



D-9: Sanctions & Embargoes, RespectUs style, to get fast answers to an interrogation about exports

Restrictive measures or "sanctions" are an essential tool of the foreign and security policy of a large number of countries. In Europe, they are used by the EU as part of an integrated and comprehensive policy approach, involving political dialogue, complementary efforts and the use of other instruments at its disposal.

The objective is to safeguard EU's values, fundamental interests, and security, preserve peace, consolidate and support democracy, the rule of law, human rights and the principles of international law, but also to prevent conflicts and strengthening international security.

Sanctions, which are used by almost all countries worldwide, seek to bring about a change in the policy or conduct of those targeted. They are targeting:

- governments of targeted countries because of their policies
- entities (companies) providing the means to conduct the targeted policies
- groups or organisations such as terrorist groups
- individuals supporting the targeted policies, involved in terrorist activities etc.

Most sanction regimes do implement the following measures:

- arms embargoes
- restrictions on imports and exports of dual-use items and other sensitive goods and technology, including technical and financial assistance, brokering and other services
- restrictions on admission (travel bans)
- asset freezes.

Are you mastering the volume of sanctions regulations ?

The sanctions landscape is constantly changing and evolving. And exporting companies really need to be able to understand sanctions, how they apply to them and the challenges they face in adhering to them. It's only through keeping their eye on the ball that they'll stay on the right side of regulators and avoid sanctions violations.

The challenges for exporters are the following:

- **Conflicting regimes:** of course, due to the global nature of business, exporters operate across multiple jurisdictions, which often means dealing with conflicting sanctions regimes. This increases the number and complexity of cases that need to be escalated and resolved.
- **Number and volume of sanctions regulations:** More than 25 countries are subject to sanctions. Reading all sanctions regulations (in the EU, Council decisions are adding to the reading list) takes days. Not to speak about amendments and updates coming in at least once a week. Russia sanctions, for example, are now at the 10th package update within one year. Not to mention the readability of such regulations, with the legal wording not always easy to understand, in particular if rules (and their exceptions) are spread all over multiple places in the text.
- **Compliance fatigue:** the ever growing sanctions increase the number of potential sanctions violations that need to be escalated and reviewed before discounting (false positives), adding to the workload of those managing such “alerts”.
- **Inadequate screening systems and technology:** while screening of financial sanctions and asset freezes against natural persons is offered by multiple providers, the same is not the case for trade restrictions. Have you implemented a system by which you see if a particular product identified by its customs number may be exported to a sanctioned country, or if you may provide technical assistance or training on this product? What about restrictions on how to make business with entities in sanctioned countries? Proper sanctions screening processes involve many controls. At a high level, there are 3 distinct phases: (1) inclusion of complete and accurate information; (2) the logic behind how matching occurs; and (3) how potential sanctions violations are evaluated. The dynamic nature of existing lists and introduction of new lists require a near real-time update of lists and testing to ensure this is working optimally.
- **Unravelling complex structures:** in order to comply with sanctions, you need to know who your customers are. Identifying who you need to screen, which includes beneficial owners, often requires an understanding of complicated organisation structures,

The broad scope of many sanctions regimes and the deep impact on business relations with customers in targeted countries makes compliance with all applicable laws a permanent challenge for businesses engaging in international trade and investment.



RespectUs provides easy answers with legal references

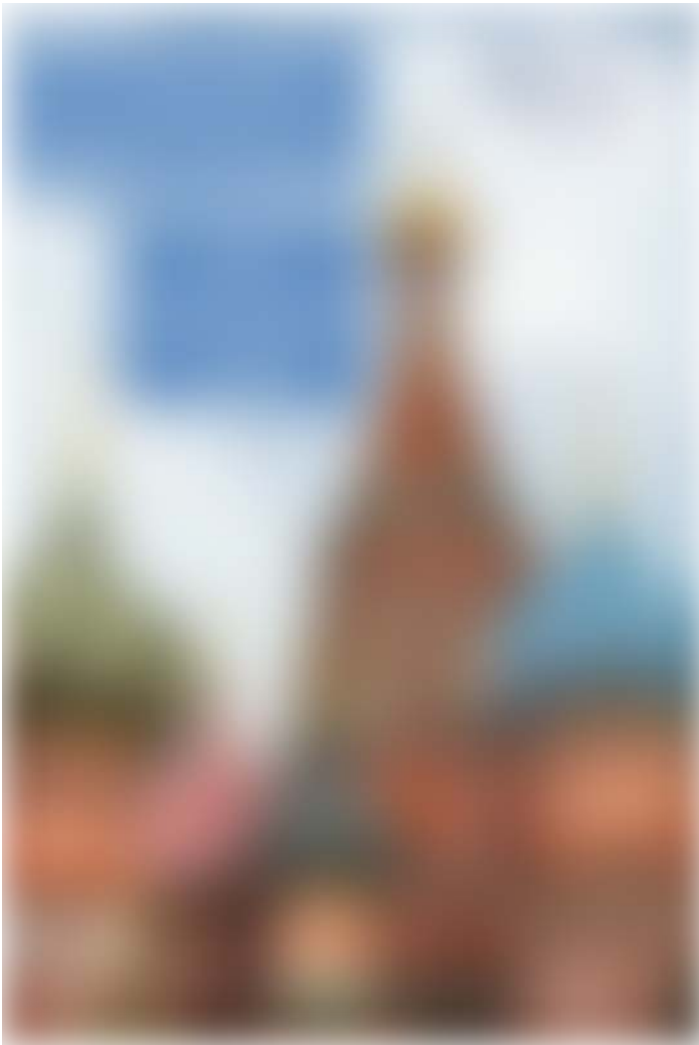
RespectUs has taken a totally new approach to provide information on sanctions and embargoes. When designing the process, we put ourselves in the role of an exporting company, a provider of technical assistance or brokering, a financial institution, in short any user who wants to know about applicable sanctions.

We are not only displaying or explaining legal sanctions texts. Yes, we are doing this as well, but in the RespectUs Knowledge Base (module 1).

When using module 3 of our platform, a user chooses

1. his country of establishment or shipping,
2. the destination country,
3. the product, software or technology he is handling,
4. the operation he is doing with this product (export, import, transit, technical assistance, brokering, financial assistance etc.)

As a result, the platform displays if there is a restriction on this particular transaction, and if so, what type of restriction (prohibition, license requirement etc.). The process does not take more than 2 minutes, and the downloadable report comes with a detailed explanation of the legal sources used (e.g. the European Union regulations and decisions, and the national implementation text on the



national level of the EU Member State chosen as country of establishment or shipping). This report may be shown to the Management to demonstrate if a particular transaction with a sanction country is restricted or not.

The report may be saved in the dashboard and accessed at a later stage to prove that the assessment was made at a particular day. It is well understood that the platform is always up-to-date with current sanctions regulations, so that you always get the latest information.

We are maintaining as well coordinated versions of all sanctions regulations in Our RespectUs Knowledge Base.

Financial and other sanctions (travel bans, prohibition to do business) against entities and people are screened through the Name Check solution (module 4) in the platform.

In short, the RespectUs is:

an innovative tool to get information about applicable sanctions and embargoes against countries, entities and people:

- in real time, in less than 2 minutes
- without reading any legal text
- in an easily understandable language
- through 4 steps, with an answer to give by the user to a very simple question
- integrating daily the changes operated by the authors of the sanctions worldwide
- providing a downloadable and storable report
- integrating within 2 years the sanctions legislations of 50 different countries worldwide, and targeting more than 25 sanctioned countries
- providing a clear answer, avoiding infringements that may result in heavy fines, reputational damage or even criminal prosecution.

Test us. Challenge us. Give us feedback so that we can improve and design this module according to your specific needs.

Cheers,

For the RespectUs team,

Patrick Goergen, CEO

Next to come in this series:

D-8: Customer Screening, with due diligence processes and name checks.

Did you miss part(s) of the series? Read here the last blogs:

1 March 2023: [D-14 RespectUs is opening subscriptions on 15 March 2023](#)

2 March 2023: [D-13 Knowledge Base, the collection of export control and sanctions regulations](#)

3 March 2023: [D-12 Product Classification made by RespectUs, to determine dual-use and military codes](#)