
Advanced Certificate in Sanctions and Trade Embargoes in International Business

Effective Sanctions Risk Assessment

Adverse Media: Refers to negative news articles or reports about an individual or entity that may indicate involvement in illegal or unethical activities, and could potentially trigger sanctions risk.

Autonomous Sanctions: Sanctions imposed by a country unilaterally, without the support of the United Nations or any other international body.

Comprehensive Sanctions: A type of sanction that prohibits all trade and financial transactions with a targeted country or entity, often used in response to serious human rights abuses or acts of aggression.

Designated Persons: Individuals, entities, or governments that have been specifically identified by a sanctions authority as being subject to sanctions.

Embargoes: A type of sanction that prohibits the export or import of specific goods or services to or from a targeted country or entity.

Financial Sanctions: A type of sanction that restricts or prohibits financial transactions with a targeted country or entity, such as freezing assets or restricting access to the international financial system.

List-Based Sanctions: A type of sanction that restricts or prohibits transactions with individuals, entities, or governments that have been specifically identified as being subject to sanctions.

Multilateral Sanctions: Sanctions imposed by multiple countries or international bodies, such as the United Nations, in response to a shared threat or concern.

Office of Foreign Assets Control (OFAC): The US government agency responsible for enforcing economic sanctions and trade embargoes, including those imposed by the United Nations and other international bodies.

Primary Sanctions: Sanctions that apply to US persons (citizens, residents, and entities) wherever they are located, as well as to foreign persons who are located in the US.

Secondary Sanctions: Sanctions that apply to foreign persons who engage in certain activities with a sanctioned country or entity, even if those activities do not involve US persons or the US financial system.

Sectoral Sanctions: A type of sanction that targets specific sectors of a country's economy, such as energy or finance, in order to disrupt the country's ability to fund or support illegal or destabilizing activities.

Smart Sanctions: A targeted approach to sanctions that aims to minimize the impact on innocent civilians while maximizing the pressure on the targeted government or entity.

Specially Designated Nationals (SDNs): Individuals, entities, or governments that have been specifically

identified by OFAC as being subject to sanctions, and whose assets are blocked from use in the US financial system.

Targeted Sanctions: A type of sanction that restricts or prohibits transactions with specific individuals, entities, or sectors of a country's economy, rather than the country as a whole.

Terrorist Financing: The process of providing financial support to terrorist organizations or activities.

Trade Embargoes: A type of sanction that prohibits or restricts the import or export of goods or services to or from a targeted country or entity.

Unilateral Sanctions: Sanctions imposed by a single country, without the support of other countries or international bodies.

United Nations Security Council (UNSC) Sanctions: Sanctions imposed by the UNSC in response to a threat to international peace and security.

Vessel Monitoring System (VMS): A system used to monitor the movement and activities of fishing vessels, in order to prevent illegal, unreported, and unregulated fishing and enforce sanctions.

Windrush Generation: A group of individuals who were born in the Caribbean and immigrated to the UK between 1948 and 1971, who have faced difficulties in proving their citizenship and have been subject to immigration enforcement measures, including sanctions.

World Bank Sanctions: Sanctions imposed by the World Bank on firms and individuals involved in fraudulent or corrupt practices in World Bank-financed projects.

Effective Sanctions Risk Assessment: The process of evaluating and mitigating the risk of violating sanctions or engaging in illegal or unethical activities related to sanctions. This includes identifying and monitoring designated persons, adverse media, and other sanctions-related risks, and implementing appropriate controls and procedures to prevent or detect violations. Examples of effective sanctions risk assessment include conducting regular sanctions screenings, implementing robust due diligence processes, and providing training to employees on sanctions compliance. Practical applications of sanctions risk assessment include developing and implementing sanctions compliance programs, conducting risk assessments of third-party relationships, and monitoring and reporting suspicious activity. Challenges in sanctions risk assessment include staying up-to-date with changing sanctions regulations and enforcement priorities, and balancing the need for compliance with the need for business growth and innovation.