

# ICA Advanced Certificate in Managing Sanctions Risk

## Global Sanctions Architecture – Political, Legal and Implementation Context

- Political Context - Sanctions as a Foreign Policy Tool
- Legal Context - The Collective Architecture of Financial Sanctions
- Sanctions Regimes - UN, OSCE, Arab League, EU and unilateral
- Implementation Context - Evolving Scope of Financial Tools in Responding to International Security Threats
  - Economic and Trade Sanctions
  - Financial Prohibitions
  - Asset Freezes
- Emerging Political Challenges and Questions of Legitimacy
  - General Insurance
  - Money services businesses (MSBs)
  - Non-financial professionals (lawyers and accountants)
  - Trusts and corporate services

## Evolving Scope of Sanctions – a changing tool

- Human Rights – (Arab Spring, Libya, Egypt)
- Misappropriation of State Assets (case study Ukraine, Egypt)
- Chemical, Biological, Radiological and Nuclear sanctions (case study North Korea)
- Sanctioning of Terrorist Groups (case studies: Somalia piracy payments, ISIL territorial control, government versus terrorist actors i.e. Hamas/ Hezbollah)
- Russia Sectoral Sanctions – A New Type of Sanctions
- Case Study Russia/Crimea

## US Sanctions – Jurisdictional Scope, Role of Congress and Enforcement Tools

- Compliance with Foreign Unilateral Sanctions
- US extraterritoriality
  - US Person Consideration (US person recusal case study)
  - Non US bank use of US technology
  - US Federal versus US State based Sanctions
  - When a non-US person can become subject to US sanctions
  - SEC 219 Reporting on Iran and Syria
- Lessons from Recent Global Enforcement Cases.
- Global Divergence and opposing sanction obligations (Case studies: Cuba anti blocking; participation in foreign clearing networks; Israeli obligations; Russian counter measures).
- Group wide sanction sharing designation restrictions

## Sanctions Lifting, the Iranian ICPoA and the Emerging Divergence of EU – US Sanctions Policy

- Political Process of Sanctions Lifting and Roll Back
- Legal nuances of Roll Back
  - Temporary lifting versus outright Roll Back
  - New or continued reporting obligations
  - Scope of Roll Back versus remaining prohibitions
- Case Studies – Myanmar, Cuba and Sudan
- Risk management in case of Snap Back
- Case Study – Iran
- Preparing for post sanctions re-engagement
  - Releasing funds previously frozen
  - Due diligence factors
  - Managing business opportunity risk
- Case Study – 2012 Libyan Central Bank Sanctions Lifting

## Developing the Control Environment

- Options for developing the control environment and screening assessment
- Screening Systems and Controls
  - What to screen, fuzzy matching thresholds
  - Dealing with non-exact matching
  - Personal name variations and ownership
  - Domestic versus non-domestic payments
- Screening Innovations
  - Role of Technology
  - Secondary screening Engines
- Case Study – Trade Finance Screening Managing Alert Investigations
- Top 10 Common Challenges in Screening

## Screening Responses and Dealing with Control and Ownership Factors

- Transparency of payments and interrelationships
- Control and Ownership Considerations
  - Control Test and Validation
  - Joint Venture exposure
  - Syndicate Lending
- Circumvention considerations
  - Iranian Shipping- case study
  - Iranian Banking – case study
- Inter-linkage with AML/CFT and PEPs approaches
- Top 10 Common Questions on Transparency, Control and Ownership

## Licensing and Permissible Payment

- Navigating Licensing Frameworks
  - When to rely on General Licenses
  - How to deal with multiple licence processes etc.
- Factors influencing Licensing Decisions
- Supporting permitted activity i.e. humanitarian activity (case studies: Syria humanitarian payments, Iran business permitted under the nuclear deal)
- Getting Comfortable – Case Study on payment channels and due diligence

## Management of Frozen Assets, Incident Management and Self Reporting

- Incident Management
- Reporting of Breaches
  - Voluntary Self Disclosure
  - How to report breaches and associated regulatory factors
  - What and when to report
  - Internal review and investigation
- Case Studies - Reporting of Cuban violation to OFAC, Reporting of Iranian violation to EU competent authority
- Freezing of Funds and Incoming Payments
- The holding of Sanctioned Funds – obligations, annual reporting responsibilities