



The process for imposing
monetary penalties for breaches
of financial sanctions:

Consultation response form

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| Name REDACTED |
| Organisation: REDACTED |
| <input checked="" type="checkbox"/> Please tick if you are responding on behalf an organisation |
| Name of organisation (if applicable) REDACTED |
| Address: REDACTED Email: REDACTED & REDACTED |
| <p>1. Do these introductory sections give you enough information to understand the scope of the law on monetary penalties? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>What else would be useful?</p> <p>Click here to enter text.</p> |
| <p>2. What are your views on OFSI's compliance and enforcement approach?</p> <p>OFSI should take into account business entities who may form part of a supply chain e.g. REDACTED members' who are acting as agents to export goods, or documents, and deliver the shipment under a contract, usually from the consignor. It is not practical for our members to check consolidated lists for each shipment (in addition to current business practices). Our members rely on CHIEF as the primary check for the control of shipments that do not receive permission to progress for export. For the sanction lists to be held on CHIEF, and in due course CDS, would be an effective means of controlling goods where an agent is submitting an entry on behalf of an exporter. This would provide an automated final failsafe rather than agents having to manually check the lists at point of export.</p> <p>However, whilst this would work for individual item level entries where the consignor and consignee details form part of the dataset, there are added complexities to consider. For example documents and certain goods can be exported under bulk simplified procedures where profiling via CHIEF/CDS at individual consignment level would not take place. To benefit from these simplification members must be approved Export MoU (Memorandum of Understanding) operators required to apply variable checks to consignments and referring any resultant concerns to a specialist team within HMRC.</p> <p>In addition, the focus at the Roundtable was exclusively on exports but are imports in scope?</p> <p>Whilst the roundtable event was useful we would like to have further clarification and information in order to be able to evaluate the potential impact on members'. We would therefore welcome the offered opportunity</p> |

to meet with the OFSI as soon as possible to explore issues further in order to understand, and be fully qualified to comment, on the implications for our sector.

3. Is there anything else you would expect a compliance model to tackle?

Yes No

(If yes please explain what below)

As per question 2 above – to ensure if an entity fully cooperates and can demonstrate due diligence i.e. that they did not know at time of export XYZ was on a sanctions list, a monetary penalty would not be imposed upon that individual or organisation.

4. Do you understand our proposed case assessment approach?

Yes No

(if no please explain why below)

[Click here to enter text.](#)

5. What are your views on our proposed case assessment approach?

Providing a case by case analysis is undertaken and any mitigating factors are considered then this approach seems reasonable.

6. Does this guidance give you enough information to help you understand how a penalty is calculated?

Yes No

(if no please explain why below)

[Click here to enter text.](#)

7. OFSI will reduce the level of penalty if there is voluntary disclosure. What are your views on OFSI's approach to this?

Agreed this is the correct approach since it promotes compliance and a genuine error could be discovered.

8. Is the process for imposing a penalty and making representations clear from this guidance?

Yes No

(if no please explain why below)

REDACTED share the views expressed at Roundtable event - what would constitute a "serious" error and in turn what would then be viewed as a "most serious" error? How would that judgement be made, greater clarity would be needed – what would be the defining factors?

9. Do you understand the guidance on seeking a Ministerial review?

Yes No

10. What are your views on the process for seeking a Ministerial review?

No comment.

11. Does this guidance clearly explain why and how OFSI will publish information on penalties imposed for breaches of financial sanctions regulations?

Yes No

What are your views on the level of information OFSI will publish?

We are concerned about the damage to reputation and potential impact to future business publishing details to general public could have. It would obviously depend on the case and circumstances. Greater clarification would be welcome e.g. would a business be named and shamed if it was a rogue employee who had acted unlawfully? Also, the guidance at present states the OFSI will "normally" publish – greater insight on the circumstances in which it would, and would not, publish would be helpful.

12. Considering the document as a whole, does this guidance help you clearly understand OFSI's approach to imposing monetary penalties?

Partially, we would welcome further discussion as requested under our response to question 2 to be able to fully appreciate the potential applicability to REDACTEDmembers.

Please e-mail this form to: OFSIConsultation@hmtreasury.gsi.gov.uk

Or post to OFSI Consultation, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ