

# ICA Certificate in Managing Sanctions Risk Syllabus

## Understanding Sanctions

- Definitions:
  - What are sanctions?
  - What are they designed to achieve?
  - Why are sanctions important?
- Measures:
  - Financial
  - Non-financial
- Programmes:
  - Regime-based
  - Activity-based
  - Comprehensive

## The International Context

- FATF
- UN (Security Council)
- EU Policy and Regulation
- National governments:
  - Primary legislation
  - Implementing departments, enforcement agencies and regulatory bodies
- Focus on the US:
  - OFAC
  - PATRIOT Act
  - FinCEN special measures
- Focus on the UK:
  - HMT Regime, FCO and BIS
  - FCA, JMLSG
  - Export controls
- Impact of other bodies
- External influences

## Defining a Sanctions Governance Framework

- Defining roles and responsibilities
- The importance of (group) policies and procedures
- Culture of compliance
- CDD:
  - Individuals and entities
  - Proliferation and dual use goods
- Recognising techniques for evasion:
  - Wire transfers
  - Stripping
  - U-turns
  - Shell companies
  - Correspondent banking: know your customer's customer

## Sanctions Lists and Screening

- Screening systems and controls
- Who should be screened?
  - Individuals
  - Entities
  - Identifying UBOs
  - Suppliers
  - Targeting terrorism (FATF Rec 6)
- Who/what else should be screened?
  - Payments and transactions
  - Goods and services
  - Countries, jurisdictions, regions
  - Sensitive words, dual-use goods and noise words
- External watch lists
- Internal watch lists
- Calibration:
  - Fuzzy logic
  - False positives
- Quality assurance and testing

## Managing Alert Investigations

- The importance of good CDD and the role of the Relationship Manager
- Identifying and evaluating sensitive sanctioned countries
- How to discount customer alerts
- How to discount payment alerts
- Dealing with matches:
  - Escalating true matches
  - Responding to information requests
  - Freezing assets
  - Interdictions
- Responding to a breach
- Quality assurance of alert investigations

## The Cost of Getting it Wrong

- An examination of some of the key enforcement actions, particularly driven by the US, in order to draw out common themes, for example:
  - Banks: BNP Paribas; Commerzbank;
  - Non-banks: Online Micro; Innospec

## The Challenges of Change

- An examination of the constantly evolving sanctions environment:
  - Ukraine/Russia
  - Burma/Myanmar
  - North Korea