Smart with sanctions lists

WorldECR talks to Pascal Ditté about his new platform, sanctions-intelligence.com, which helps make sense of burgeoning sanctions lists and their implications.

Screening, we know, means very much more than mere 'list-checking'. Beneficial ownership must be ascertained, 'white lists' created, entries double-checked, and decisions made as to which 'list' it's necessary to check against, given the nuances of a specific transaction, whether a loan agreement, investment or sale.

As sanctions lists continue to multiply, so also do the number of associated tools designed with the object of helping organisations – banks, businesses, government departments, charities – navigate their way around the lists with the aim of ensuring that their business is compliant with relevant laws.

Typically, the first step is to enter the name of a person or entity into whichever your company has chosen to purchase/do business with and to proceed from there. Pascal Ditté's sanctions-intelligence.com platform is rather different: its starting point is that the gathering of meta data – the list characteristics – is interesting of itself. What is available in terms of published sanctions lists? Where and how can they be accessed? What do the lists contain and how are the entries structured? When did the lists last change? Are there strategic trends in terms of listing? What are the available data formats? Which of the lists are online searchable? Which relevant tools or services are available to help?

Data-driven

Ditté is not new to digital resources. Between 2008 and 2011 he was responsible for the German Business Intelligence practice of Deloitte's Forensic & Dispute Services team, a role, which, he says, entailed a lot of background research.

'It is always a challenge working out beneficial ownership,' he says, 'but if you understood public registries it was much easier.' This realisation led him to the idea of the Global Compliance Records Directory ('GCRD'), which he describes as 'a country-by-country overview on where to find relevant

Overview table: Shows sanctions programmes with basic information about entry volume, country affiliations, data formats, search options and date of last change/update. By clicking on a list entry, a detailed sanctions profile opens, with further in-depth information.

The classification of entries is based on the methodology of the releasing authorities. For example, on the EU list, there are the categories 'enterprise' and 'person', although it also includes vessels which are filed under 'enterprise' as well.

The number of primary names and additional identities of a sanctioned party ('AKAs') can be important for the assessment of high-volume transaction-monitoring operations.

Country affiliations of listed parties can be important in order to conduct risk assessments. The information provided here is based on address information in the respective datasets. More analysis can be found in the single sanctions profiles

Daily List Updates: The user can see at a glance, which lists have changed and which regimes/programmes are affected. The user can open source documents such as press releases, open the sanctions list directly from the regulator website and search online for a name (where the regulator offers an online search option).

When an entry has been amended, the user can also check what has changed in detail.

information in the local public records or other open sources,' containing data 'from corporate register information to bankruptcy information and publicly available court records,' – i.e., the kind of information essential in due diligence under compliance regulations.

'sanctions-intelligence.com emerged out of that,' he explains. 'The idea was to provide an overview of the sanctions lists that are out there, their characteristics, accessibility and trends. And where to find help if needed. Of course, it sounds easy [to gather that information and keep it up to date] but it isn't. For one thing, the content frequently changes. And for another, the characteristics are very different. Each list has its own structure, format and means of accessing the content...'

sanctions-intelligence.com includes all the 'obvious' lists: United Nations Consolidated, OFAC SDN, UK Office of Financial Sanctions Implementation ('OFSI'), EU External Action Service, which are automatically analysed on a daily basis. At a glance, subscribers can see the number of entries each has, the focus of its programmes (e.g., what country it targets), whether there have been recent additions or removals, with breakdown on sanctions regime/ programme level.

But there are also other list profiles, such as that compiled by the Monetary Authority of Singapore, Canada's Office of the Superintendent of Financial Institutions, Japan's Ministry of

Economy, Trade and Industry and others. Indeed, at the moment there are around 130 list profiles. Further lists, which are already included in the GCRD will be added in the future.

Ditté explains the thinking: 'Imagine, for example, a company or bank that needs to make sure that all its sanctions lists are on focus and

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implemented internally. Have they got all the relevant lists covered? Are they up to date? Where can they access the remaining lists?

'Or you need information on strategic trends in listing for your risk assessment. Or, you're tracking a particular sanctions programme, and need to keep track of when it changes. Or perhaps you've introduced a new screening tool, but need a means by which you can differentiate between certain products. These are all scenarios where sanctions-intelligence.com can help.'

One of the most obviously noticeable aspects about sanctions-intelligence.com is that the site links to an A-Z of commercial list vendors, software solutions and advisory services. The competition, potentially? Not so, says Ditté: 'Mine is a completely different business model. It is an additional tool that offers information about lists, changes and trends. And yes, it also enables users for example to search directly in the primary

source/sanctions list for names. But it is not intended to be a "screening software" tool. Nor is sanctions-intelligence.com a list vendor. It delivers background info and the "how-to", and shows where to find help in dealing with this complex issue if required .'

According to Ditté, the tool also provides a means by which you can read the temperature of international compliance lists and spot trends. So, for example, in 2018, the volume of the OFAC SDN List grew by 1,405 entries, which is an increase of more than 23%. In comparison, the EU Consolidated List grew by 102 entries – a comparatively mere 5%.

'Currently, the OFAC SDN List is three times the size of the EU list,' says Ditté. 'And in the last 18 months this has grown considerably. The OFAC list alone contains seven times more entries than the United Nations consolidated list...'

So, what's next for the platform? Ditté says he has a lot of plans for the coming months, among them, the integration of further list profiles (many of which are already included in the 'legacy format', the GCRD database) and improvements in usability, for example for the mobile version of the website.

In an increasingly watchful space of trade compliance, it would seem only the intelligent thing to do.

> **sanctions-intelligence.com** is a freemium model. Selected parts of the database are accessible without login. Full access requires a subscription.
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> www.sanctions-intelligence.com