The Global Sanctions Index (GSI):

A lens on worldwide sanctions

LSEG RISK INTELLIGENCE

About the author

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Mike leads LSEG's Risk Intelligence business in Asia. In this role, he helps define LSEG's go-to-market, product and content strategies, including for the flagship World-Check, Global Account Verification, LSEG IDV, and Enhanced Due Diligence products.

In 2022, Mike launched the Global Sanctions Index (GSI) to track and understand an increasingly fragmented global sanctions environment.

Introduction to the Global Sanctions Index

The GSI was launched in 2022 to draw attention to the phenomenon of sanctions inflation – the sustained and rapid increase in the number of sanctioned persons globally – and to help industry players understand the impact of sanctions growth.

The GSI uses the market-leading LSEG World-Check data, which tracks all sanctions regimes worldwide, to calculate the net change in the number of sanctioned persons globally. This latest update draws on data to March 2025.

In the same way that price inflation is represented by sustained increases in the price of a bundle of goods over time, sanctions inflation is represented by sustained multi-year increases in the number of sanctioned persons.

The effects of sanctions inflation can be far-reaching, with increased volumes of sanctions adding exponentially to the complexity and costs of compliance with global regulations. It is also important to note that sanctions inflation does not exist in a vacuum; rather, it is unfolding alongside a range of global trends.

The global mega-trends

Sanctions are coercive measures used by both national states and international organisations to pursue a range of foreign policy, national security and economic objectives. It has become a critical component of the statecraft of a number of countries, and as they have evolved in a rapidly changing global order over the last five or so years, a number of key trends have emerged. These include:

Hyperinflation: The sustained multi-year trend of the de-duplicated number of sanctioned persons increasing rapidly. The causes of hyperinflation are numerous, including the expansion of scope beyond proliferation and terrorism (e.g. to human rights based-sanctions, drug trafficking), the number of autonomous regimes in existence (e.g. China and New Zealand launched new regimes in recent times) and of course, the Russian invasions of Ukraine in 2014 and 2022.

Divergence: The fracturing of the post-9/11 consensus around sanctions, the rise of autonomous sanctions, and increased conflict-of-laws situations. Reflecting broader trends in international relations and the rise of geopolitical competition, this divergence may be entering a new phase.

Complexity: Sanctions orders and their attendant regulations, exceptions, and more have become increasingly complicated to interpret, often requiring deep specialist knowledge. Targeted sanctions, whether financial or on trade, have become far more complex as innovative sanctions tools are developed and countries attempt to minimise unintended consequences. This complexity contributes significantly to the escalating cost of compliance.

Extra-territoriality: A focus on making sanctions more effective, especially by the United States, has resulted in an expanded regulatory scope via secondary sanctions risk, and latterly the novel concept of “secondary tariffs”.

Privatisation: The shifting of the onus of sanctions target identification from governments to the private sector means that, increasingly, sanctions apply via broad narrative statements and to categories (such as entities, securities or places) rather than explicitly named persons. While obligations on the private sector have always existed, the move away from list-based sanctions has made compliance far more difficult.

In addition, in 2025 we have identified a new mega-trend: Uncertainty.

Sanctions inflation in 2025: the key figures

Against a backdrop of seismic geopolitical shifts, sanctions policy has never been as uncertain as it is today. The lack of clarity surrounding sanctions is widespread – and there remain numerous unanswered questions relating to future sanctions policies, tariffs, potential trade wars, and more.

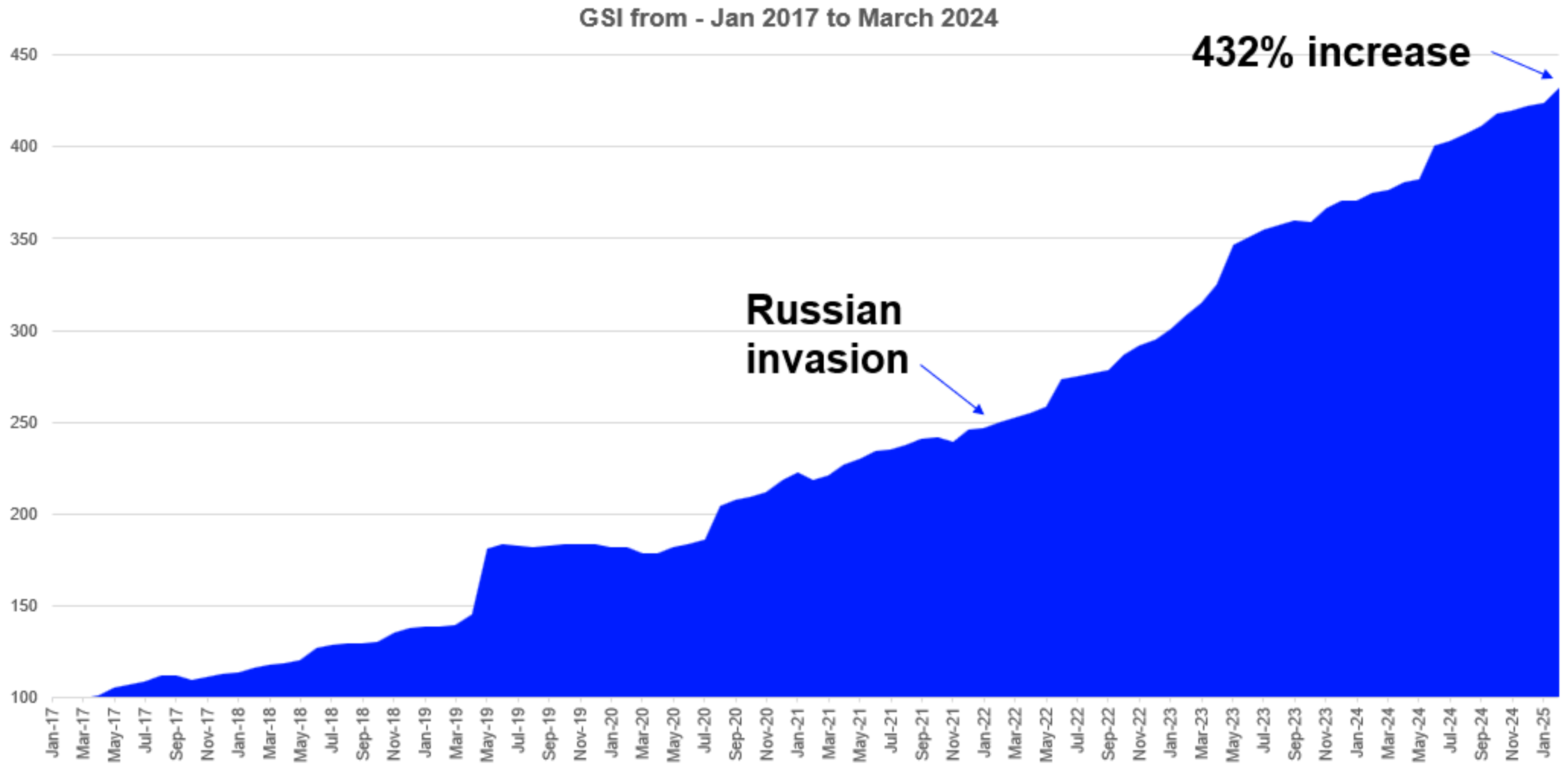
Uncertainty is most obvious in relation to the future of American sanctions policy. Will there be further rapprochement between the Russian and US governments and will this lead to the easing of sanctions? If that happens, a critical issue will be the response of other sanctions bodies like the European Union, Great Britian, Japan, Australia and others with regards to their autonomous sanctions on Russia. Alternatively, should Russia be blamed for a workable peace in Ukraine proving elusive, the US administration may further ratchet up sanctions. The degree of coordination in these sanctions activities (whether they are eased or increased) will either contribute to or reduce the extent of further divergence in the sanctions space. Similar uncertainty pertains to the “maximum pressure” campaign launched against Iran, sanctions and other trade restrictions with respect to China, and a range of other extant programmes.

Further contributing to uncertainty is whether threats of “secondary tariffs” on Venezuelan oil will become reality. This novel tool in economic statecraft was created via Executive Order 14245 and extends secondary sanctions threats into the trade realm. Per a post by Mr. Trump on Truth Social, “the United States of America will be putting what is known as a Secondary Tariff on the Country of Venezuela... any Country that purchases Oil and/or Gas from Venezuela will be forced to pay a Tariff of 25% to the United States on any Trade they do with our Country.” How this new tool will be used or extended in the context of a broader trade war is not currently clear.

Several measures of geopolitical risk and economic policy uncertainty have spiked in Q1 2025, and sanctions has been no exception. In an extremely dynamic policy environment, there are more questions than answers.

Key sanctions data as of March 2025 is as follows:

- There are about 82,000 sanctioned persons globally (calculated on a de-duplicated basis[1]).
- Annual sanctions inflation is **17.1%**, up from **16.1%** annual rate in March last year.
- The GSI has reached a value of **446**, a **446%** increase since the base date of January 2017.



Drilling down to sub-index level, the Office of Foreign Asset Control (OFAC) continues to be an extremely significant driver of inflation, showing annual sanctions inflation of **21.3%** as of March 2025 (down from 21.2% a year ago). The OFAC sub-index has reached a value of 316.

A snapshot of other selected sub-indices follows:

- European Union sanctions are showing **10.5%** annual inflation, with a sub-index value of **262**. The annual rate is down from **16.7%** a year ago.
- United Nations sanctions continue to be flat, with annual inflation of **0.2%** and an index value of **95.7**.
- Chinese sanctions continue to expand rapidly, albeit from a low base. In March 2025, annual sanctions inflation for the various Chinese programmes stood at **153%** with an index value of 1507. This is up from a rate of 23.6% a year ago.
- Ukrainian and Russian domestic sanctions (i.e. sanctions programs administered by the states of Ukraine and Russia respectively) continue to contribute to overall inflation, with Russia's programme growing by **16.7%** over the last year and Ukraine's by **5.3%**.

A consistent trend evident across several sanctions authorities is inflation that is both modest and slowing relative to one year ago:

Canada: 9.6%, down from 15.4%
Switzerland: 9.5%, down from 14.3%
Japan: 4.6%, down from 9.1%
The United Kingdom: 7.4%, down from 12.8%

With the prospect of the easing of sanctions against Russia – either as a result of a peace agreement acceptable to all parties, or unilateral easing by the United States – we may see the end, at least temporarily, of sanctions inflation in 2025. At the same time, the other major mega trends seem set to continue, or even intensify, with divergence offering a good example.

1. De-duplicated means that if several different sanctions authorities designate a single entity, we count it only once.

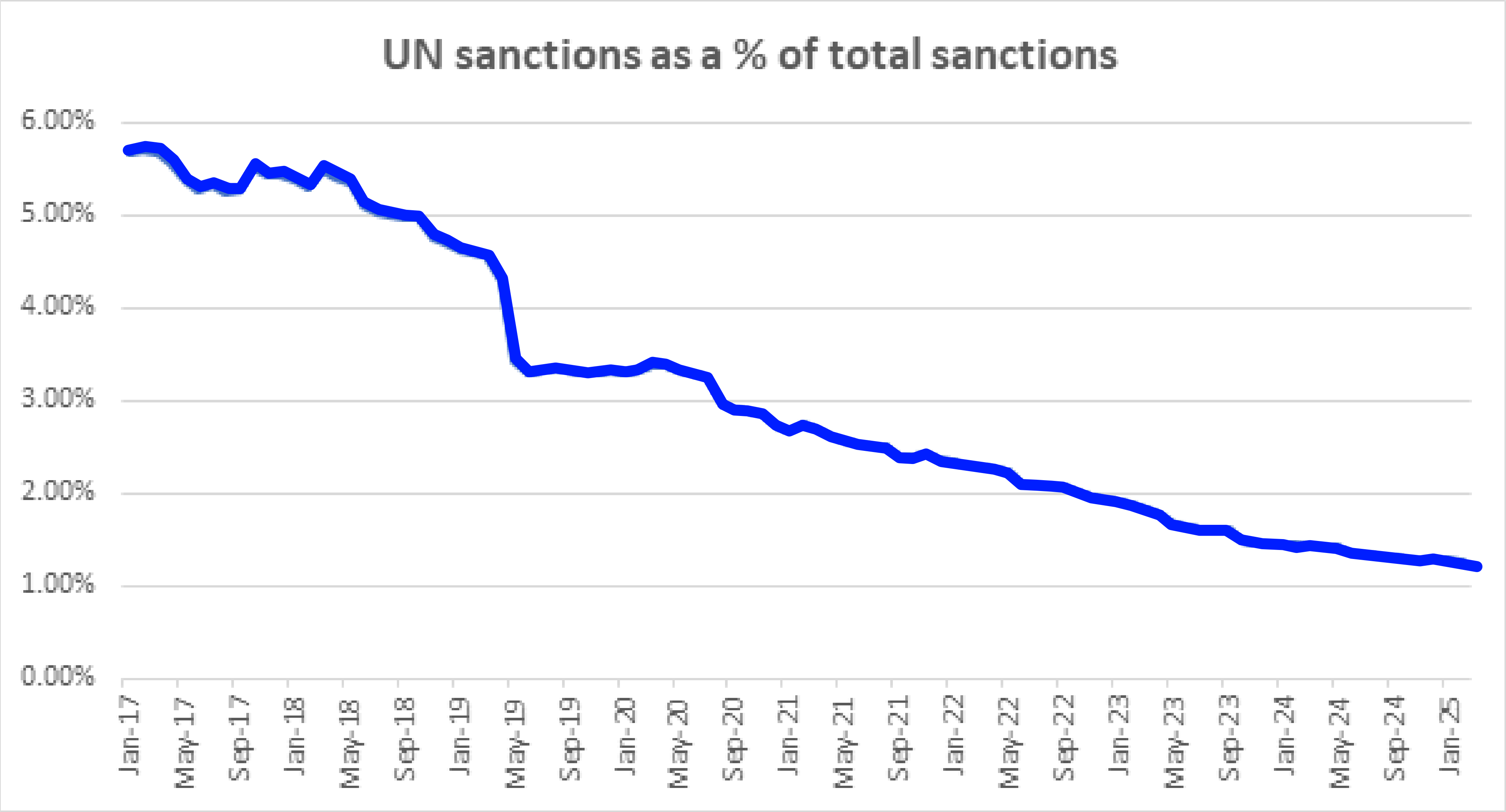
Is divergence becoming hyper-divergence?

Immediately after the September 11 attacks on the United States in 2001, a swift and near universal consensus emerged that the perpetrators of those attacks and those who funded them should be sanctioned and excluded from the global financial system. This proved to be the apogee of global consensus around who should, or should not, be sanctioned.

Since then there has been a marked divergence, with the consensus view eroding in the wake of the Iraq war and the subsequent fallout, the Russian invasions of Ukraine in 2014 and 2022, the rise of China's sanctions regime and more.

There are numerous ways to view this divergence, but possibly the best single metric is to look at the proportion of all sanctions represented by the consensus-based United Nations programme.

This has been declining for many years, and reached an all-time low of 1.22% in March 2025. Put another way, this means that nearly 99% of all sanctions – and all new sanctions – come from autonomous sanctions regimes.



While divergence has been a trend for several years, we may now be entering a period of hyper-divergence. Sanctions on Russia, for example, were widely agreed upon and coordinated by the collective West. This resulted in thousands of sanctioned persons in Russia and throughout the world by a coalition of countries including the United States, the United Kingdom, the European Union, Japan, Australia and more. Since taking office in January 2025, however, the Trump administration has entered into negotiations with Russia, and on 3 March directed the Treasury to draft a list of sanctions that could be eased.

Subsequently, Mr. Trump wrote on the social media site Truth Social that he is "strongly considering large scale Banking Sanctions, Sanctions, and Tariffs on Russia until a Cease Fire and FINAL SETTLEMENT AGREEMENT ON PEACE IS REACHED".

The future of American sanctions on Russia is uncertain – and may depend on the status of ongoing negotiations. At the same time, several other sanctions bodies, including those of the European Union and the United Kingdom, have further strengthened sanctions – and enforcement – against Russia.

The divergence is clear and, going forward, major sanctions bodies in the collective west may widen further.

The year ahead

Niels Bohr, the Danish Nobel Prize winning physicist, wryly noted “predictions are hard, especially about the future.” In a year like 2025 with major geopolitical and economic dislocations and decisions being made and un-made in rapid succession, predicting the future seems especially difficult. What does seem fairly certain is that certain trends like Uncertainty and Divergence are set to continue. Whether sanctions have reached their peak and start to reduce remains to be seen with either eventuality being possible.

Against this backdrop, organisations need to take stock and ensure that they keep abreast of any changes across the dynamic sanctions landscape – and further, that they take all necessary steps to remain compliant with changing obligations.

A note on methodology

The GSI takes its base as January 2017 (=100) and includes every explicit sanctions regime tracked by World-Check data, covering all keywords with the “sanctions” keyword type. This means that implicit sanctions, for example, sanctions created by the OFAC 50% rule, are entirely excluded from this analysis.

The sanctions regimes tracked are very broad, ranging from consensus-driven United Nations sanctions that are typically on the grounds of terrorism, to autonomous sanctions issued by nation states such as the United States, Pakistan, Australia, Switzerland, Japan and Ukraine, to those issued by regional bodies such as the European Union.

The reasons for designation vary, encompassing, for example alleged involvement in terrorism, the financing of terrorism, designations for narcotics trafficking (such as the Kingpin Act designations), proliferation, human rights abuses, corruption, alleged involvement in election interference, sanctions imposed on Russia for the invasion of Ukraine and others.

The consequences or severity of the sanctions are not considered. However, we have included various considerations from blocking orders, to travel bans, to purely investment bans. Similarly, all sanctions targets have been included for natural persons, companies, trusts, vessels and aircraft.

How we can help

Discover the benefits of working with us for your sanctions compliance

Reliable Intelligence

We follow the most stringent guidelines for research methodology and inclusion criteria – applying rigorous quality control

Up-to date information

With research centers on all five continents, we provide around-the-clock monitoring of sanction lists, regulatory and enforcement lists, as well as thousands of reliable media sources, so you have accurate and up-to-date information.

Targeted screening

Hundreds of specific keywords for our data help you filter and drill down for focused screening and reduce false positives.

Due Diligence Reports

To fully understand your exposure to indirect sanctions you need to go one step further and uncover in-depth ownership structures of entities and/or the source of wealth of certain individuals.

Managed Services

Our Managed Services team can help you to stay on top of any profile changes and avoid backlogs with ongoing monitoring.

LSEG Risk Intelligence provides a suite of solutions to help organisations efficiently navigate risks, limit reputational damage, reduce fraud and comply with legal and regulatory obligations around the globe. From screening solutions through World-Check, to detailed background checks on any entity or individual through due diligence reports, and innovative identity verification and account verification – organisations can trust LSEG Risk Intelligence to help them manage their risk, so they can operate more efficiently, more effectively and more confidently. To learn more, visit www.lseg.com/risk-intelligence.

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