



10 STEPS

to Support Sanction Compliance



Sanction compliance is a pivotal part of any business and should never be underestimated. The task of staying on top of relevant sanctions, monitoring new ones, and then crafting an intensive response to abide by sanctions that may impact business is not to be taken lightly.

Here, we outline the **key checkpoints** for putting together a sanction strategy, enforcing necessary policies to implementing risk screening measures.

1

Take a top-down approach to compliance

Everyone at your company should be aware of, and engaged in, your risk mitigation practices. Having key leaders and stakeholders lead this charge could make the practice more effective. When employees see higher-ups spending real time and energy on an issue, it signals to them that this area is something worth paying attention to. Ensure that your C-Suite employees, managerial staff, and other leaders are in tune with the sanctions practices and take the lead on compliance matters.



Maintain up-to-date policies and procedures

Sanctions are ever-changing. As new conflict arises, the United States might issue emergency sanctions overnight, so it's crucial that all companies are highly aware of the potential shifts in practices. Using third-party tools or up-to-date advisors is a great way to make sure that your business is on the forefront of these changes. Policies and procedures should be refreshed and checked regularly—think quarterly, not annually—so having point people in charge of keeping risk management up to date is vital.

3

Clearly communicate policies and procedures

Of course, policies and procedures mean nothing if they're not enacted. To do your full due diligence, ensure that all employees and managers are completely aware of the company's process for mitigating risk. The communication should also extend externally: third-party suppliers, agents and partners should also be kept in the loop on all due diligence checklists.

4

Actively train employees and third-party agents

Beyond simply communicating the procedures, companies should also ensure that employees and third-party agents have adequate practice in due diligence. This can be done through regular trainings combined with heavy onboarding trainings and frequent drills for stakeholders.

5

Implement a risk-based sanction screening process

There is no one-size-fits-all approach to sanction screening—instead, you should be aware of all the factors that might put your company at more or less risk. There are myriad levels of risk to monitor and screen, such as organization size, industry type, supply chains, delivery channels, products and services offered, and customer profiles.

With those factors in mind, understanding the scale and scope of your business can assist you in crafting a process that adequately meets all your needs.

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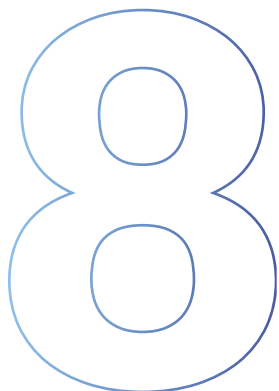
Align sanction screening third-party due diligence procedures

Politically exposed persons (PEPs), watch lists, and sanctions all must be checked regularly to stay ahead of due diligence protocol and avoid legal or ethical concerns. Enacting third-party procedures into your business process is pivotal to avoid making deals or conducting business with persons or institutions who would put you at higher risk.

7

Ensure procedures use escalation contracts

As we focus on third-party risk, it's important to think about contracts as an important part of compliance, both for sanction inquiries and violation reporting. Escalating concerns immediately will prevent potential litigation against your business and protect you from engaging in illegal behavior, or being stuck in contracts with parties who could harm your business.



Audit and regularly review sanction screening policies

Sanctions evolve over time—sometimes, it's far more rapidly than you might expect. Organizations need to keep pace with change by regularly reviewing their screening policies and procedures, and understanding how the rest of their industry is keeping track of sanctions.



Reinforce policies and procedures with independent audits

We recommend staying on top of risk mitigation by conducting independent audits regularly, ensuring that all employees and third parties are meeting the requirements. Conduct reviews every 12 to 18 months with results reported directly to the board.

10

Don't wait for enforcement as a trigger to implement an action

Finally, it should come as no surprise that being forced to comply with sanctions is far worse—and more legally challenging—than simply complying with them on your own. Staying ahead of the curve on compliance avoids unwanted trouble that will cost more time and energy than creating procedures upfront would.

Stay on top of sanction compliance with LexisNexis

The above ten steps don't need to be done without help. Instead of spending valuable employee time and resources on the frequent monitoring of sanctions, third parties and procedures, you can employ tools like Nexis Diligence+™ and Nexis® Data as a Service, which will do much of the mundane work for you in a matter of minutes.

Learn more about supporting sanction compliance

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