

International Sanctions Programme

An update on our work – Briefing No. 1
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Contacts

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Overview

UK Finance is the collective voice for the banking and finance industry. Representing more than 250 firms across the industry, we help drive forward positive change to enhance standards, support customers and promote innovation.

We work for and on behalf of our members to promote a safe, transparent and innovative banking and finance industry. We offer research, policy expertise, thought leadership and advocacy in support of our work. We provide a single voice for a diverse and competitive industry. Our operational activity enhances members' own services in situations where collective industry action adds value.

International Sanctions Panel

Chairs:

Andrew Humbles, JP Morgan Chase
William Dodsworth, Barclays

We run a well-established sanctions panel of European and international banks. This panel works extensively on mechanisms to improve the effectiveness of sanctions compliance and undertakes significant engagement with EU and US counterparts. At an international level, we have been working closely with the United Nations, the EU and UK government officials on a range of sanctions implementation matters, such as: the impact of the US withdrawal from the Joint Comprehensive Plan of

Action (JCPOA), US specific sanctions on Russia and Venezuela, humanitarian issues and mitigating the risk of North Korean sanctions evasion.

The panel meets bi-monthly with regular attendance from external experts and government departments such as the Foreign and Commonwealth Office (FCO), Office of Financial Sanctions Implementation (OFSI), and Her Majesty's Treasury (HMT).

Individual Work Streams

Brexit – Supporting the development of a new independent UK sanctions regime.

We have [worked closely](#) on the introduction of the Sanctions and Anti-Money Laundering Act 2018 (SAML), which industry views as a necessary piece of legislation to ensure the government is equipped to implement its foreign policy and national security priorities following Brexit. In support of this, we have been actively engaged on all aspects of the Act's legislative trajectory.

We responded to the Foreign and Commonwealth Office Sanctions White Paper, submitted written [evidence](#) to the House of Lords EU External Affairs Sub-Committee inquiry on sanctions, submitted written [evidence](#) to the Foreign Affairs Committee on its inquiry into the future of UK sanctions, published a [Parliamentary briefing](#) on the impact of Brexit on sanctions, held a well-received roundtable in Westminster and provided bilateral briefings to MPs and peers.

Engagement with Parliament and International Stakeholders.

Our sanctions programme at UK Finance has engagement with government and key international

stakeholders at the forefront of what we do. Some of our recent activity on this includes Justine Walker's verbal [evidence](#) to the Foreign Affairs Committee on the future of UK sanctions, and briefing the APPG on Global Security and Non-proliferation on North Korean sanctions.

More generally, we aim to build cooperative relationships with thinktanks, academic bodies and other international stakeholders at both government and non-governmental level. These relationships have led to multiple examples of joint working with bodies such as the UN and World Bank. We further support extensive engagement with the US Treasury's Office of Foreign Assets Control (OFAC), the European Commission (EC) and the European External Access Service (EEAS).

We regularly provide briefing papers on compliance implementation matters to US and EU government counterparts across the full breadth of sanctions regime matters, including Venezuela, Russia, Syria and Iran.

European and international activity

We place considerable importance on ensuring a strong outreach with EU and international stakeholders. Examples of this include Justine Walker's presentation to the Carnegie International Nuclear Policy Conference in Washington DC. This conference is an important event in countering weapons of mass destruction (WMD), and brought together experts from across the world including the Russian Ambassador to the US and the US Special Representative for North Korea. As the sole financial sector representative, we had further input to the annual expert meeting held by NATO's Centre of Excellence for Defence against Terrorism.

Additionally, in May UK Finance will be presenting to the EU Working Party of Foreign Relations Counsellors (RELEX). The RELEX working party deals with legal, financial and institutional issues of the Common Foreign and Security Policy (CFSP). These are examples of the regular presentation and panel participation that we frequently undertake within the International Sanctions Programme at UK Finance.

We also provide expert input into a number of international groupings and currently chair the

European Banking Federation (EBF) Sanctions Expert Group.

Proliferation financing

Our work on counter proliferation supports global efforts to stem proliferation financing by exploring targeted public/private partnerships and raising awareness within law enforcement in relation to trade/proliferation finance, by sharing how the trade process works within the industry and the banking sector.

In February we hosted a counter proliferation roundtable event, which included attendance from the Royal United Services Institute, Kings College London, the Center for New American Security, OFSI, HMT, the EC, the US State Department as well as industry members. A follow up session is planned for summer 2019.

Sanctions screening

We have a sub-group of our sanctions panel working towards establishing informal benchmarking on approaches to sanctions screening. One of the core aims of this group is to establish common definitions of terms, as well as a framework in order to approach the panel benchmarking exercise.

In the course of 2019, we will be producing a White Paper on Improving Sanctions Screening Effectiveness and will be hosting related roundtables on sanctions screening benchmarking, sharing best practices, understanding regulatory expectations and looking at the impact of emerging technology (i.e. artificial intelligence, block-chain) and the changing faster payments environment. Our sanctions screening sub-group is spearheaded by **Vaishali Rolfe, Santander**.

Lobbying for a more forward leaning and proactive approach towards humanitarian licensing

UK Finance has increasingly articulated that the current framework permitting humanitarian transactions into sanctioned and conflict environments needs dramatically re-thinking and updating.

Via our sanctions panel, our members have been at the forefront of advancing a range of initiatives with key stakeholders that explore opportunities for creating a more conducive international regulatory and legal environment in support of humanitarian transactions. In advancing our thinking we have worked closely with the international humanitarian sector and regularly input into UN and EU expert groupings on mechanisms to better facilitate both humanitarian aid and permissible civilian transactions to higher risk jurisdictions subject to economic sanctions.

Rapid member response on the introduction of new regimes

In response to the introduction of major new sanctions regimes we will work with members to assess key industry-wide implementation aspects. This has often included the hosting of emergency panel sessions to assess scale and scope, plus identification of key areas requiring urgent US and/or EU government dialogue.

Topic Specific Papers

We produce papers on a variety of sanctions-related issues. For example, we are currently developing, jointly with the Atlantic Council, a paper on compliance issues for non-US banks with respect to secondary US sanctions.

Our previous paper on the EU Blocking Regulation can be found [here](#).

New Initiatives

International compliance forum

One of our objectives is to promote international understanding of sanctions implementation matters through the establishment of a forum of key international stakeholders and representatives of the UK Finance sanctions panel. We will be announcing details shortly of this new framework to promote international cross-cutting dialogue on sanction compliance.

Upcoming Events

UK Finance Conference ‘[Banking and the Energy Sector – a pivotal year of sanctions transition](#)’ (9 July 2019) – Hosted by the Brunswick Group and with input from leading experts such as the Carnegie Institute, this event will focus on sanctions/energy markets with respect to Venezuela, Iran, Russia, Syria, Iraq, and Libya.

Webinars – UK Finance runs regular webinars which involve academic and industry expert discussion with questions from viewers.

We will be running a webinar on [Maritime Aspects to Counter-proliferation](#) on **23 May 2019** (follow the link to register) and a webinar on Counter-proliferation risk assessment later in the year. For our past webinars, see the [Shifting Sands of Sanctions Compliance](#), [EU Blocking Regulation](#), and [The Future of Sanctions Screening](#).

Roundtables – Roundtables form an important part of how we work and are structured to cover a wide range of sanctions regime matters. Over the past year we have hosted roundtables with US Congress staff representatives and US officials, and engaged in thematic focused sessions on Russia, Iran, Venezuela and the management of conflict of law scenarios – i.e. the introduction of the Blocking Regulation.

Blogs – As well as our latest blog – Sanctions in 2019 – All Options Remain on the Table – we will be producing additional blogs on contemporary issues. Previous blogs have covered, among other subjects, the impact of the US withdrawal from the JCPOA and the introduction of US sanctions on Russia.

Economic Crime Congress (10 December 2019) – Our yearly Economic Crime Congress will again feature prominent speakers on sanctions.

- For our events calendar see [here](#).