

UK anti-corruption sanctions and Africa – 29 Apr 2021

United Kingdom (UK) foreign secretary **Dominic Raab** on 26 April announced the imposition of sanctions against 22 individuals, including four from **South Africa** and one from **Sudan**, in the first wave of the UK government's new **Global Anti-Corruption Sanctions Regulations** regime. The new regime gives UK authorities power to impose visa bans and asset freezes on corrupt foreign officials and their related entities without going through the local authorities and courts, and means **London**-based global banks holding accounts held by sanctioned individuals can be sanctioned.

What remains unclear is what assets these individuals have under the UK jurisdiction and how stringently UK regulatory and enforcement bodies act upon the formidable new measures. That said, Raab's announcement indicates that the UK, which has long been a favoured destination for corrupt **African** leaders and their business acolytes, is taking a strong stance against impunity.

The four sanctioned South African nationals are **Ajay, Atul and Rajesh Gupta** and their associate, **Salim Essa**, who are at the heart of the **State Capture** inquiry to investigate allegations of corruption in the public sector during the leadership of former South African President **Jacob Zuma** (2009-2018). The UK sanctions come after the **United States (US)** imposed anti-corruption sanctions against the Gupta brothers in October 2019. Shortly after, UK **House of Lords** member **Lord Hain** urged government to impose similar sanctions. While UK sanctions make it more difficult for the Gupta brothers and Essa to operate in global financial markets, the sanctions are unlikely to result in the Gupta's ill-gotten gains being retrieved by South Africa given that they currently reside in **India** and they have allegedly laundered most of the proceeds internationally, mainly via **Dubai** and **Hong Kong**.

The UK also sanctioned **Sudanese** businessman **Ashraf Seed Ahmed Hussein Ali**, widely known as **Al Cardinal**, who is accused of misappropriating state assets in **South Sudan** under President **Salva Kiir**'s government. The US government-imposed sanctions on Al Cardinal under the **Magnitsky Act** in October 2019 for his alleged involvement in bribery, kickbacks and procurement fraud with senior government officials in South Sudan.

The UK government announced in July 2020 its first Magnitsky-style sanctions under its **Global Human Rights** sanctions regime. The recent announcement is the first time the UK has imposed sanctions for alleged international corruption and puts the UK in line with the US and **Canada**, which impose similar Magnitsky-style sanctions. The move is likely to put pressure on the **European Union**, whose global human rights sanctions regime from 2020 does not include corruption, and **Australia**, which is also considering a similar sanction regime.

This trend by major Western governments will bolster global anti-corruption efforts. The **UK Foreign Office** said over 2% of global GDP is lost to corruption every year, and that corruption increases the cost of doing business for individual companies by as much as 10%. The UK must impose anti-corruption sanctions aggressively and target kleptocratic regimes and their networks across Africa, which often use the UK as a safe harbour to stash illicit wealth.

The question now is, who's next on the UK government's radar? There have already been calls in South Africa for **Mark Pamensky**, a former board member at crippled state-owned enterprise **Eskom** linked to the Guptas, to be next on the UK sanctions list.

UK Global Anti-Corruption regime designations		
Name	Nationality	Sanctions Imposed
Ajay Kumar Gupta	South Africa/India	Asset freeze and travel ban
Atul Kumar Gupta	South Africa/India	Asset freeze and travel ban
Rajesh Kumar Gupta	South Africa/India	Asset freeze and travel ban
Salim Azziz Essa	South Africa/India	Asset freeze and travel ban
Ashraf Said Ahmed Hussein Ali	Sudan/South Sudan/United Arab Emirates (possibly)	Asset freeze and travel ban
Artem Konstantinovich Kuznetsov	Russia	Asset freeze and travel ban
Pavel Aleksandrovich Karpov	Russia	Asset freeze and travel ban
Stanislav Evgenievich Gordievsky	Russia	Asset freeze and travel ban
Olga Germanovna Stepanova	Russia	Asset freeze and travel ban
Vladlen Yurievich Stepanov	Unknown	Asset freeze and travel ban
Yelena Ivanovna Khimina	Russia	Asset freeze and travel ban
Andrey Alekseyevich Pavlov	Russia	Asset freeze and travel ban
Aleksey Nikolaevich Sheshenya	Unknown	Asset freeze and travel ban
Gennady Nikolaevich Plaksin	Russia	Asset freeze and travel ban
Vyacheslav Georgievich Khlebnikov	Russia	Asset freeze and travel ban
Viktor Aleksandrovich Markelov	Russia	Asset freeze and travel ban
Dmitry Vladislavovich Klyuev	Russia	Asset freeze and travel ban
Oleg Vyacheslavovich Urzhumtsev	Russia	Asset freeze and travel ban
Yulia Mikhailovna Mayorova	Russia	Asset freeze and travel ban
Oscar Ramón Nájera	Honduras	Asset freeze and travel ban
Felipe Alejos Lorenzana	Guatemala	Asset freeze and travel ban
Jose Francisco López Centeno	Nicaragua	Asset freeze and travel ban