

Complying with sanctions and financial crime regulations

Clive Myrie, Journalist and broadcaster (Chair)

Colette Best, Director of Anti-money Laundering, SRA

Suzie Ogilvie, Global Head of Financial Crime and Sanctions,
Freshfields Bruckhaus Deringer LLP

Giles Thomson, Director, Office for Financial Sanctions
Implementation and Economic Crime, HM Treasury

Why it matters

- More than £12 billion criminal cash generated annually in the UK
- Increased threats of bribery, child sexual abuse and drugs
- 550,000 – 850,000 individuals posing a risk to children
- £19 billion cost to the UK from illegal drugs

What did we do?



273

Firms we reviewed
or inspected



38,000

Views of guidance
and support



17,000

Views on
webinars



Suspicious activity reports (SARs)

Improving suspicious activity reports



1 in 4 did not
include complete
client details



66% without
glossary code



1 in 4 did not include
the crime for which
they sought defence

Sanctions

- Applies to all
- Strict liability
- Guidance published setting out how to comply
- Make sure you identify your clients and seeking licences
- Does your firm have the right controls in place?
- Do staff know what they are?

Sanctions – challenges and 'bear traps'

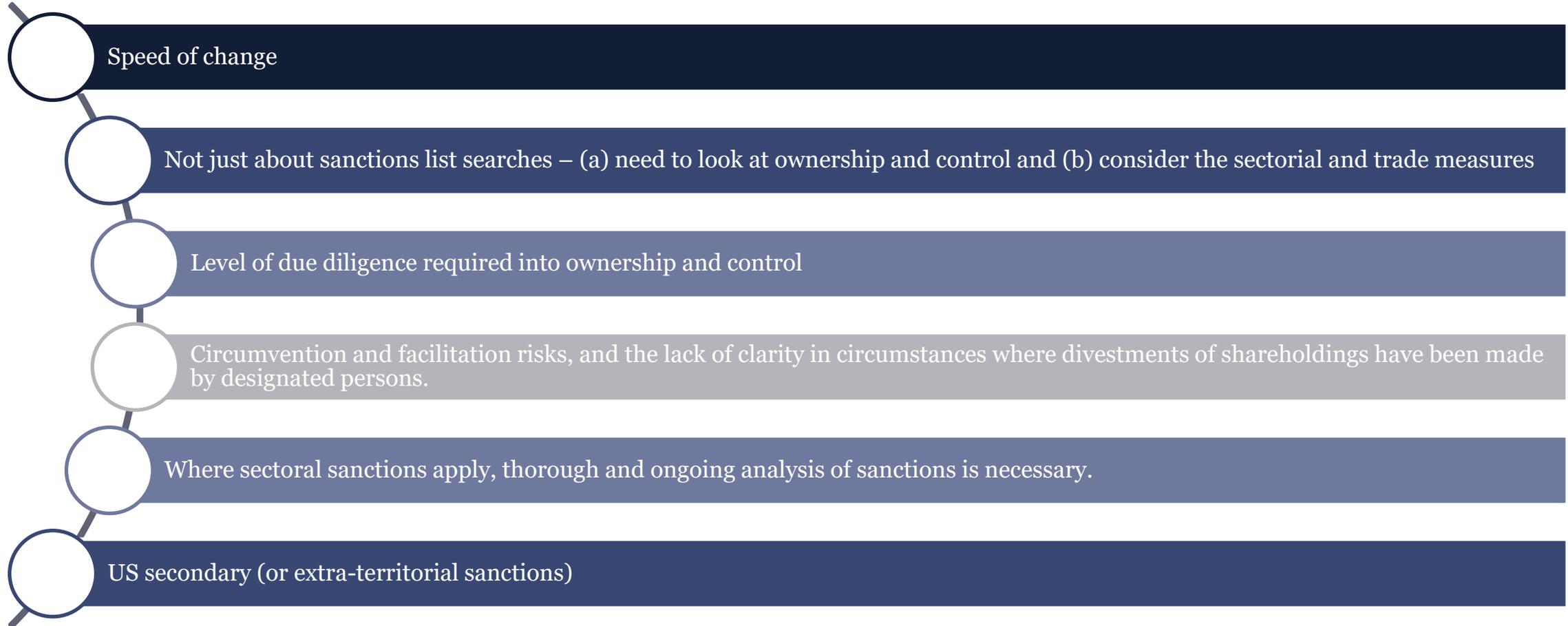
Suzie Ogilvie

2022



Freshfields Bruckhaus Deringer

Some of the challenges presented



Some considerations

- Sign up to the email alerts
- Consider how your new business intake works? How do you capture client and counterparty risks (including OFAC designations)? How can you build in alerts to capture sectoral sanctions?
- Can you identify any designated persons (DPs) within the shareholding or board structure of any of the parties to the matter?
- If so, what is their percentage interest and/or position? Are there any possible relationships with others in the shareholding structure?
- Has any DP recently reduced any shareholding in a party to the matter as a result of the actual or threatened imposition of sanctions?
- Any 'secrecy countries' in the ownership structure?

Some considerations

Have you been given assurance by a party that might have once been owned or controlled by a DP that they are no longer so owned or controlled? If so, were there any assumptions or limitations?

In respect of the proposals themselves are there any other links to any DPs e.g. share pledges, interest payments, bank accounts?

Is there a transfer of, or change in any financial obligations, in favour of a Russian, or Russian-linked, person?

Are you dealing with a newly incorporated entity or unknown person where source of wealth and funds is unclear?

Could there be sanctions or POCA reporting issues?