

# Sanctions Risk

## Managing sanction compliance in a time of crisis

Financial institutions and their clients must comply with an expanding list of complex sanctions and trade restrictions, often requiring that they pivot immediately to address new requirements. Protiviti can help financial institutions assess their sanction-related risks and advise them on the control environment and industry best practices for managing the risks of compliance with sanctions and trade restrictions.

### Today's sanctions landscape raises the following questions for financial institutions:

- Do we have a complete and clear understanding of all applicable requirements and their impact on our customers and our products/services ?
- Do our existing governance and control processes sufficiently address direct and indirect sanction risks?
- Are our existing IT systems sufficiently effective and efficient in dealing with sanction risks in a timely manner?
- Are we reviewing onboarding and offboarding programs to ensure alignment with sanctions and trade restrictions?
- How has our company's sanctions risk appetite changed?
- Are our sanction policies and procedures up-to-date?
- Are responsible employees trained appropriately to meet the requirements of their role?



### Numerous challenges

- Global sanctions, embargoes and other trade restrictions pose significant compliance, regulatory and reputation risk. On an ongoing basis, risk and compliance officers, in consultation with legal advisors, need to determine if their customer and partner data is up-to-date and complete, and if their controls are sufficient to both comply with regulations and keep up with the changing landscape.
- Financial institutions need to understand the impact of sanctions and trade restrictions on their businesses, especially in times of crisis when they must respond very quickly to complex and evolving requirements.



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Protiviti assists financial institutions by enhancing their sanctions processes and controls in the following ways:

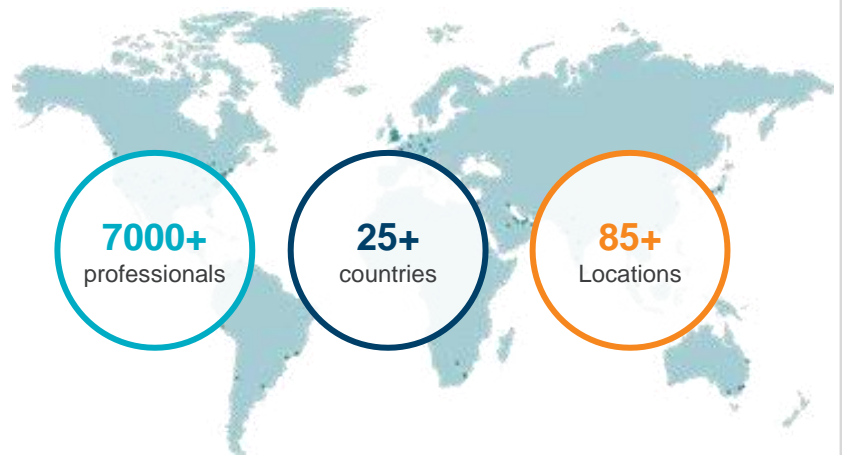
Review and improve sanctions processes	Increase the effectiveness and efficiency of sanction processes	Provide specialist resource support as needed
<p><b>Perform sanctions risk assessments</b> Identify an institution's inherent risk to sanctions risk from its customer base. Products/ services and geographic reach and the controls in place</p>	<p><b>Enhance Sanctions Governance</b> Review governance and reporting to senior management and boards of directors, review inadvertent breaches and assist with lessons learned analyses and enhancements; provide bespoke training.</p>	<p><b>Assess Screening Methods</b> Determine whether lists used for screening are complete and whether adequate manual monitoring processes exist where automated screening may not provide complete coverage, e.g., trade finance.</p>
<p><b>Validate Sanction Screening Models</b> Perform independent tuning and validation of models used for sanctions screening to ensure they are optimised and operating as intended.</p>	<p><b>Provide Operational Support</b> Assist with operational planning and processing including providing additional resources as needed</p>	<p><b>Perform Sanctions Audits and Assurance Reviews</b> Perform an internal audit or second line review of an institution's sanctions compliance program.</p>

## Protiviti, your experienced partner:

Protiviti and its independent and locally owned Member Firms provide clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through a network of more than 85 offices in over 25 countries.

Our experienced Risk & Compliance team includes former regulators, consultants and those with operational sanctions experience. We are able to help you benchmark your sanctions processes against peer institutions and identify gaps and efficiencies.

Our reports and recommendations are bespoke to your business, risks and control framework.



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