



EU Sanctions against Russia: Impact and Implementation Challenges in the Banking Sector

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AFC – Sanctions & Embargoes

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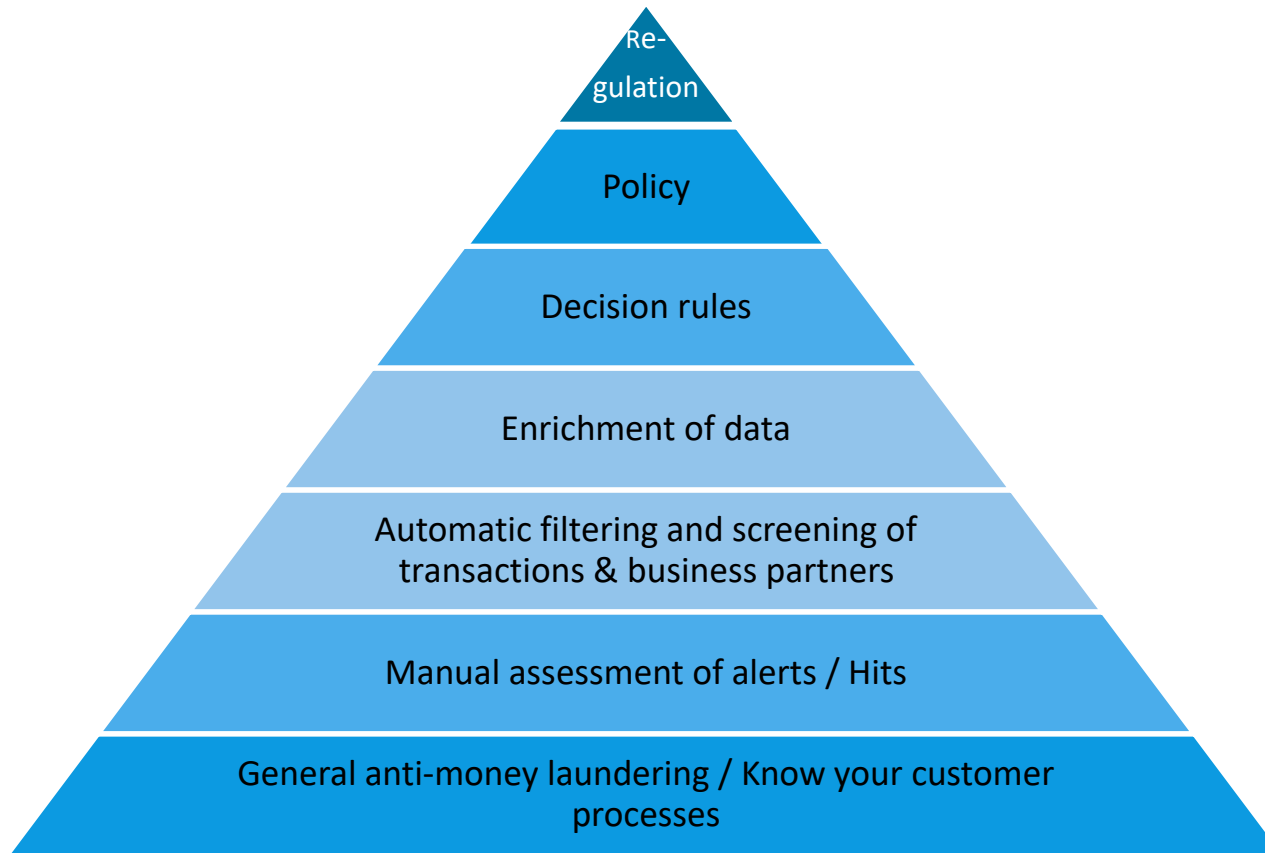


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Operationalization of sanctions





Implementation Challenges

1. Immediacy
2. Frequency
3. Novelty
4. Quantity
5. Quality
6. Relevance
7. Circumvention
8. Export Control



Annex: Details and interfaces

Policy:

- Principles: Non-Circumvention, transparency
- Country prohibitions and restrictions
- Basic clarifications, data points to be screened & filtered, treatment of alerts/hits

Enrichment of data:

- 50%-rule, entities owned or controlled by the listed persons
- BICs or BIKs of banks and securities (ISINs)
- Locations in prohibited regions or countries

Manual assessment:

- Matches assessed based on decision rules
- Different levels of decision teams
- More complex cases escalated to more experienced and knowledgeable teams

Regulations:

- Legal requirements affecting policy, decision rules and enrichment of data
- Lists of parties, goods and countries affecting filtering & screening

Decision rules:

- Sanctions regime
- Kind of sanctions
- Place of operation

Automatic filtering & screening:

- Transactions (payments, trade Finance, security trading); real time; fuzzy logic
- Client data (newly onboarded and existing); clients' names, UBOs, directors, signatories

General due diligence:

- General KYC processes
- Data completeness for funds transfers
- Transaction monitoring, big data, information from third parties → constant feed-back loop

Questions?