
Advanced Certificate in Sanctions and Trade Embargoes in International Business

Legal and Regulatory Frameworks for Sanctions

****Anti-Money Laundering (AML)****

: A set of laws, regulations, and procedures designed to prevent criminals from disguising illegally obtained funds as legitimate income. AML efforts aim to detect and report suspicious activity, including sanctions evasion.

Related terms: Know Your Customer (KYC), Financial Action Task Force (FATF), suspicious activity report (SAR)

****Autonomous Sanctions****

: Sanctions imposed by a country on its own accord, without the backing of the United Nations (UN) or any other international organization. Autonomous sanctions allow countries to respond quickly to emerging threats and situations.

Related terms: Smart Sanctions, United Nations Sanctions, Targeted Sanctions

****Comprehensive Sanctions****

: A type of sanction that restricts all trade and financial transactions between a sanctioned country and the imposing entity, usually a country or a group of countries. Comprehensive sanctions aim to exert maximum pressure on a target country's economy.

Related terms: Smart Sanctions, Secondary Sanctions, Sectoral Sanctions

****Designated Persons****

: Individuals or entities specifically named in a sanctions list, who are subject to restrictions and prohibitions as outlined in the legal and regulatory frameworks for sanctions.

Related terms: Specially Designated Nationals (SDN), Listed Entities, Prohibited Parties

****Embargo****

: A government-imposed restriction on commerce and trade with a specific country, territory, or group. Embargoes can be comprehensive or targeted, and they aim to influence or change the behavior of the targeted entity.

Related terms: Comprehensive Sanctions, Smart Sanctions, Trade Restrictions

****Export Controls****

: Regulations designed to restrict the export of specific goods, technologies, or services to certain countries, entities, or individuals. Export controls aim to prevent the proliferation of weapons of mass destruction and support national security and foreign policy objectives.

Related terms: Dual-Use Items, End-User Certificates, Commodity Classification

Financial Action Task Force (FATF)

: An intergovernmental organization founded in 1989 to develop policies to combat money laundering and terrorist financing. FATF sets international standards and guidelines for AML and Countering the Financing of Terrorism (CFT) efforts.

Related terms: Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), FATF Recommendations

Foreign Corrupt Practices Act (FCPA)

: A United States federal law that prohibits American corporations, citizens, and residents from bribing foreign officials to obtain or retain business advantages. The FCPA also mandates accurate record-keeping and reporting by publicly traded companies.

Related terms: Bribery, Corruption, Enforcement Actions

Freeze and Seizure

: A sanctions measure that restricts access to and the use of assets owned or controlled by designated persons or entities. Freeze and seizure orders aim to prevent sanctioned parties from accessing resources that could be used to support illicit activities.

Related terms: Asset Forfeiture, Designated Persons, Listed Entities

Know Your Customer (KYC)

: A due diligence process that financial institutions and other regulated entities must follow to verify the identity of their customers and assess potential risks associated with their business relationships. KYC procedures are a critical component of AML and CFT efforts.

Related terms: Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), Suspicious Activity Report (SAR)

Listed Entities

: Individuals, entities, or organizations included in sanctions lists maintained by national governments, international organizations, or regional bodies. Listed entities are subject to specific restrictions and prohibitions under sanctions regimes.

Related terms: Designated Persons, Prohibited Parties, Specially Designated Nationals (SDN)

Money Laundering

: The process of disguising the illicit origin of funds obtained through criminal activities, making them appear legitimate. Money laundering typically involves three stages: placement, layering, and integration.

Related terms: Anti-Money Laundering (AML), Placement, Layering, Integration

Office of Foreign Assets Control (OFAC)

: The United States Department of the Treasury agency responsible for enforcing economic and trade sanctions based on U.S. foreign policy and national security goals. OFAC maintains and updates sanctions lists, issues

Related terms: Specially Designated Nationals (SDN), Consolidated Sanctions List, Sectoral Sanctions Identifications (SSI) List

****Primary Sanctions****

: Sanctions imposed by a country on its own citizens, residents, and companies, restricting them from engaging in certain activities or transactions with a sanctioned country, entity, or individual.

Related terms: Secondary Sanctions, Autonomous Sanctions, Extraterritorial Sanctions

****Prohibited Parties****

: Individuals, entities, or organizations that are subject to specific restrictions and prohibitions under sanctions regimes. Prohibited parties are typically included in sanctions lists maintained by national governments, international organizations, or regional bodies.

Related terms: Designated Persons, Listed Entities, Specially Designated Nationals (SDN)

****Sanctions Committees****

: Committees established by the United Nations Security Council to monitor and implement sanctions regimes, typically for countries or regions subject to comprehensive or targeted sanctions. Sanctions committees are responsible for maintaining sanctions lists, reviewing implementation, and promoting compliance.

Related terms: United Nations Sanctions, Sanctions List, Panel of Experts

****Sanctions Evasion****

: The act of circumventing or violating sanctions regulations, often through complex financial transactions, trade schemes, or the use of intermediaries. Sanctions evasion is a criminal offense and can result in penalties for individuals and entities involved.

Related terms: Money Laundering, Trade-Based Money Laundering (TBML), Proliferation Financing

****Secondary Sanctions****

: Sanctions imposed by a country on non-citizens, non-residents, and foreign companies for engaging in activities or transactions with a sanctioned country, entity, or individual. Secondary sanctions aim to extend the reach of primary sanctions beyond a country's borders.

Related terms: Primary Sanctions, Autonomous Sanctions, Extraterritorial Sanctions

****Sectoral Sanctions****

: Sanctions that target specific sectors of a sanctioned country's economy, such as finance, energy, or defense. Sectoral sanctions aim to limit a country's access to critical resources or technologies, without imposing a comprehensive trade embargo.

Related terms: Comprehensive Sanctions, Smart Sanctions, Selective Sanctions

Specially Designated Nationals (SDN)

: Individuals, entities, or organizations included in OFAC's sanctions lists, subject to asset freezes and U.S. persons' prohibition from engaging in transactions with them.

Related terms: Listed Entities, Designated Persons, Prohibited Parties

Targeted Sanctions

: A type of sanction that focuses on specific individuals, entities, or sectors within a sanctioned country, rather than imposing broad restrictions on the entire population or economy. Targeted sanctions aim to minimize the impact on innocent civilians while exerting pressure on the targeted entity.

Related terms: Smart Sanctions, Comprehensive Sanctions, Sectoral Sanctions

Terrorist Financing

: The process of providing or collecting funds with the intention of using them, or knowledge that they will be used, to support terrorist activities. Terrorist financing is a criminal offense and a critical area of focus for AML and CFT efforts.

Related terms: Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), Financial Action Task Force (FATF)

Trade-Based Money Laundering (TBML)

: A method of money laundering that involves disguising the proceeds of criminal activities through the manipulation of international trade transactions. TBML methods include over- or under-invoicing, multiple invoicing, or false descriptions of goods.

Related terms: Money Laundering, Trade Finance, Sanctions Evasion

United Nations (UN) Sanctions

: Sanctions imposed by the United Nations Security Council, targeting countries, entities, or individuals involved in threats to international peace and security. UN