



COMMODITIES | NOVEMBER 2023

NATIONAL CRIME AGENCY ISSUES A RED ALERT ON RUSSIAN GOLD

On 8 November 2023, the UK's National Crime Agency (NCA) issued a Red Alert warning financial institutions and those in regulated sectors that Russia is using gold to undermine the UK sanctions regime.

This is buttressed by further sanctions imposed by the UK's Foreign, Commonwealth & Development Office (FCDO) on a further 29 Russian individuals and entities which operate in Russian gold and other strategic sectors.

Since July 2022, Russian gold has been increasingly shipped to non-sanctioned countries, however given the UK is a major player in the global gold market, the NCA is specifically issuing warnings against dealing with those who use gold to circumvent the sanctions regime.

The NCA's alert highlights the risk of deliberate attempts to launder sanctioned gold into the UK by masking its origin through vulnerabilities in gold supply chains or refining or recasting processes. This is particularly the case in the context of recyclable gold where the origins of the gold are easily masked by melting and refining. The alert looks specifically at the typologies used in different forms of gold flows, including: mined gold, recycled/ scrap gold, investment gold, gold for jewellery and finished articles, and gold-based financial securities.

The NCA and the FCDO are jointly zeroing in on players in the gold industry. The alert draws attention to specific red flags. If you have not done so yet, we recommend conducting a review and risk assessment of your supply chain, assess risks in the supply chain, consider enhanced due diligence or audit procedures on third party suppliers, and review existing policies and third-party relationships.

Our team has experience with advising on and helping clients comply with the ever-changing sanctions landscape. If you need assistance, please get in touch.

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