Department for Business, Innovation, Science and Trade



Sanctions End-Use Controls (SEUC)

Office of Trade Sanctions Implementation

Department for Business, Innovation, Science and Trade

What are Sanctions End-Use Controls?

Introduces a licensing requirement where HMG assesses there to be a credible end-use or end-user risk linked to UK sanctions circumvention

A licence is required only when informed by HMG.

Designed to prevent misuse of legitimate trade to undermine UK sanctions

The vast majority of compliant trade activity remains unaffected, and Sanctions End-Use Controls are not blanket ban on sectors or countries

These measures came into legal force on 12th May 2026

Why were Sanctions End-Use Controls being introduced?

Sanctioned actors increasingly rely on:

- **Intermediaries**
- **Indirect routes**
- **Complex networks**

→ **These can fall outside traditional item-based controls**

These measures respond to:

- Evolving circumvention patterns
- The need for precision rather than breadth
- The benefits of aligning with approaches taken by international partners

Who might Sanctions End-Use Controls be relevant to?

These measures may be relevant where businesses:

- → Operate complex international supply chains
- → Work via distributors or intermediaries
- → Trade in goods that could be repurposed
- → Encounter unusual routing or structuring

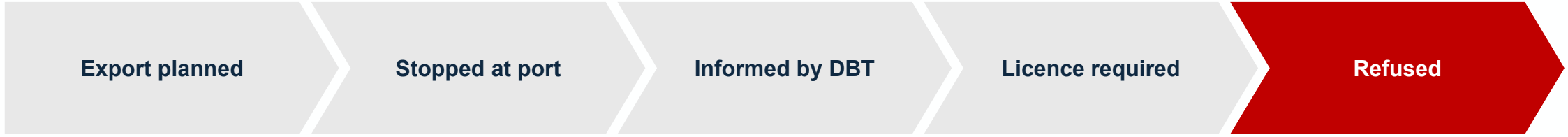
However:

Sanctions End-Use Controls **do not** apply automatically

They are risk-based and intelligence-led

Case study 1: Licence refused after being ‘informed’

A UK company exporting industrial cooling systems to a Central Asian third country distributor.



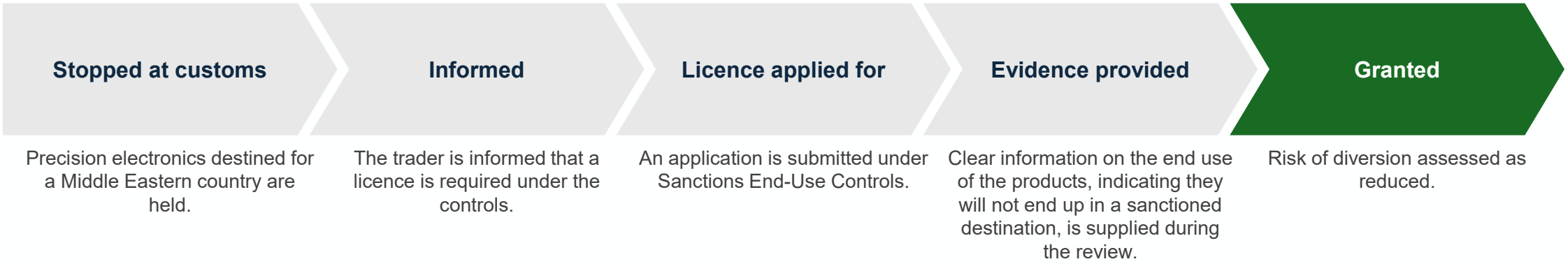
Export planned	Stopped at port	Informed by DBT	Licence required	Refused
Industrial cooling systems consigned to a Central Asian distributor.	HMRC stops the goods and refers the details to DBT for assessment.	Goods assessed as likely to be re-exported to a sanctioned Russian entity.	An informing letter requires a licence application; goods held or returned pending a decision.	Export to the end user cannot proceed.

OUTCOME – LICENCE REFUSED

The application is refused due to diversion concerns. The company updates its due diligence procedures and stops trading with that distributor.

Case study 2: Licence granted after being ‘informed’

A UK trader exporting precision electronics to a Middle Eastern country.



OUTCOME – LICENCE GRANTED

A licence is issued for these goods and the export can continue its onward journey.

Common issues found with end-users

- Below are some common issues found in our SEUC assessments.



Substantial trade with Russia



Operates in Russia



No / little web presence



Company founded post-sanctions



End user not specified



Delivery address doesn't match the stated end use

What does this mean for businesses in practice?

For most compliant businesses:

- Day-to-day operations remain unchanged
- Existing sanctions compliance remains the foundation
- Businesses should continue to refer to our guidance page: Countering Russian sanctions evasion – guidance for exporters.



Guidance

Countering Russian sanctions evasion - guidance for exporters

Updated 25 February 2025

Contents

Disclaimer
Foreword
1. Sanctions evasion and counter-circumvention
2. Key circumvention data
3. Circumvention red flags
4. Due diligence - best practice
5. Enforcement and reporting
6. Export controls and CHPL
7. Additional resources

Disclaimer

This guidance is intended to support UK exporters in understanding Russian circumvention practices and in reducing the risk of their business being targeted by those seeking to evade sanctions.

While every effort has been made to ensure the accuracy of the information in this guidance, it does not constitute legal advice and cannot be relied upon as such.

It remains the responsibility of UK businesses to fully determine the extent of their specific sanctions risk exposure, and to develop an appropriate set of safeguards and controls tailored to their particular circumstances.

View the guidance

These measures reinforce the importance of:

- Understanding end-users and end-use
- Proportionate, risk-based due diligence
- Escalation of concerns where risk indicators arise

Department for Business, Innovation, Science and Trade

If you have any further queries, please contact us at:

OTSI@businessandtrade.gov.uk

Thank you!