Sanctions Policy

Compliance Policy | Global

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Document Control

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Contents

1. Purpose

This Policy sets out how the Company complies with the sanctions law binding on it in each jurisdiction in which it operates, and how it manages exposure to autonomous sanctions regimes that reach its business through currency, correspondent, counterparty or geographic nexus. It establishes mandatory requirements for sanctions risk assessment, screening of customers and transactions, disposition of alerts, handling of true matches including asset freezing and reporting, designation update management, and governance of the sanctions compliance programme.

Sanctions contraventions are among the most serious compliance failures a financial institution can commit. In most jurisdictions the corporate offence does not require intent, and the consequences extend beyond penalty to loss of correspondent relationships, currency clearing access and market confidence. The Company therefore maintains preventive controls designed to stop a prohibited dealing before it occurs, rather than relying on after-the-event detection.

The obligations in this Policy derive from United Nations Security Council resolutions imposing targeted financial sanctions, given effect through national law, and from the international standards that translate them into institutional controls — principally FATF Recommendations 6 and 7 and Wolfsberg Group guidance on sanctions screening — applied as a single global minimum standard across the group. This Policy has been approved by the Board of Directors and is owned by the Chief Compliance Officer. It operates alongside the Company's AML/CFT Program; the two frameworks share data, systems and staff but impose distinct legal obligations, which this Policy identifies wherever the distinction affects what staff must do.

2. Scope

This Policy applies to the Company and to every subsidiary, branch, representative office and controlled joint venture in the group, and to all directors, employees, contractors, agents, introducers and secondees acting for any of them (together, staff). It applies to every product, service, channel and customer segment, including deposits, lending, domestic and cross-border payments, cards, foreign exchange, securities and custody, and any trade-related or virtual asset services. Screening of employees, suppliers, correspondents and the Company's own treasury and investment counterparties is within scope.

The Policy covers three sources of obligation: (a) sanctions measures binding on the Company under the law of each jurisdiction in which it operates, including domestic implementation of United Nations designations; (b) measures binding on individual group entities, staff or transactions by reason of nationality, incorporation, asset location or place of performance; and (c) autonomous regimes that do not bind the Company directly but which it applies as a risk-management standard wherever a relevant nexus exists. It does not reproduce the money laundering, terrorism financing and proliferation financing detection controls set out in the AML/CFT Program; where a single event triggers obligations under both frameworks, this Policy states the sanctions-specific requirement and cross-refers.

Jurisdictional application. This Policy states international best practice and the minimum standard applicable across the group. The Company must map each requirement to the law of every jurisdiction in which it operates, including designation lists, freezing mechanics, notification deadlines, licensing procedures and data protection constraints on cross-border screening. Where local law imposes a stricter or more specific requirement, local law prevails; where local law is silent or less demanding, this Policy applies. Any conflict between jurisdictions, or between this Policy and local law, must be escalated by the group entity identifying it to the Chief Compliance Officer and [General Counsel] before any transaction is processed, and resolved in writing. The Chief Compliance Officer must record the resolution in the sanctions register and, if the conflict is unresolved after [5] business days, refer it to the Board Risk Committee to decide the treatment at its next scheduled meeting; the transaction remains held until then.

3. Definitions

Term	Definition
Alert	A potential match generated by the Company's screening systems between a screened data element and an entry on an applicable sanctions list, which must be dispositioned as a false positive, a potential match requiring further enquiry, or a true match.
Asset Freeze	The prohibition on transferring, converting, disposing of, moving or otherwise dealing with an asset owned or controlled by a designated person or entity — including funds, deposits, securities, virtual assets and receivables — and on permitting or facilitating any such dealing, other than under a valid sanctions authorisation.
Autonomous Sanctions	Restrictive measures imposed by an individual country or regional body in addition to those mandated by the United Nations Security Council; examples include the programmes administered by the United States Office of Foreign Assets Control (OFAC), the European Union and the United Kingdom.
Designated Person or Entity	A person, entity, vessel, aircraft or organisation named on an applicable

	sanctions list, or an entity treated as designated because it fails the assessment in the Ownership and Control Assessment section.
Nexus	A feature of a transaction or relationship that brings it within the practical reach of a sanctions regime that does not bind the Company directly, such as clearing in that regime's currency, routing through a correspondent subject to it, or dealing with a party or asset within its reach.
Ownership and Control Assessment	The documented assessment of whether an entity that is not itself designated is nonetheless subject to sanctions because it is owned above the applicable threshold by, or is otherwise controlled by, one or more designated persons or entities.
Proliferation Financing	The provision of funds or financial services used, in whole or in part, for the manufacture, acquisition, development, export, transhipment or use of nuclear, chemical or biological weapons and their delivery systems, contrary to applicable law or targeted financial sanctions.
Sanctions	Restrictive measures imposed by law on dealings with particular countries, sectors, persons, entities, vessels, goods, technology or services, including targeted financial sanctions, asset freezes, sectoral measures and trade restrictions.
Sanctions Authorisation	A licence, permit, derogation or other authorisation granted by a competent sanctions authority permitting an activity that would otherwise be prohibited, subject to stated conditions and expiry.
Sanctions Compliance Officer (SCO)	The senior manager appointed under this Policy, reporting to the Chief Compliance Officer, with day-to-day responsibility for the sanctions compliance programme, list management, alert disposition oversight, authority reporting and the sanctions register.
Screening	The automated and, where necessary, manual comparison of customer, related-party, counterparty, payment, vessel and goods data against applicable sanctions lists at onboarding, on an ongoing basis, and in real time before the release of a payment or instruction.
Targeted Financial Sanctions	Asset-freezing measures and prohibitions

	on making funds or other assets available, directly or indirectly, to or for the benefit of specifically designated persons and entities, as required by United Nations Security Council resolutions, reflected in FATF Recommendations 6 and 7, and imposed under applicable autonomous sanctions regimes.
True Match	An alert confirmed after investigation as relating to the same person, entity, vessel or asset as an applicable sanctions list entry, or to an entity that fails the ownership and control assessment.
Without Delay	The international standard for implementing a designation: ideally within a matter of hours of the designation taking effect, and in every case without prior notice to the person or entity concerned.

4. Regulatory Framework

The key legislation, regulations and standards relevant to this document include (as amended from time to time):

Instrument / Standard	Relevance
United Nations Security Council resolutions imposing targeted financial sanctions, and the associated Consolidated List, Sanctions Committee narrative summaries and Panel of Experts reports	The universally binding designations, implemented through national law, that the Company's screening and freezing controls must enforce, and an authoritative source of evasion typologies.
FATF Recommendation 6 and its Interpretive Note (targeted financial sanctions related to terrorism and terrorist financing)	Requires freezing without delay and prohibits making assets available to designated persons; sets the timeliness standard applied throughout this Policy.
FATF Recommendation 7 and its Interpretive Note, with FATF Guidance on Proliferation Financing Risk Assessment and Mitigation	Extends targeted financial sanctions to proliferation regimes and, with Recommendation 1, requires the proliferation financing risk assessment in section 6.
FATF Recommendation 16 (wire transfers) and Recommendation 15 with the FATF Guidance on Virtual Assets and Virtual Asset Service Providers	Governs the completeness of originator and beneficiary information on which payment screening depends, and extends screening expectations to virtual asset transfers.
Wolfsberg Group Guidance on Sanctions Screening	The industry benchmark for screening scope, data quality, matching calibration, testing and list management adopted in the Screening Obligations, Name Matching

End of preview

This is a preview extract. The complete document continues beyond the pages shown here.

The full document is supplied as a single, fully editable Microsoft Word (.docx) file immediately after purchase — including every remaining section, the definitions, the regulatory framework references and all appendices and templates.

Bracketed prompts such as [30 days] mark the points where your own thresholds, committee names and local regulatory references are inserted.