

SANCTION CHECKS....



DO YOU SANCTION CHECK YOUR CLIENTS?

If the answer is no.... then you should be as you may not realise you are breaching FCA rules laid out HM Treasury and monitored by Office of Financial Sanctions (OFSI) which is a UK Government department. Penalties for failing to carry out checks could be a fine or up to 7 years in prison if found that you have been dealing with someone on the sanction list.

Read on...

Why Do I have to sanction check?

You may think that sanction checking should be down to the Lender, Insurer or provider but unfortunately that is not the case. You need to be able to prove you have vetted your clients against the sanctions list to show that they are not known to be or suspected to be involved with terrorism and/or terrorist financing. Individuals or organisations could be on the list for other reasons such as Nuclear non-proliferation, human rights violations, and other serious international crimes.

The aim of sanction checking is to ensure firms do not aid individuals or organisations in the transfer or any manipulation of funds.

It's also vitally important that clients are checked frequently as they may not have been on the list when you may have assisted them initially, but they may be on there at a later date...

Who should be sanction checking?

All of the following business should be sanction checking so you could always talk to your client's too...

- **Tied Financial Advisers**
- **Independent Financial Advisers**
- **Mortgage Advisers**
- **Insurance Brokers**
- **Banks**
- **Building Societies**
- **Insurance Companies**
- **Estate/Letting Agents**
- **Tax Advisors**
- **Buying/selling precious stones**

For more information visit the OFSI website which provides information on the various orders and also provides guidance.

We hope this information has gone some way to answering questions and alleviating any stress. Our friendly team of experts welcome your call should you have any questions.

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