Parliamentary Briefing

UK FINANCE

Impact of Brexit on the Future Application of UK Sanctions

Key points

- The majority of sanctions implemented in the UK derive from either UN Security Council Resolutions or multilateral agreements put in place at EU level. When the UK leaves the EU, new legislation will therefore be required and as such, the introduction of the Sanctions and Anti-Money Laundering Bill is viewed by our members as necessary to ensuring Government is equipped to implement its foreign policy and national security priorities following Brexit.
- In considering the Bill's implementation, of crucial importance will be how the UK will approach sanctions and utilise the broad powers at its disposal post-Brexit. Our members note indications from Government that the UK will not seek to diverge from current EU sanctions policy and will continue to coordinate with the EU and other international partners, including the US. We overwhelmingly support this approach but also recognise that differing EU – UK legal structures and political foreign policy priorities will, over time, result in a likely element of UK – EU sanctions divergence.
- We further recognise that operating outside the current EU framework will enable, and may somewhat necessitate, a greater flexibility in the design of sanctions programmes. As such this briefing aims to offer preliminary views on the Bill itself whilst also highlighting areas where we believe the role of the UK as an effective sanctions authority could be further enhanced.
- Overwhelming, EU harmonisation is viewed by our members to have heightened the impact of sanctions on designated entities and individuals no matter where in the EU these designated parties are located or where they access finance services. Post-Brexit divergence between EU and UK sanctions would create uncertainty for financial institutions in respect of compliance, and we believe would weaken the overall effectiveness of both EU and UK sanctions implementation.
- As sanctions practices develop and evolve, ensuring EU – UK foreign policy cohesion should remain a central priority. We proposed that in moving forwards an option for ensuing future cohesion could potentially involve some type of decision-making apparatus involving both EU and UK sanction authorities. The aim, wherever possible, should be to preserve EU – UK harmonised approaches for designing, implementing, lifting and enforcing sanctions. We further stress that continuing UK – EU interaction will also provide a stronger platform for reducing divergence of approach with other key actors where political interests may not

16 November 2017

always be aligned. For example, EU – US diversion of sanctions policy towards Iran and Russia.

- As a result of the new Bill, businesses operating globally will wish to consider their legal exposure to new UK sanctions legislation. It is therefore imperative that the UK legislative architecture clearly defines how new legislation will be applied. To support this understanding, we highlight key areas where further clarity will be required. This includes areas such as jurisdictional scope, ownership and control, reporting obligations plus more detailed aspects on establishing consistent requirements across subsequent regulations.
- Our members are clear that the UK's departure from the EU offers a timely opportunity to create a domestic licensing regime which responds to the sanctions legislation in a comprehensive and coherent way. This is viewed as especially important if the UK wishes to remain competitive within international trade and global finance. The new Bill appears to offer the ability for the UK to consider greater use of general licences or broader project-based licences. This is viewed as a welcome development by UK Finance members.
- UK Finance members have increasingly articulated that the current framework permitting humanitarian transactions into sanctioned and conflict environments needs re-thinking and an update. We propose that a new equilibrium be found that recognises the strategic importance of facilitating both humanitarian aid and permissible civilian transactions to higher risk jurisdictions subject to economic sanctions, whilst balancing expectations of appropriate sanctions compliance and counter terrorist controls. Our briefing sets out opportunities for creating a more conducive regulatory and legal environment that should be considered alongside the introduction of the Bill.

Introduction

The introduction of the Sanctions and Anti-Money Laundering Bill is viewed by our members as a necessary piece of legislation to ensure Government is equipped to implement its foreign policy and national security priorities following Brexit. Overall, many aspects within the Bill are largely as expected and seek to maintain the UK's approach to sanctions in line with international obligations. Accordingly, we welcome the Government's commitment to preserving the integrity and credibility of the UK financial sector.

In considering the Bill's implementation, of crucial importance will be how the UK will approach sanctions and utilise the broad powers at its disposal post-Brexit. To ensure readiness our members firmly believe that consideration of the legislative process needs to sit alongside a wider dialogue on longer-term sanctions implementation. We further recognise that operating outside the current EU framework will enable, and may somewhat necessitate, a greater flexibility in the design of sanctions programmes. As such this briefing aims to offer preliminary views on the Bill itself whilst also highlighting areas where we believe the role of the UK as an effective sanctions authority could be further enhanced.

The International Sanctions compliance landscape in which our members operate

Multilateral sanctions against Russia and Crimea, as well as the longstanding trade and financial restrictions involving Cuba, Sudan, and Iran has dominated the international sanctions and enforcement landscape. This combined with threats, such as a Syria, North Korea, recent US sanctions on Venezuela, and the continued concern over terrorist groups, has resulted in the international compliance landscape changing faster than ever before.

Although, significant elements of key sanctions regimes, such as Iran, have been relaxed in recent times, there can often remain continuing complexity in terms of what is and is nor permitted. Moreover, the dynamic geopolitical landscape and the growing transatlantic US - EU diversion of sanctions approach towards Russia and Iran have resulted in global financial institutions having to ascertain how best to comply with progressively divergent legal and regulatory sanctions obligations.

In response to such divergent requirements global banks have increasingly committed to complying with the sanctions laws and regulations of the UN, EU and US plus jurisdictions in which they operate. In this regard, banks set global sanction policies that define minimum standards for compliance across the group. As such, because these banks comply with all applicable sanctions it may go against the bank's global policy to undertake business that would not be permitted in other jurisdictions i.e. the US.

Consequently, given the breadth of UK Finance membership, each bank's approach to the sanctions and franchise risk will be influenced by a range of factors, and for this reason, the appetite for each bank to engage in certain activities or within jurisdictions subject to some level of non-UK sanctions, will vary.

Exceptions and exclusions that support the continuation of permissible business and humanitarian activity have traditionally formed part of all major sanctions regimes. However, in recent years it has become gradually more challenging to distinguish relationships or activities which are unequivocally prohibited from those which are permitted. Ownership and control factors plus expectations on banks to ascertain 'indirect' sanctions risk exposure, i.e. through correspondent banking network relationships, have further necessitated more intensive risk management responses. Additionally, where sanctions are open to broad interpretation, and seen with Russian sectoral sanctions, and/or lack of sufficient implementation guidance, this often results in financial institutions adopting a highly cautious approach.

The US experience, where the de jure reach of US sanctions is extremely broad, has in practice had the impact of US sanctions often extending well beyond the legal grasp of US authorities. Consequently with the interdependence of international financial markets and international spread of large companies US sanctions have a significant chilling effect even on non-US subjects. For instance UK, and indeed EU, banks, remain extremely cautious about dealing with Iran, for fear of incurring US fines or being excluded from US financial markets. As a result dozens of major international banks have "de-risked" – cutting off customers, licensees, bankers, investors, and even whole lines of business due to, at least in part, perceived direct or indirect sanctions risks.

The introduction of the impending UK legal sanctions framework will undoubtedly introduce a new and extremely important dynamic within the US – EU sanctions architecture. This will result in an increased scrutiny among globally operating corporate and financial institutions on the approach that will be taken by the UK towards pursing unilateral sanctions and extra-territorial enforcement activity. Accordingly, we would not wish either EU or overseas business to withdraw from the UK due to legal uncertainty, or for it to impede business reacting to potential future relaxation of a sanctions, where operational complexities associated with unintended consequences force a more cautious commercial approach.

New Legislative Framework to implement Sanctions - Sanctions and AML Bill

UK Finance members were pleased to offer substantive comments to the April 2017 Government public consultation on *The United Kingdom's future legal framework for imposing and implementing sanctions*. We recognise a number of themes raised in our response have been acted upon and we welcome the proactive response of Government.

The Government's stated intention of the Bill is that the roles and obligations of financial institutions will remain parallel to those already in place. Given this the following themes set out below are viewed as particularly important for ensuring both maximum effectiveness and necessary implementation clarity. In addition, we highlight a number of additional areas in Annex A where we believe further clarity is required.

Importance of Defining UK Jurisdictional Scope

As a result of leaving the EU, businesses operating globally will wish to consider their legal exposure to any new UK sanctions legislation. It is therefore imperative that the UK legislative architecture clearly defines jurisdictional scope as to how wide the net will be cast. Despite Government offering some description on the approach to be taken, our members remain concerned that the 'jurisdictional' description is left rather open ended. Also, it is not clear who will be held ultimately responsible for breaching sanctions where the UK nexus is a step removed. For instance, a GBP denominated financial instrument traded overseas or a GBP transaction between two non UK entities that eventually clears through a UK financial institution.

We therefore recommend that Government, or an appropriate regulator, is mandated to issue guidance on what structures of governance and relationships would, and would not, introduce a UK element for sanctions enforcement purposes. We feel this will be important in order to give the business and financial community post-Brexit certainty on their legal exposure and related compliance responsibilities. UK Finance has expressed willingness to work with Government to support their thinking on developing such guidance.

Reporting Obligations

In parallel to defining the UK nexus, we have recommended to HM Government the need to set out a clearer articulation of their intended reporting obligations to be placed on industry. This is particularly the case where the situation does not involve frozen assets, or constitutes a clear sanctions breach, is a rejected payment, or where the firms becomes aware another firm may have breached sanctions.

In their April consultation, the Government articulated that new sanctions powers would include reporting obligations, including the obligation to report to Government if they know, or suspect, that a current customer, or any customer, in the previous five years, is a sanctioned person. In our response to the April consultation we identified that the only feasible way to ascertain such historical exposure would be to undertake a look back over all accounts, both open and closed. We questioned the intelligence value of such an exercise plus the considerable extra cost that would be placed on financial institutions in determining the breadth of sanctions exposure to exited and historical relationships. Although this obligation is not set out in the Bill we would wish to reiterate that inconsistent and/or excessive reporting obligations on historical relationships has the potential to create confusion and will place a significant additional burden on industry.

Section 50 Ownership and Control – The 50% Rule

When assessing the impact of sanctions, the clarity of the ownership and control structures becomes of paramount importance and can be one of the most complex elements of ensuring sanctions compliance. If ownership or control is established in accordance with set criteria, the making available of funds or economic resources to non-listed legal persons or entities which are owned or controlled by a listed person or entity will in principle be considered a sanctions breach.

The EU, and indeed many other jurisdictions, tend to apply a 50 percent rule and criterion to establish the ownership and control of an entity to ascertain whether it is subject to sanctions restrictions. For example, if a listed individual has 50 percent or more ownership of a non-listed entity, EU persons/entities are prohibited from making available funds and economic resources to that entity.

Within the Bill no direct reference is made to the existing EU standard which is generally considered to be a generic 50 percent ownership stake. We therefore question, to what extent does this omission, and the proposed ability of individual regulations/instruments to define ownership and control, indicate a move to a more varied and fluctuating quotient.

UK Finance members strongly believe the Bill should define some of the terms common to all the sanctions regimes to minimise the risk of having inconsistent definitions across the various UK sanctions programs. To ensure effective implementation our preference is for a single definition clearly set out in the bill and applicable to all regulations made under the Bill. We believe a 50 percent rule would ensure wider European and International consistency.

Whatever approach is chosen, it is important that it is a single definition applied consistently across all UK sanctions programmes. This is not to say our members would object to including a power to vary that definition by exception for a specific purpose. For instance, there may be a circumstance where UN sanctions require a specific definition of ownership and control that would otherwise conflict with the standard UK definition. Generally, however, a standard understanding of the concept should be sought to manage cross-border compliance expectations and prevent excessive and/or unnecessary de-risking. If Government is not in a position to provide this definition within the Bill itself we would ask that an obligation is mandated on Government to offer this clarity within secondary legislation.

Enhanced Information Sharing Powers

Beyond the current powers provided by EU law, and with the expectation that all of those will be brought across with the European Union (Withdrawal) Bill, HM Government could seek to utilise the Bill to introduce enhanced information sharing powers so that banks and other sectors can share information in a secure environment to improve the effectiveness of sanctions implementation. For example, where a bank identifies an entity which it suspects of involvement in transactions concerning sanctioned persons, an effective means of relaying this information with authorities, and other banks, would assist industry to mitigate engaging in activity with the entity of concern. Equally, the importance of regulatory and government authorities sharing their intelligence with the financial sector should not be underestimated.

Jurisprudence of the European Union's courts

As the UK exit negotiations advance there will be a need to clarify whether the jurisprudence of the European Union's courts can continue to be relied upon once the UK has withdrawn from the EU and in absence of any contrary guidance from the UK authorities. For example, the recent European Court of Justice opinion in the case of Rosneft which clarified the meaning of 'financial assistance' in the context of Russian sanctions.

Similarly, it is important to give clarity on the ability to rely on previous European case law, guidance and interpretation both during the transition phase and thereafter. We recommend that Government is obliged to issue guidance in this area.

Establishing Consistent Requirements across Subsequent Regulations and Within Existing Legislation

Our members preference is that where feasible enabling legislation sets out common standards and definitions that will apply across subsequent regulations. We have highlighted in this section and within the annex a number of areas where this is particularly important. Additionally, in respect to penalties and offences (S.16) we note an inconsistency in the maximum term on conviction and indictment when considered alongside the recent Police and Crime Act 2017.

UK Implementation of Sanctions Policy Post Brexit

Critical importance of Avoiding European Sanctions Divergence

Excessive EU – UK divergence would present financial institutions with considerable practical challenges for compliance, resulting in increased costs and uncertainty for UK based financial institutions and EU institutions with UK exposure.

Our members note indications from Government that the UK will not seek to diverge from current EU sanctions policy and will continue to coordinate with the EU and other international partners, including the US. We overwhelmingly support this approach but also recognise that differing EU – UK legal structures and political foreign policy priorities will, over time, result in a likely element of UK – EU sanctions divergence.

As currently implemented, the design of EU sanctions requires the consensus of all individual member states and as such ensures a strong degree of coordination in response to common defence and security threats. EU harmonisation is viewed by our members to have heightened the impact of sanctions on designated entities and individuals no matter where in the EU these designated parties are located or access finance services. Moreover, where EU efforts have been coordinated with those of other like minded countries, such as the US, Canada, Australia and Japan the global impact of such sanctions measures are far more influential. This has been particularly noted in cases where achieving UN Security Council consensus has been unsuccessful (i.e. in response to Russia's involvement in Eastern Ukraine and the Syrian conflict) or has been more limited in nature (i.e. Iranian sanctions prior to the international nuclear agreement).

Post-Brexit divergence between EU and UK sanctions (e.g. where there is considered to be sufficient grounds to designate an individual in the EU but not in the UK, or vice versa) would create uncertainty for financial institutions in respect of compliance, and we believe would weaken the overall effectiveness of both EU and UK sanctions implementation. Additionally, where EU designations are imposed, but not replicated by the UK, this could have implications for EU nationals employed by financial institutions (or vice versa regarding UK nationals working in EU financial institutions) similar to those faced by financial institutions employing US persons.

As sanctions practices develop and evolve, ensuring EU – UK foreign policy cohesion should remain a central priority. One option for moving forwards could potentially involve some type of decision-making apparatus involving both EU and UK sanction authorities. The aim, wherever possible, should be to preserve EU – UK harmonised approaches for designing, implementing, lifting and enforcing sanctions.

Continuing UK – EU interaction will also provide a strong platform for reducing divergence of approach with other key actors, notably US sanction authorities. As seen in the case of Iranian nuclear sanctions, Cuba and other scenarios, a

The development of a new legislative and policy framework for sanctions in the UK presents a unique opportunity for the UK to take a more defined position on certain implementation matters. This offers a key opportunity to improve overall implementation effectiveness and ensure sanctions are appropriately targeted.

coordinated EU approach involving the UK has offered greater political leverage in situations where EU – US political interests may not always be aligned.

Unilateral sanctions can also provoke counter-sanctions from target countries. For instance, in 2014, Russia retaliated against Western measures by banning certain imports from the countries that had joined sanctions against Moscow. In late 2015, Russia further retaliated against Turkey with a range of sanctions following the shooting down of a Russian fighter jet by the Turkish air force on the Syria-Turkey border. If the UK were to adopt a more forceful unilateral sanctions policy separate to the EU this may increase the vulnerability of UK banks being targeted by foreign governments through the imposition of retaliation sanctions

Moreover, the UK working in collaboration with the EU is well positioned to offer an aligned negotiating position by offering sanctions easing as a support to political negotiations with target countries. This is especially important given the flexibility of the US sanctions architecture to amend or roll back sanctions regimes to make them more permissive can be legally and politically difficult in the US. As demonstrated in the case of Iran and Cuba, easing sanctions often encounters significant political domestic opposition from those within Congress and the Senate who may endorse a more hard line approach. There is no reason to assume sanctions easing in the case of Russia, or other complex regimes such as Syria, will not experience similar challenges. In short, comprehensive sanctions rollback can take many years, or even decades, due to how the US political process operates. We therefore recommend that the UK, working alongside the EU, should ensure they are able to offer a coordinated approach to sanctions easing in order to incentivise a change of behaviour among those subject to sanctions.

Opportunities to Improve Implementation Effectiveness

UK Finance members are of the opinion that the narrow approach that has typically characterised the licensing regime in the EU has had significant pitfalls. The current EU legal and political landscape means that unintended consequences can arise from a particular sanctions regime that could otherwise be resolved through the introduction of a general licence to address an issue.

Our members are clear that the UK's departure from the EU offers a timely opportunity to create a domestic licensing regime which responds to the sanctions legislation in a comprehensive and coherent way. *This is viewed as especially important if the UK wishes to remain competitive within international trade and global finance.*

To be a market leader in this area, the UK authorities should see licences as a key tool to attract legitimate business activity which supports the foreign policy objectives of each sanctions regime.

Recognising that UK – EU commercial activity may require multiple licences, consideration should be given to licences required from EU member states, i.e. will the EU be able to grant EU licences for activity in multiple member states and the UK or will licences be required from each EU member state where the activity would otherwise be prohibited?

The new Bill appears to offer the ability for the UK to consider greater use of general licences or broader project-based licences for at least transactional related activities (e.g. humanitarian relief activity in otherwise sanctioned territories, or via interaction with otherwise sanctioned governments). In doing so, it is important that general licences or broader project-based licences permit activity by both UK and non-UK persons (and then permit UK institutions to perform activities ordinarily incidental to the permitted/licensed activity, such as processing a payment for the licensed activity).

We would further stress that future general licensing powers should be broad and allow the Office of Financial Sanctions Implementation (OFSI) to issue licences where it is in the public interest to do so.

We welcome the opportunity to progress towards a more effective licensing framework and have offered detailed comments to Government on this matter. In addition, within Annex Two we set out specific proposals in the arena of supporting humanitarian payments which reflect extensive member deliberation over recent years.

Annex One

s.2 – "Connected person"	The definition of "connected person" may be construed broadly or narrowly based on the implementing legislation and the s.1(2) sanctions gateway. A terrorism or international peace and security (s.1(2)(a) or (c) respectively) designation may be construed more broadly than a s.1(2)(b) or (d) designation. Whichever way, guidance on this will be key in light of the fact banks use this term in different ways and current legislation relies on association, connection etc. interchangeably.
ss.10 and 11 – "Involved persons"	We are unsure how banks should interpret "involved person" vs "connected person". Unless further clarification is offered, assessing this aspect may pose a compliance challenge from a risk assessment perspective. OFSI clarification is welcomed.
s.15 – Powers to inspect, demand compliance records	We are uncertain as to whether this interferes with OFSI's civil penalties regime. Will that regime need to be re-drafted to read compatibly with these powers? Section 15(2) is interesting in particular as it allows for certain information to be publicised and we would welcome further clarification on how Government intends to utilise this power.
s.17(2) – Extra-territorial application	Whilst OFSI have previously noted that they do not seek an OFAC style global reach, this power allows for wide extra-territoriality. At which point is a "body corporate" engaged in a GBP transaction with no other connection to the UK (s.17(2)(b))? Does use of the GBP engage the UK financial institutions (such as the Bank of England) in the same way the USD does? This would be particularly interesting in the trade finance and insurance markets.
s.17(4) – Channel Islands	Does the Bill's reach impact companies registered in Jersey/ Guernsey with no other UK connection?
s.37 – Compliance Defence	How broad is this, how applicable and how much is this likely to be challenged?
s.28 re: Temporary Powers in Relation to EU Sanctions Lists	The retained EU sanctions appear to be limited to regulations and do not cover EU case law regarding designations or regulations.
s.37 provides protection for individuals/entities from civil proceedings in relation to complying with Sanctions –	We seek clarification on whether there will be any protection in relation to criminal proceedings?
s.48 (1)(d)	Under Section 48(1)(d) interest is included in the definition of funds – will financial institutions still be able to apply interest to the account of a designated person as long as that account is frozen and the designated person does not have access to the funds or interest?

s.26 Guidance	While it is appreciated that guidance must be issued there is no certainty regarding what it will contain as subsection (2) only specifies what it may include rather than what it 'must' include. We urge a more precise requirement on Government to issue clear implementing guidance.
Power to implement sanctions	The Bill doesn't appear to define who from Treasury will have the power to implement Sanctions.

Annex Two

Moving Towards a Forward Leaning and Proactive Approach to UK Licensing of Humanitarian Transactions

Banks and International Non-Government Organisations (INGOs) have increasingly articulated that the current framework permitting humanitarian transactions into sanctioned and conflict environments needs re-thinking and updating. In short, a new equilibrium needs to be found that recognises the strategic importance of facilitating both humanitarian aid and permissible civilian transactions to higher risk jurisdictions subject to economic sanctions, whilst balancing expectations of appropriate sanctions compliance and counter terrorist controls that are required to make such movement of funds.

Banks and their international charity clients are currently required to navigate a combination of complex multi-jurisdictional regulatory guidance and an inconsistent licensing regime which has led to a significant impact on the funding of humanitarian projects into certain conflict zones and other high risk countries, subject to sanctions. In addition, the broader financial crime risks arising from the Financial Action Task Force (FATF) citing non-profit organisations as targets of terrorist financing, has led to non-profit organisations increasingly becoming identified as higher risk clients subject to enhanced due diligence and in some cases exit.

UK Finance members have been at the forefront of advancing a range of initiatives with key stakeholders that explores opportunities for creating a more conducive international regulatory and legal environment in support of humanitarian transactions. We believe that as the UK will be required to develop a new approach towards licensing, this will offer a clear opportunity to advance the following proposals aimed at better enabling the processing of humanitarian transactions into sanctioned environments. These include:

Mutual humanitarian licensing recognition: Where governments have aligned foreign policy objectives to impose sanctions on a given country, consideration should be given to developing a framework that offers a degree of mutual recognition for humanitarian licenses issued by 'like minded' competent authorities. Such a framework would offer greater confidence to both banks and INGOs. It would further reduce extensive compliance costs and time involved in liaising with multiple individual government authorities. A notification arrangement among licensing authorities could be established to ensure transparency across government stakeholders. A more advanced option would be the utilisation of a pan jurisdictional humanitarian licences arrangement; the benefit of which would be to overcome current multi-jurisdictional and multi-regulator licensing requirements.

Utilisation of General Licenses pertaining to humanitarian permissions: EU legislation is currently not designed to issue European Wide General Licenses to cover humanitarian activity. The new UK framework as set out in the Sanctions/AML Bill will enable a greater ability to adopt a General Licensing approach that facilities legitimate humanitarian activity.

Where possible governments, as part of their donor arrangements, consider offering conditional approval/appropriate licences at the outset of projects they intend to fund: The UK government should explore incorporating the necessary licences 'up-front' as part of the funding agreements for projects operating in countries subject to sanctions. For instance, DFID as part of their agreement to fund a specific project (i.e. in Syria) could work with HM Treasury's OFSI to ensure that same project receives the necessary UK government approvals/licenses so as to enable the delivery of such projects. Such approvals may include agreements on payment routings and due diligence requirements in advance.

Pre-authorisation for project activities: In instances whereby an INGO is operating in a highly complex sanctions environment, UK authorities should explore establishing a pre-authorisation framework at the outset of the project. As has been seen in the US context; this may include known engagement with a designated entity. For instance, where it is clear that if the INGO is to operate they will require some interaction with a designated entity i.e. purchasing fuel within Syria so as to operate hospital generators or water drilling equipment.

General exemptions for certain mission critical activities: In rapidly changing conflict situations the window of opportunity to deliver aid is often time critical. Where there are immediate 'life and death' concerns competent authorities should consider the use of an emergency license or authorisation framework similar to those written into previous EU Regulations which allow for post execution authorisation. For example, military operations to recapture ISIL controlled territory

in Syria have resulted in the rapid movement of civilian populations requiring immediate access to food and medical provisions. Such interventions will often be delivered by air drop and is likely to involve engagement with sanctioned entities.

In major humanitarian emergency situations government authorities should lead the creation of a fast tracked procurement/licensed channels: Conflict situation often experience critical shortage of essential medicines, pharmaceutical products, medical equipment and dual use goods. Given the level of reluctance among western suppliers to offer such goods (in part, for fear of sanctions and divergence issues) the U.S., EU, UK and UN should work together with INGOs to identify priority needs. These needs should be shared via a public-private sector platform with relevant suppliers. Such dialogue could not only help to energise the private sectors appetite for supplying necessary humanitarian goods and related financing into conflict and sanctioned environments, but could also address expected issues in respect to diversion, and clarify the necessary licenses available.

For further information:

If you have any queries or require further information, please feel free to contact:

- Justine Walker, Director, Financial Crime (Sanctions), at UK Finance (justine.walker@ukfinance.org.uk)
- Simon Marlow, Government Affairs Manager (simon.marlow@ukfinance.org.uk)

In addition, should you find a one to one briefing of value we would be delighted to meet at a suitable date and time.