# Financial Sanctions Policy Updated June 2023

[Name of firm] recognises its regulatory responsibilities concerning financial sanctions checking. As a regulated firm and in accordance with SYSC 3.2.6R we maintain adequate policies and procedures sufficient to ensure the firm is not used to further financial crime.

We are required to allocate responsibility for the firm’s policies and procedures for countering the risk that the firm might be used to further financial crimeto a Senior Manager (Prescribed Responsibility d) and this is recorded in their Statement of Responsibility.

## Definitions:

**Sanctions** are normally used by the international community for one or more of the following reasons:

* To encourage a change in the behaviour of a target country or regime.
* To apply pressure on a target country or regime to comply with set objectives.
* As an enforcement tool when international peace and security has been threatened and diplomatic efforts have failed.
* To prevent and suppress the financing of terrorists and terrorist acts.

**Financial Sanctions** are normally one element of a package of measures used to achieve one or more of the above. Financial sanctions measures can vary from prohibiting the transfer of funds to a sanctioned country and freezing the assets of a government, the corporate entities and residents of the target country to targeted asset freezes on individuals/entities.

**Financial Sanctions Orders** prohibit a firm from carrying out transactions with a person or organisation who has had financial sanctions imposed on them (known as the **target**). In some cases the order will prohibit a firm from providing any financial services to the target including advice.

HM Treasury (HMT) maintains a list of targets known as the Financial Sanctions Consolidated List of Targets (HMT List) <https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>. The aim of the list is to ensure that financial institutions and firms do not aid these individuals and organisations in the transfer or manipulation of funds.

In the UK it is HMT that is responsible for ensuring compliance with the financial sanctions obligations and not the FCA. However, it has been stated that having in place systems and controls relating to financial sanctions is an integral part of complying with the FCA’s requirements on financial crime.

[Name of firm] uses sanctions checking software to meet its obligations. The contact details for the provider are:-

**Firm Name, Address, Number and Website**

[Name of firm] checks all its clients including the client’s directors and shareholders against the Financial Sanctions List both at commencement of the relationship and after each and every Financial Sanctions List update. It is the responsibility of the account executive to obtain the appropriate information from the client and ensure all the relevant data is entered into the sanctions checking software. Documentary evidence that the client has been checked against the Financial Sanctions List must be saved on the client’s records.

The client’s record must be immediately updated if there is a change to the client’s name, address, directors or shareholders. The new data must be entered into the sanctions checking software and documentary evidence that the client has been rechecked saved to the client’s record.

If it is suspected that a client is on the Financial Sanctions List the managing director and the person with responsibility for overseeing financial crime must be notified immediately and all files passed to them.

As most listed individuals and entities are aware that they are on the Financial Sanctions List there is no need to hide this information from the client however, until there is absolute certainty the matter should be handled sensitively.

If the association is incorrect it may benefit the client to know their name has similarities to a person on the Financial Sanctions List as it may explain other issues which have arisen. However, this will be at the discretion of the managing director.

Once it is confirmed the client is on the Financial Sanctions List all services to the client must be stopped and documentary evidence added to their file. The matter must then be immediately reported to the Office of Financial Sanction Implementation.

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