How to conduct sanctions screening?

Presentation by FIU Compliance

The information contained in this document has been produced by the Financial Intelligence Unit (Mauritius) for educational purposes only. Recipients must only use this resource to enhance their understanding of their obligations and to assist with their compliance under the AML/CFT regulatory framework. The use of this information for any other purpose is not permitted, except with the consent of the FIU. This resource does not represent legal advice. Any reporting person who is unsure about his obligations under the AML/CFT regulatory framework should seek independent legal advice.
Targeted Financial Sanctions (TFS) Screening

➢ TFS are sanctions imposed through United Nations Security Council Resolutions (UNSCRs) against specific individuals and entities identified by the UN Security Council (or relevant UN committees) as contributing to a particular threat to, or breach of, international peace and security.

➢ As a member state of the UN, and further to Recommendation 6 and 7 of the FATF, Mauritius has committed to implement the UNSCRs via legislation, namely The United Nations (Financial Prohibitions, Arms Embargo, and Travel Ban) Sanctions Act 2019 (‘the UN Sanctions Act’).

➢ TFS includes frozen assets of the specific individuals and entities identified in the UNSCRs, but also prohibitions on making funds or other assets available to them.
What is TFS Screening?

➢ Screening is defined as the comparison of one string of text against another to detect similarities which would suggest a potential match.

➢ As per clause 43 of the Guidelines on the implementation of TFS under the UN Sanctions Act (‘UN Sanctions Act Guidelines’) reporting persons are required to screen their clients against the United Nations Security Council Consolidated List (UNSC Consolidated List).
Ensuring Compliance with the UN Sanctions Act

➢ The FIU supervises and enforces compliance by its supervised reporting persons with the UN Sanctions Act 2019 (‘the Act’), during offsite monitoring and onsite inspections.

➢ Reporting Persons are required to implement internal controls and other procedures to enable them to effectively comply with the Act. The FIU monitors and check the controls and procedures put in place by its regulates to ensure compliance with the Act.

➢ The FIU has also produced a video presentation which explains the main provisions of the Act and the obligations of the reporting persons.
What is expected from a reporting person?

➢ Have internal controls to screen the UNSC Consolidated List.
➢ Take immediate action with respect to any changes brought thereto.
➢ Regularly consult the newspapers for any notice which may be issued by the National Sanctions Secretariat (NSS) and goAML FIU Notifications and immediately act upon it.
➢ Immediately (i.e. without delay and not later than 24 hours), verify whether the details of the Listed Party match with the particulars of any of its customer.
➢ If there is a positive match, identify whether the customer owns any funds or other assets with it, including the funds or assets mentioned in section 23(1) of the Act and report to the NSS, its supervisory authority its supervisory authority [FIU Compliance] and the FIU (Intelligence) pursuant to section 14 of the FIAMLALA (file STR).
When to Screen?

➢ On customer on-boarding.

➢ Throughout the life cycle of the customer relationship. This also includes directors and beneficial owners of corporate customers or legal arrangements.

➢ At regular intervals either upon a trigger event (change in directors or ownership) or when a sanctions list changes.
Where to find the UNSC Consolidated List?

- National Sanctions Secretariat website (NSS)
- FIU website
- United Nations Security Council website
Steps to follow to manually screen against the UNSC Consolidated List?

Step 1 - Open the UNSC Consolidated List.

Step 2 - Search ('screen') your client for a match on the UNSC Consolidated List.

Step 3 - Keep record of the screening done & the results

Step 4 - If match found, proceed with reporting to NSS & FIU
Step 1 - Open the UNSC Consolidated List

(a) Access the UNSC Consolidated list webpage on the link: [https://www.un.org/securitycouncil/content/un-sc-consolidated-list]
Step 1 - Open the UNSC Consolidated List

(b) Select the PDF version as indicated by the arrow below to access the UNSC Consolidated list.
Step 2 - Screen the UNSC Consolidated List

(a) Once the list is open, on your keyboard, press Ctrl to open the Find field.
Step 2 - Screen the UNSC Consolidated List

(b) Type your search name (client name, for example John Smith) in the Find field.
Step 2 - Screen the UNSC Consolidated List

(c) The screening results will be indicated in the Find field as below:

➢ The screening results above show no match to the UNSC Consolidated list i.e 0 results.
Step 3 - Keep record of the TFS screening

(a) Take a screenshot of your screen
Or ‘Printscreen’ shown in the visual.

(b) Save the screenshot Or

Paste the Printscreen on a word document.
(see example at next page)

you may save it electronically or in hard copy as per your record keeping policy as part of client CDD records.
Step 3 - Keep record of the TFS screening
Step 4 - If match found, proceed with reporting to NSS & FIU

If the client’s name appears on the UNSC Consolidated list, it implies that the client is a true match.

➢ When a true match with a listed/designated person is identified by a reporting person, it should be reported immediately to the NSS and the FIU.

➢ The report is submitted using the Template for Reporting on Positive Match under section 25(2) of the United Sanctions Act available on the NSS website.
THANK YOU

Financial Intelligence Unit
10th Floor, SICOM Tower
Wall Street
Ebene Cybercity
Ebene 72201
Email: relationscompliance@fiumauritius.org
Telephone: (230) 454 1423
Fax: (230) 466 2431