



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:	Telephone:
Email:	
<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>We believe the inclusion of additional guidance on implementation of automated systems and lessons learned from other business on typical frameworks and models, would be useful for businesses wanting to quickly mature their sanctions control environment.</p>	
<p>2. What are your views on OFSI's compliance and enforcement approach?</p> <p>The compliance and enforcement approach appears reasonable and pragmatic. The four areas of "Promote", "Enable", "Respond" and "Change" will support and assist businesses maintain a robust control environment. It would be good to understand how the "promote" and "enable" stages will work in practice and whether this will include regular updates and examples of good and bad practice similar to the FCA guide. VM notes that there will be continued focus and interest from business on how to manage "false positive" matches. At present there is limited guidance information on what to do with "minimal name matches" (e.g. just a common name with no additional data like date of birth) where there is very little other data on the sanctions list to rule out a customer. This can impact a large number of customers where this relates to a common name.</p>	

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

Yes No

(if yes please explain what below)

We recommend consideration is given to the introduction of standardised reporting to OFSI. We believe this would support the objectives of OFSI in pursuing a comprehensive approach and in identifying areas where additional guidance may be required.

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?

The proposed case assessment process is systematic, reasonable and thorough. It is well explained with mitigating and aggravating factors considered, which is important. The OFSI should consider how they will update the guidance and related aggravating factors in light of any new or emerging risks.

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)

It would be useful if the Penalty Notices mirrored FCA's Final Notices which include details on how regulations were evaded/avoided or where compliance could have been improved. This would be a useful tool for firms' learning and improvement.

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

We are supportive of this approach and it is aligned to the FCA approach which encourages entities to voluntarily disclose. We note that the penalties vary depending on the severity of the issue. It would be helpful if OFSI could provide clarity on the difference between "serious" and "most serious" cases to help understanding.

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

Yes No

(if no please explain why below)

Click here to enter text.

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?

It is important that the Ministerial review is independent and the consultation paper does make it clear that OFSI will have no role in this process. It is however noted that the Minister (Economic Secretary to the Treasury) may delegate the review to another Minister. In those circumstances, it would be good to understand the process for consideration of conflicts of interest.

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?

The level of information OFSI will publish following a breach of sanctions is consistent with the level of information published by FCA following a breach of regulations. This information will be very useful to firms to consider lessons learnt from real life cases and re-assessment of systems and controls in place on that basis.

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

Yes. This is a very well structured and well explained guidance.

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