



Imposition of Monetary Penalty – Raphaels Bank

Penalty imposed on: R. Raphael & Sons plc trading as Raphaels Bank (Raphaels Bank)

1. On Monday, 21 January 2019 the Office of Financial Sanctions Implementation (OFSI), part of HM Treasury, issued a monetary penalty of £10,000.00 in accordance with s146 of the Policing and Crime Act 2017 against Raphaels Bank for a contravention of regulation 3 of the Egypt (Asset-Freezing) Regulations 2011 (S.I. 2011/887).
2. The value of the transaction was £200.00. Raphaels Bank dealt with funds belonging to a person designated under the above regime.
3. Raphaels Bank made a disclosure to OFSI when they became aware that a breach of financial sanctions had taken place.
4. OFSI assessed that a penalty of £10,000 was reasonable and proportionate to the facts of the case. Because Raphaels Bank made a disclosure of the breach and cooperated with the investigation, OFSI reduced the penalty by 50% to £5,000 following our published guidance on case assessment.
5. OFSI imposed the monetary penalty because it was satisfied, on the balance of probabilities, that Raphaels Bank breached a prohibition that is imposed by or under financial sanctions legislation, and knew, or had reasonable cause to suspect, that they were in breach of the prohibition.
6. Raphael's Bank dealt with funds belonging to a designated person despite having access their passport details, which clearly identified the individual by both name, date of birth and nationality.
7. Raphaels Bank were aware of financial sanctions risks and their obligations, and despite this they dealt with funds belonging to a DP. The regime under which the individual was designated is one where sanctions are applied because of the misappropriation of

Egyptian State funds. The bank's actions allowed the individual to utilise funds that should have been frozen. No matter the value of the transaction, the breach directly contravened the policy intention of the asset freeze.

Note on Compliance

8. Information on which persons are designated under each financial sanctions regime is published by OFSI and is available as a consolidated list on our website. You can also sign up for our e-mail alerts so you are notified each time the consolidated list is updated.
9. Companies should take care to make sure they carry out appropriate financial sanctions screening or checks, and act on the results in the correct way. Where the financial sanction is an asset freeze, it is generally prohibited to:
 - Deal with the frozen funds or economic resources, belonging to or owned, held or controlled by a designated person
 - Make funds or economic resources available, directly or indirectly, to, or for the benefit of, a designated person
 - Engage in actions that, directly or indirectly, circumvent the financial sanctions prohibitions

The funds and economic resources are to be frozen immediately by the person in possession or control of them.

10. If you know or have reasonable cause to suspect that you are in possession or control of, or are otherwise dealing with, the funds or economic resources of a designated person you must:
 - Freeze them
 - Not deal with them or make them available to, or for the benefit of, the designated person, unless there is an exemption in the legislation that you can rely on or you have a licence from OFSI
 - Inform OFSI

