

# Sanctions

Financial and trade sanctions are being issued at an unprecedented rate, so it is vital that all staff are aware of sanctions risk and understand how sanctions affect their business activities. The UK sanctions regime must be considered, as well as applicable EU and US sanctions programmes. Staff need to understand the impact of the increased sanctions in relation to Russia but should also remember that broader sanctions regimes (for example, in relation to human rights abuses and corruption) continue to apply in relation to a range of countries, entities and individuals.



## UNDERSTAND THE RISKS

The firm's sanctions risk assessment must be kept up to date, taking into account the sanctions regimes that apply. Make sure you understand your firm's controls and be aware of the extra-territoriality of many financial sanctions programmes.



## TAKE RESPONSIBILITY

Whatever risk-based tools your firm uses for sanctions screening, every staff member must also be alert to sanctions risks (e.g. in relation to a client's structure, business dealings and transactions). Any issues must be properly escalated.



## REPORT RED FLAGS

If you believe that a client or business associate is trying to circumvent sanctions or has become subject to new sanctions (either explicitly or implicitly), you must escalate this immediately in accordance with your procedures.

**Remember:** Getting sanctions wrong can be expensive in terms of the penalties that might be applied, and can be hugely damaging to your firm's reputation. Your firm must have a strong compliance programme and any sanctions breaches must be reported to the authorities in accordance with the law and regulation.

Compliance is everyone's responsibility.  
If you have a concern, escalate it.