



38. Sanctions Monitoring Policy

Reviewed By: Melissa Munnich

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Woodhurst is committed to complying with all relevant sanctions laws and regulations, including those imposed by the **United Nations (UN)**, **European Union (EU)**, and the **UK Government**, as well as any other jurisdictions where we operate. This policy outlines the procedures and responsibilities for sanctions monitoring, ensuring that Woodhurst does not engage in any financial transactions or business activities with sanctioned individuals, entities, or countries, particularly in the financial services sector.

38.1 Purpose

The purpose of this policy is to:

- Provide clear guidelines for identifying and managing sanctions risks relevant to our financial services activities.
- Ensure compliance with all applicable sanctions regulations that may impact our clients, partners, and business operations.
- Protect Woodhurst from the financial, legal, and reputational risks associated with breaching sanctions.

38.2 Scope

This policy applies to:

- All employees, contractors, consultants, and third parties working on behalf of Woodhurst.

- All financial services and related activities, including client onboarding, supplier engagement, and financial transactions.

38.3 Legal Framework

Woodhurst is required to comply with various sanctions regimes, including:

- **UK Sanctions:** Administered by the **Office of Financial Sanctions Implementation (OFSI)** under HM Treasury.
- **EU Sanctions:** Imposed by the European Union against certain countries, entities, and individuals.
- **UN Sanctions:** Mandated by the United Nations Security Council and implemented by member states.
- **Other International Sanctions:** Depending on the jurisdictions in which we operate, we also comply with other relevant sanctions regulations.

Non-compliance with sanctions laws can result in severe penalties, including fines, asset freezes, and criminal charges.

38.4 Identifying Sanctions Risk in Financial Services

Given our focus on financial services, sanctions risks are most likely to arise in the following areas:

- **Client Onboarding:** Ensuring that clients are not listed on any sanctions lists and that their financial activities are compliant with sanctions regulations.
- **Financial Transactions:** Ensuring that payments and transactions do not involve sanctioned individuals, entities, or countries.
- **Business Partnerships:** Conducting due diligence to ensure that our partners, including financial institutions and service providers, are compliant with sanctions laws.

Employees must exercise due diligence when engaging with clients or partners to ensure no sanctions risks are present.

38.5 Sanctions Screening Process

To mitigate sanctions risks, Woodhurst implements the following screening processes tailored to financial services:

- **Client Onboarding and Due Diligence:**
 - All potential clients are screened against relevant sanctions lists, including the **UK Treasury's Consolidated List**, the **EU Sanctions List**, and other applicable international sanctions databases.
 - We use automated sanctions screening tools to identify any high-risk clients and potential matches.
 - If a match is found, the client relationship will not proceed until further investigation is conducted by the compliance team, and legal advice is sought if necessary.
- **Ongoing Client Monitoring:**
 - Existing clients must be subject to periodic sanctions screening to ensure compliance as sanctions lists are frequently updated.
 - If an existing client is identified on a sanctions list, Woodhurst will cease all business activities with that client and notify relevant authorities if required.
- **Transaction Monitoring:**
 - All financial transactions are monitored to ensure that they do not involve sanctioned individuals, entities, or countries.
 - Payments will not be made to or received from sanctioned financial institutions or through countries subject to sanctions.

38.6 Responsibilities

- **Compliance Officer:** The compliance officer (Luke Casey) is responsible for overseeing sanctions monitoring activities, ensuring that Woodhurst's screening processes are effective and up to date. The compliance officer also investigates potential sanctions matches and ensures compliance with all applicable sanctions laws.

- **Employees:** All employees are responsible for following the procedures outlined in this policy, remaining vigilant during client interactions, and reporting any potential sanctions issues to the compliance officer immediately.

38.7 Reporting and Escalation

If a potential match or sanctions violation is identified, the following steps must be taken:

- **Step 1:** The employee identifying the issue must report it immediately to the compliance officer.
- **Step 2:** The compliance officer will conduct further screening to verify whether the individual, entity, or transaction is subject to sanctions.
- **Step 3:** If a sanction match is confirmed, all business activities with the individual or entity must cease immediately.
- **Step 4:** The compliance officer may be required to notify relevant authorities, such as OFSI, depending on the nature of the sanctions breach.

Woodhurst is committed to cooperating fully with authorities in the event of any potential sanctions breach.

38.8 Record-Keeping

Woodhurst will maintain detailed records of:

- All sanctions screening checks performed on clients and transactions.
- Any matches identified and actions taken in response.
- Communications with regulatory authorities regarding sanctions breaches or suspected breaches.

These records will be kept for a minimum of **five years** in line with regulatory requirements.

38.9 Training and Awareness

To ensure that all employees are aware of their responsibilities under this policy, Woodhurst provides:

- **Sanctions Monitoring Training:** All employees will receive training on sanctions monitoring procedures and the risks associated with breaching sanctions laws.
- **Ongoing Awareness:** Regular updates will be provided to ensure employees remain informed of changes to sanctions regulations and lists.

38.10 Consequences of Non-Compliance

Non-compliance with sanctions laws can result in severe penalties for both individuals and Woodhurst, including:

- **Criminal Prosecution:** Breaching sanctions laws can result in criminal prosecution, fines, and imprisonment.
- **Civil Penalties:** Civil penalties, including substantial fines, may be imposed on Woodhurst for failing to comply with sanctions regulations.
- **Reputational Damage:** Sanctions breaches can severely damage Woodhurst's reputation and affect relationships with clients, regulators, and business partners.

Any employee found to have knowingly breached sanctions laws will be subject to disciplinary action, which may include dismissal.

38.11 Monitoring and Review

This policy will be reviewed **annually** by the compliance officer and leadership team to ensure that it remains aligned with regulatory requirements and industry best practices. Changes in sanctions regulations will be incorporated into the policy as needed.

Woodhurst is committed to maintaining full compliance with all applicable sanctions laws and regulations, particularly within the financial services industry.

The procedures outlined in this policy ensure that our business operations do not engage with sanctioned activities, individuals, or entities.