

**Memorandum of Understanding between the Office of Trade  
Sanctions Implementation (OTSI) and the Financial Conduct  
Authority (FCA)**

**Purpose and scope**

1. This Memorandum of Understanding ("**MoU**") is effective from the date of signature by both Parties who are independent controllers, this is where both parties may rely on one another for data and information but conduct separate work, meaning each Party independently determines the purposes and means of its own processing and is responsible for its own UK GDPR compliance. It sets out the arrangements for co-operation and the exchange of relevant information between the Office of Trade Sanctions Implementation ("**OTSI**"), which is part of the Department for Business and Trade ("**DBT**") and the Financial Conduct Authority ("**FCA**") (separately, the "**Party**", together, the "**Parties**") in carrying out their respective functions (as set out further in the 'Roles and responsibilities of OTSI and the FCA' section below). The legal basis for processing this personal data shared under this MoU is the public task basis. The processing is necessary for OTSI and the FCA to fulfil their official functions and to perform a task in the public interest and only personal data that is necessary and proportionate for those functions will be shared.

**Legal status and effect**

2. This MoU is not a contract, nor legally binding. Nothing in this MoU shall, or is intended to:
  - (a) create any legal obligation which is enforceable by either Party against the other;
  - (b) create any legal obligation which is enforceable by any third party against either or both Parties, or against any other third party;
  - (c) prevent either Party from complying with any legal requirement which applies to them;
  - (d) restrict the exercise of any discretion which the law requires or allows the Party to exercise;
  - (e) create any legitimate expectation on the part of any person that either Party will do any act (either at all, or in any particular way, or at any particular time) or will refrain from doing any act; or
  - (f) override either Party's obligations under the UK GDPR or the Data Protection Act 2018.

**Roles and responsibilities of OTSI and the FCA**

3. The Office of Trade Sanctions Implementation (OTSI), part of the Department for Business and Trade, was launched in October 2024. OTSI's purpose is to strengthen the United Kingdom's implementation and enforcement of trade sanctions. OTSI's core functions include raising awareness of trade sanctions, supporting business with trade sanctions compliance, issuing licenses, and detecting and responding to suspected breaches including taking appropriate civil enforcement action where necessary.
4. OTSI's statutory information sharing powers are set out in Part 3 of the Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024 (TASSCER). Regulations 27 and 28 set out OTSI's ability to disclose and receive information. Unless otherwise specified, this MoU refers to these powers in TASSCER. These powers provide that information of a type specified in the regulation may be disclosed for a specific purpose and to a person listed in regulation 27(3). These purposes include, but are not limited to, facilitating, monitoring or ensuring compliance with the Sanctions and Anti-Money Laundering Act 2018 and regulations or directions made under it. Regulation 28 provides that a relevant public authority, such as the FCA, may disclose information to OTSI if the disclosure is made for the purpose of enabling or assisting OTSI's functions under TASSCER.
5. The FCA is responsible under the Financial Services and Markets Act 2000 ("**FSMA**") and other financial services legislation for making rules in relation to the financial sector, and supervising the conduct of regulated entities, such as firms authorised or supervised by the FCA ("**FCA-supervised firms**"), regulating standards of conduct in retail and wholesale markets and for supervising the trading infrastructures that support those markets. The FCA is responsible for the prudential supervision of firms that are not regulated by the Prudential Regulation Authority ("**PRA**") and is also responsible for the regulation of primary securities markets, including via monitoring market disclosures, reviewing and approving prospectuses and operating the UK listing regime.
6. In addition to the FCA's FSMA responsibilities, it also authorises and supervises financial services firms under other legislation such as Payment Service Regulations 2017, the Electronic Money Regulations 2011, and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.
7. In relation to its FSMA functions, the FCA's single strategic objective is to ensure that relevant markets (as defined in section 1F of FSMA 2000) function well. Three operational objectives support this strategic objective: securing an appropriate degree of protection for consumers (including wholesale consumers); protecting and enhancing the integrity of the financial system; and promoting effective competition in the interest of consumers in the markets for financial services. The FCA also has a secondary objective to facilitate the international competitiveness of the economy of the UK and its growth in the medium to long term.

8. The FCA Handbook sets out the FCA's rules and guidance. All firms authorised by the FCA under FSMA are required under their overall requirements to have Senior Management Arrangements, Systems and Controls ("**SYSC**"), to have appropriate systems and controls to counter the risk that they are misused for the purposes of financial crime of all types. Section 1H(3) of FSMA 2000 states that financial crime includes any offence involving ( a ) fraud or dishonesty, (b) misconduct in, or misuse of information relating to, a financial market (c) handling the proceeds of crime, or (d) the financing of terrorism. As such those systems and controls must include reducing the risk that they breach applicable sanctions legislation. The FCA supervises the extent to which firms comply with this requirement by assessing the quality of their overall systems and controls. Most of this work is proactive but information about sanctions breaches can indicate a broader systems issue within a firm.
9. The FCA's functions and OTSI's sanctions functions may interact. The FCA obtains information and intelligence from its supervisory and other activities which may be relevant to the work of OTSI. OTSI obtains information and intelligence from performing its functions which may be relevant to the work of the FCA.
10. As set out elsewhere in this MoU and the accompanying Data Sharing Agreement ("DSA"), applicable laws and procedures may:
  - (a) restrict the Parties' handling of information received in the course the Parties' functions, and/or
  - (b) provide 'gateways' for sharing such information in others.

### **Information sharing and co-operation**

11. To the extent permitted under applicable laws and policies, the Parties intend to share relevant information that enables effective co-operation and the discharge of the Parties' functions.
12. The Parties may share relevant information proactively or on request. When sharing such information, the Parties will agree the frequency and mechanism for doing so.
13. For the purposes of this MoU, relevant information includes, but is not limited to:
  - (a) information relating to suspected or actual sanctions breaches identified by OTSI, that fall within OTSI's competencies, which suggest weaknesses in the FCA-supervised firm's systems and controls;
  - (b) information relating to suspected or actual sanctions breaches identified by the FCA that fall within OTSI's competencies, which the FCA has reason to believe that OTSI may not be aware of;
  - (c) information relating to suspected or actual breaches of trade sanctions identified by either Party, where there is reason to believe that joint investigations would benefit enforcement of those sanctions;

- (d) any information the FCA discloses to OTSI under the provisions of relevant legislation, including, but not limited to, FSMA and The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "**MLRs**");
  - (e) personal data, which may include information such as names, company addresses, email addresses, nationality, and company bank account details. This information may relate to individuals who have been involved in a suspected or actual breach of sanctions that fall within OTSI's competencies. Such personal data will only be shared where necessary and proportionate for statutory functions and subject to UK GDPR principles, including data minimisation, purpose limitation and accuracy;
  - (f) any information that could be used for intelligence purposes; and
  - (g) any information that would be relevant to the FCA or OTSI's remit that is not related to sanctions.
14. Where special category or criminal offence data is processed, the Parties will also identify and apply an appropriate condition for processing under Article 9(2) or identify that processing is authorised under Article 10 of the UK GDPR and, where required, Schedule 1 of the Data Protection Act 2018, as appropriate.
15. Where disclosure to the other Party is constrained by agreements with third parties, the Party seeking to make the disclosure will endeavour to take reasonable steps to secure necessary consents to disclose the relevant information.
16. The Parties will have regard to the information sharing gateways set out in the DSA.

### **Information requests and disclosures**

17. The Parties intend to share information pursuant to this MoU with each other on a regular basis. The frequency and format of information shared will be agreed by the Parties. The Parties may also request information on an ad hoc basis.
18. If making a request for information pursuant to this MoU, the requesting Parties will:
- (a) identify the information sought and the format in which it is to be shared;
  - (b) identify the legal basis under which the information is requested or provided;

- (c) identify the intended use or purpose of the information requested; and
  - (d) treat the disclosed information in accordance with all applicable legal or procedural disclosure restrictions which may attach to that information, including all UK GDPR requirements and any security classifications imposed by the disclosing Party.
19. When responding to a request for information from the other Party, the receiving Party will:
- (a) confirm receipt of the request as soon as reasonably practicable and agree the timetable for a response, where possible;
  - (b) notify the requesting Party of any anticipated delays to the timetable for a response; and
  - (c) provide a reply and supporting documentation (where appropriate) within the time period agreed between the Parties.
20. When the FCA discloses (confidential or otherwise) information to OTSI, then such disclosure will include:
- (a) which legislation (and/or gateway) the information is disclosed under;
  - (b) whether, pursuant to the Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001/2188, the information is specified confidential EU law information and/or subject to any of retained EU law restrictions; and
  - (c) whether the information is inside information, as defined in the Market Abuse Regulation.

### **Permissible uses of information**

21. The FCA may use information which is not available in the public domain obtained under this MoU in discharge of functions concerning the authorisation, supervision and market oversight of FCA-supervised firms (and individuals connected to such firms) and for enforcement purposes (including conducting investigations or taking enforcement action). Treatment of the information will be in accordance with paragraph 23 and the use and confidentiality provisions as set out in the DSA and in paragraphs 24-26 of this MoU.
22. OTSI may use information which is not available in the public domain obtained under this MoU for any investigation undertaken by OTSI and for any criminal investigations undertaken by other law enforcement agencies. OTSI may use information obtained under this MoU in order to facilitate compliance with trade sanctions legislation, or for any other purpose agreed between the Parties (including conducting investigations or taking enforcement action). Treatment of the information will be in accordance with

paragraph 23 and the use and confidentiality provisions as set out in the DSA and in paragraphs 24-26 of this MoU.

23. The Parties will only use information and documents provided to them for the purpose contemplated at the time of disclosure or (where the information was provided pursuant to a request made by one Party to the other) as set out in the request, unless otherwise agreed between them in writing and in accordance with any applicable law.

### **Onward disclosure to third parties**

24. Information shared under this MoU may only be disclosed to a third party where the law allows. Each Party will obtain consent of the other before disclosing information it has received under the MoU to a third party, save in respect of disclosure that is pursuant to a legal obligation. In the latter such cases, then the disclosing Party will notify the other Party prior to any such disclosure. No third parties will have any direct access to or retrieve data from the DBT data hub or data workspace.
25. The Parties understand that notifying the other Party in such cases, and only if possible and where appropriate, may assist with identifying any legal exemptions or privileges that may apply to the information.
26. Before making any onward disclosure involving personal data, the disclosing Party will confirm that the disclosure is necessary, proportionate, legally justified, and supported by an appropriate statutory gateway.

### **Operation**

27. The terms of this MoU will commence at the date of signature by both Parties and cease when either OTSI or the FCA gives notice in writing.
28. The Parties will keep the effectiveness and efficiency of co-operation under this MoU under regular review, with the MoU subject to a review by both Parties every two (2) years. Regardless, the terms of this MoU may be amended at any time by agreement of both Parties in writing.
29. The accompanying Data Sharing Agreement to this MoU includes an operational agreement at Appendix 5 (the "Operational Agreement"). The Parties agree that this Operational Agreement will be kept under review and revised as and when necessary or expedient. The Parties agree that the Operational Agreement may be revised without updating or re-executing this MoU.
30. Parties will update each other of regulatory and/or legislative changes that will impact on the information that may be shared under the MoU. In

accordance with paragraph 29, the Operational Agreement may be updated to reflect any such changes.

31. In the event that OTSI becomes the competent authority for sanctions functions not already captured by paragraph 3 of this MoU, then this MoU will apply to any relevant information held by OTSI or the FCA in relation to such sanctions functions. The Parties may update the Operational Agreement to reflect any such changes in accordance with paragraphs 29-30.
32. In the event of termination of this MoU, the Parties will continue to observe such confidentiality and information handling arrangements in connection with information already received under the MoU in accordance with this MoU, the Data Sharing Agreement and any relevant legal obligations (including under data protection legislation).
33. In the event of termination of the MoU, the Parties will continue to comply with UK GDPR obligations, including secure retention, restricted access, and deletion or return of information in accordance with their respective retention schedules and legal duties.
34. Each Party remains independently responsible for responding to data subject rights requests. Where a rights request relates to information originating from the other Party, the receiving Party will liaise as necessary without disclosing more personal data than required.

Dated: 28 May 2026

Signed by:

For the Office of Trade Sanctions Implementation

Name: Anna Deibel-Jung

Position: Deputy Director

Signed by:

For the Financial Conduct Authority

Name: Mark Francis

Position: Director Specialist Directorate