibitions on making funds available, trade embargoes, transport restrictions and travel bans.

A key feature of modern sanctions regimes is the use of designated lists and enforcement measures. Individuals, companies, ships, or aircraft that are designated under sanctions are legally prohibited from receiving funds, services, or support, and violations can result in criminal or civil penalties. To ensure compliance, organisations should carry out sanctions screening, regularly checking transactions and counterparties against official lists. Reporting obligations further help regulators monitor compliance and prevent attempts to evade sanctions.

While sanctions are powerful, they are also designed to be targeted and flexible. Licencing and exceptions allow for the continuation of humanitarian aid, essential trade, and other lawful activities, ensuring that sanctions apply pressure where intended, without causing unnecessary harm. Overall, sanctions are a complex but essential tool of international relations, combining legal authority, economic pressure, and diplomatic influence to maintain security, uphold human rights, and enforce international norms.

**It is important that the SCEA continually adapts these guidelines to ensure that it is fulfilling its statutory duty in light of a dynamic and evolving economy. It therefore reserves the right to amend these guidelines from time to time in line with regulatory experience gained and expertise acquired. This guidance does not represent legal advice. In addition, this guidance is not binding and does not create substantive or procedural rights. The SCEA may depart from it where it considers it reasonable and appropriate to do so in the circumstances of a particular case.**

# 3. SANCTIONS RULES

Sanctions are restrictive measures that the Gibraltar Government or international bodies such as the United Nations (UN), European Union or the UK Government impose on individuals, businesses, organisations, aircraft and ships as a policy decision, then made into law. Sanctions are enacted to fulfil a range of purposes, which include:

- complying with UN and other international obligations;
- supporting foreign policy and national security objectives;
- maintaining international peace and security; and
- preventing terrorism.

Sanctions can either be domestic<sup>2</sup> i.e. imposed by His Majesty's Government of Gibraltar (HMGoG) or international, if they are imposed by an international body. The latter are automatically recognised and enforced by the relevant local institution pursuant to the Act.

In accordance with section 6 of the Act, "international sanctions" means-

- (a) any restrictive measures imposed by the United Nations Security Council "UN sanctions";
- (b) any restrictive measures imposed by the European Union "EU sanctions";
- (c) any restrictive measures imposed by means of a designation, within the meaning of the Terrorist Asset-Freezing etc. Act 2010 (c.38) of the United Kingdom;
- (d) any restrictive measures imposed by an organisation that is notified by the Government by notice published in the Gazette,
- (e) any restrictive measures imposed by the United Kingdom under the Sanctions and Anti-Money Laundering Act 2018 (c.13), in their up-to-date versions as in force at the time of reference.

These take effect in Gibraltar on the date and, where applicable, the time in which they are intended to come into operation by the international body that has imposed them. Additionally, the restrictive measures imposed by the United Kingdom take precedence when these have been imposed by both the United Kingdom and the European Union.

## Rules

If you do any business that involves transactions, financial services, trading, supplying professional services or insurance, you could be dealing with sanctioned individuals or organisations, or with sanctioned goods and services.

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<sup>2</sup> The Chief Minister, with the consent of the Governor, can impose domestic sanctions via regulations pursuant to part 3 of the Sanctions Act 2019.

Sanctions rules apply to:

- all individuals or businesses within Gibraltar including British Gibraltar Territorial Waters;
- all Gibraltar nationals or Gibraltar businesses established under Gibraltar law, wherever they are in the world.

This means the SCEA can investigate suspected breaches committed by:

- individuals and legal entities who are within, or undertake activities within Gibraltar and its territorial waters;
- Gibraltarian individuals and legal entities established under Gibraltar law, regardless of where in the world the breach takes place.

## **Designated Persons**

Some sanctions measures (such as asset freezes, travel bans or arms embargoes) apply in relation to persons that have been named as the targets for certain sanctions. Across the UK, EU and UN sanctions frameworks, these “designated persons” refer to an individual or entity that has been formally identified and listed under a sanctions regime and is therefore subject to restrictive measures. In all three systems, designation is a legal act carried out by a competent authority (the UN Security Council or its committees, the EU Council, or the UK government) and recorded on an official sanctions list. Designations apply to persons, and are based on similar grounds, including threats to international peace and security, human rights violations, or involvement in prohibited activities.

The legal consequences of designation are largely the same across the UK, EU, and UN regimes. Once designated, the person is typically subject to measures such as asset freezes, prohibitions on making funds or economic resources available to them, or travel restrictions. Although enforcement is carried out at the national level, all three frameworks rely on domestic authorities to give effect to the sanctions and make breaches legally punishable. Designation under UK, EU, and UN sanctions serves the same core function i.e. to identify specific targets and impose binding restrictions to exert pressure without the use of force.

It is also important to note that sanctions can also be applied to ships and aircraft. These are referred to as disqualified aircraft<sup>3</sup> and specified and disqualified ships<sup>4</sup>.

## **Sanctions lists**

In the context of the UK, the Foreign, Commonwealth and Development Office (the “FCDO”) publishes the UK Sanctions List<sup>5</sup>, which provides details of those designated or specified under

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<sup>3</sup> See section 24 of the Sanctions Act 2019.

<sup>4</sup> See section 25 of the Sanctions Act 2019.

<sup>5</sup> See <https://www.gov.uk/government/publications/the-uk-sanctions-list>

regulations made under the Sanctions and Anti-Money Laundering Act 2018. The list also details which sanctions measures apply (for instance financial, immigration, trade or transport sanctions) to these persons or ships.

Additionally, section 8 of the Act provides for the following:

"8.(1) In any question concerning any aspect of international sanctions judicial notice shall be taken of any lists published by the United Nations Security Council, the European Union, the United Kingdom and any organisation notified pursuant to section 6(2)(d).

(2) Without prejudice to the generality of subsection (1) the lists referred to that subsection include-

(a) the list (as in force from time to time) provided for by Article 2(3) of Council Regulation (EC) No 2580/2001 of 27 December 2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism (as that Regulation is amended from time to time),

(b) the ISIL (Da'esh) and Al-Qaida Sanctions List maintained and amended from time to time by the United Nations Security Council Committee established under resolutions 1267(1999), 1989(2011) and 2253(2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals and entities,

(c) any list maintained and amended from time to time by the United Nations Security Council Committee established pursuant to resolution 1988 (2011) as being associated with the Taliban, and

(d) any list maintained and amended from time to time by the United Nations Security Council Counter Terrorism Committee established pursuant to resolution 1373 (2001)".

## **Sectoral sanctions and sanctions regimes**

There are occasions when sanctions apply to a defined group or category of people, where the regulations describe the category. When a sanctions measure applies to a whole sector or type of trade, it is often referred to as a 'sectoral measure'.

It is therefore important to understand whether a sanction applies:

- only to designated individuals and entities or specified ships; or
- to a defined sector of industry relating to a country (sectoral sanction); or
- to all individuals and entities in or from that country.

Alternatively, a regime is a collection of sanctions measures put in place for a particular set of purposes. Regimes can be either 'geographic' (relating to a particular country) or 'thematic' (relating to a particular issue). In the UK for example, the 'domestic counter terrorism regime' names particular individuals and organisations linked with terrorist activity. Other sanctions regimes prohibit making certain goods or services (including sometimes financial services)

available to a 'person connected with a country'. This means that the regime has a much broader scope.

# 4. TYPES OF SANCTIONS

## **Types of sanctions**

The different types of sanctions which can be investigated by the SCEA include:

- Financial sanctions;
- Trade sanctions;
- Transport sanctions (shipping and aircraft); and
- Immigration sanctions.

## **Financial sanctions**

Financial sanctions are restrictions put in place to achieve a specific foreign policy or national security objective. They can:

- limit the provision of certain financial services; and
- restrict access to financial markets, funds and economic resources.

Financial sanctions are generally imposed to:

- coerce a regime, or individuals within a regime, into changing their behaviour by increasing the cost on them to such an extent that they decide to cease the offending behaviour;
- constrain a target by denying them access to key resources needed to continue their offending behaviour, including the financing of terrorism or nuclear proliferation;
- signal disapproval, stigmatising and potentially isolating a regime or individual, or as a way of sending broader political messages nationally or internationally; and
- protect the value of assets that have been misappropriated from a country until these assets can be repatriated.

Financial sanctions come in many forms as they are developed in response to a given situation. The most common types of financial sanctions are:

- Targeted asset freezes: these apply to persons restricting access to funds and economic resources.
- Restrictions on a wide variety of financial markets and services: these can apply to persons, specified groups, or entire sectors. These can take the form of investment

bans, restrictions on access to capital markets, and directions to cease banking relationships and activities.

- Directions to cease all business: these will specify the type of business and can apply to a specific person, group, sector or country.

## **Trade sanctions**

Trade sanctions are measures imposed by a country or international body to restrict or prohibit the import, export, or transfer of certain goods and services to or from a targeted country or person. They are used to influence behaviour, enforce international law, or support foreign policy objectives without resorting to military action. Trade sanctions can take the form of embargoes, quotas, licensing requirements, or bans on specific products, such as weapons, dual-use items, or strategic materials. By limiting access to markets, resources, or technology, trade sanctions aim to apply economic pressure on the target while minimising harm to the general population.

Trade sanctions can include prohibitions on:

- the export of goods or technology of a prescribed description for the benefit of designated persons;
- the import of goods or technology of a prescribed description which originates from a prescribed country;
- the acquisition of land for the benefit of designated persons; and
- the provision of all services to persons connected to a prescribed country.

Trade sanctions can therefore apply to activities involving:

- designated persons only (persons who are designated for the purposes of certain trade sanctions, such as arms embargoes);
- a geographic location – for example, it is prohibited to import certain goods from non-government-controlled areas of Ukraine;
- a defined group of people – for example, a named military group, or the government of a country, or “persons connected with a country”.

## **Transport sanctions**

Shipping sanctions are measures that restrict or prohibit the use, movement, or servicing of vessels linked to sanctioned states, entities, or activities. They can include bans on port entry, restrictions on registration or flagging, and prohibitions on providing maritime services such as insurance, bunkering, maintenance, or financing. Ships may be targeted because they are owned, controlled, chartered, or operated by designated persons, or because they have been involved in sanctions evasion, illicit trade, or the transport of prohibited goods. These

measures aim to disrupt supply chains and prevent the movement of goods that undermine international sanctions regimes.

Aircraft sanctions operate in a similar way but apply to aircraft and aviation-related activities. They may prohibit aircraft linked to sanctioned persons or states from landing in, taking off from, or overflying certain territories, and restrict the provision of aviation services such as leasing, maintenance, insurance, or the supply of spare parts and fuel. Aircraft can also be specifically listed or linked through ownership, control, or use to designated persons. Together, shipping and aircraft sanctions are designed to limit physical mobility and logistical capability, reinforcing broader sanctions by controlling access to international transport networks.

### **Immigration sanctions**

Immigration sanctions are measures that restrict the ability of certain individuals to enter, transit through, or remain within a country as part of a sanctions regime. They typically take the form of travel bans, visa denials, or the cancellation of existing immigration permissions, and are applied to individuals who have been designated for involvement in activities such as human rights abuses, threats to international peace, or serious corruption. These measures are legally implemented through immigration and sanctions legislation and are enforced by border and immigration authorities.

The purpose of immigration sanctions is to limit personal mobility and international engagement of sanctioned individuals, particularly political leaders, officials, or influential actors, without affecting the general population. By preventing access to territories, meetings, financial centres, or international forums, immigration sanctions reinforce other restrictive measures and signal international condemnation, while remaining targeted and non-military in nature.

### **Exceptions and licencing**

Exceptions and licencing are mechanisms that allow certain activities or transactions that would normally be prohibited under a sanctions regime to legally proceed under specific conditions. These mechanisms ensure that sanctions do not unintentionally block essential humanitarian, commercial, or diplomatic activities. For example, licences often apply to the supply of food, medicine, or medical equipment, or to routine transactions necessary for compliance with contracts, safety, or environmental obligations.

Licensing is the formal process which grants written permission to a person to carry out an otherwise prohibited activity. Licenses may be general, covering a class of activities, or specific, granted on a case-by-case basis. Once a licence is issued, the licence will only permit the activity that it covers, subject to its terms and conditions. These measures balance the need to enforce sanctions with the practical and humanitarian requirements of trade, finance, and international relations. In Gibraltar, licences are issued by the Sanctions Coordination Unit at the Ministry of Justice, Trade and Industry on behalf of the Chief Minister.

# 5. SCREENING AND REPORTING

## Screening

Sanctions screening is the process of checking persons, vessels, aircraft, or transactions against official sanctions lists to ensure compliance with sanctions laws and regulations. It is a key step for governments, banks, businesses, and other organisations to avoid doing business with designated persons or prohibited countries, which could lead to legal penalties, fines, or reputational damage. Businesses should adopt a risk-based approach to sanctions compliance, taking into account their size, nature, customers, products, services and geographic exposure.

Sanctions screening typically involves comparing names, identifying numbers (like passport, company, or International Maritime Organisation (IMO) numbers), and other details against lists published by the relevant authorities. Modern screening often uses software that flags potential matches, allowing organisations to block, report, or seek licenses for transactions that might otherwise breach sanctions. It is a critical tool to ensure that trade, finance, and services do not inadvertently support prohibited activities.

Pursuant to the Act, persons engaging in relevant financial business<sup>6</sup> must have appropriate policies, controls and procedures which ensure that they are aware of the lists of persons to whom international sanctions apply and they perform appropriate checks of those lists when undertaking relevant financial business in relation to both new and existing customers. Following such checks, they can take appropriate action including freezing assets and disclosing suspicious or attempted transactions to the Gibraltar Financial Intelligence Unit (the "GFIU"). Supervision and enforcement of this obligation lies with the supervisory authorities as outlined in the Proceeds of Crime Act 2015 and a person who fails to comply will commit an offence.

## Reporting

The reporting of sanctions ensures that authorities, businesses, and organisations comply with legal obligations and that sanctions achieve their intended effect. By reporting transactions, assets, or activities involving designated persons, or prohibited goods, governments and regulators can monitor and enforce sanctions, detect attempts to evade restrictions, and take timely action against violations.

Reporting also helps maintain transparency and accountability, showing that sanctions are being implemented effectively while protecting the reporting organisation from legal or financial penalties. Additionally, it allows regulators to update and refine sanctions measures, ensuring that prohibited activities are disrupted without unnecessarily harming legitimate trade or humanitarian operations.

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<sup>6</sup> "Relevant financial business" is defined in section 9 of the Proceeds of Crime Act 2015.

A relevant institution<sup>7</sup> or relevant business or profession<sup>8</sup> must inform the SCEA as soon as practicable, if they know or reasonably suspect a person is a designated person, is a person to whom international sanctions apply or has committed an offence under the Act where that information is received in the course of carrying on their business.

When informing the SCEA, you must include:

- the information or other matter on which the knowledge or suspicion is based;
- any information you hold about the person by which the person can be identified.

If you know or have reasonable cause to suspect that a person is a designated person and that person is a customer of your relevant firm, you must also state the nature and amount or quantity of any funds or economic resources held by you for that customer.

All relevant institutions, businesses or professions that fail to comply with their reporting requirements will commit an offence.

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<sup>7</sup> A “relevant institution” is defined in the Act as a person that has permission under Part 7 of the Financial Services Act 2019 or a collective investment scheme authorised under Part 18 of that Act.

<sup>8</sup> A “relevant business or profession” is defined in schedule 4 of the Sanctions Act 2019 and means an auditor, a casino, a dealer in precious metals or stones, an estate agent, an external accountant, an independent legal professional, a tax adviser or a trust company service provider operating in Gibraltar.

## 6. LICENCING

Licensing provisions are contained in the Act<sup>9</sup> and can allow otherwise prohibited transactions and prohibited activity to take place in some circumstances. The Sanctions Coordination Unit at the Ministry of Justice, Trade and Industry issues licences on behalf of the Chief Minister where specific and relevant licensing grounds exist and where the conditions in those grounds have been met.

A sanctions licence is not a waiver of sanctions. It is a limited and specific authorisation permitting conduct that remains prohibited unless expressly licensed. Each application must therefore be considered on its own facts, against the relevant legal tests, the policy intent of the sanctions regime, and any risks associated with the proposed activity. Applicants are expected to provide full supporting information, including the identity of the persons and entities involved, the nature and purpose of the proposed transaction or activity, the legal ground relied upon, the value and payment route where relevant, and any contracts, invoices or other documentation necessary to substantiate the request.

Where granted, licences are typically narrow in scope, time-limited where appropriate, and subject to conditions. These may include restrictions on the use of funds, requirements for reporting after payment or transaction completion, record-keeping obligations, limits on counterparties, or other safeguards considered necessary to manage sanctions risk and ensure compliance. No activity that is prohibited by sanctions legislation should proceed unless and until the necessary licence has been issued and any conditions attached to it can be fully met.

Licences cannot be issued retrospectively. If you have carried out an act that required a licence, without having obtained one beforehand, you may have breached sanctions. It is also important to note that a licence does not compel any party to take any action. It confirms, solely, that the act(s) specified in the licence are allowed.

For further information on licences, please consult the following link:

<https://www.gibraltar.gov.gi/finance-gaming-and-regulations/sanctions>.

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<sup>9</sup> Section 10 and 31 of the Sanctions Act 2019.

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