



HM Treasury

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

Consultation response form

Name:	
Organisation:	
<input checked="" type="checkbox"/> Please tick if you are responding on behalf an organisation	
Name of organisation (if applicable)	
Address: Email:	Telephone:
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 What else would be useful? Click here to enter text.	
2. What are your views on OFSI's compliance and enforcement approach? Approach seems sensible. Promotion and education particularly important for individuals and smaller businesses that may struggle to keep up to date with the increasing regulatory / compliance developments.	
3. Is there anything else you would expect a compliance model to tackle? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (if yes please explain what below)	

Click here to enter text.

4. Do you understand our proposed case assessment approach?

Yes No

(if no please explain why below)

I understand it but have some concern that the note at 2.7.2 does not do enough to clarify the meaning of section 131(1)(b) of the Act. The wording of that section is unclear and it might be helpful for non lawyers if it explained that (B) refers to the person who committed the breach knowing or having reasonable cause to suspect, that they were in breach. There are too many "persons" in (b) and I think it makes it possibly confusing for those not from a legal background.

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

It seems to be fair and reasonable. Query, however, how historic breaches will be dealt with. The penalties are new and significant - how will the penalties apply to past breaches disclosed now? Or will they apply only to breaches that have occurred since the introduction of the new penalties? The guidance may need to provide clarification of how OFSI proposes to deal with historic issues that come to light.

Are there any duties on legal advisors or other to report / disclose breaches they become aware of? That would conflict with duties of confidentiality to the client.

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?

I think this is appropriate. This should encourage open dealings with OFSI and help save tax payers money on costly investigations. Particularly relevant where the breach has not been the result of a deliberate act.

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

Yes No

(if no please explain why below)

<p>The process is clear but query whether there will be any room to extend deadlines to make representations. Some matters are complex and require investigations that take time. Will this be accommodated?</p>
<p>9. Do you understand the guidance on seeking a Ministerial review? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>10. What are your views on the process for seeking a Ministerial review? No comments.</p>
<p>11. Does this guidance clearly explain why and how OFSI will publish information on penalties imposed for breaches of financial sanctions regulations? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No What are your views on the level of information OFSI will publish? Seems appropriate. However, query whether consideration may need to be given to protecting commercially sensitive material.</p>
<p>12. Considering the document as a whole, does this guidance help you clearly understand OFSI's approach to imposing monetary penalties? Yes, on the whole the guidance is clear. I am concerned, however, that given the length of it individuals and smaller businesses may find it onerous. OFSI will need to ensure that those who have small business and cannot support large compliance teams or pay lawyers for assistance may find it all daunting and adopt a head in the sand approach.</p>
<p>Please e-mail this form to: OFSIConsultation@hmtreasury.gsi.gov.uk</p>

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