

# SANCTIONED SECURITIES SCREENING

**An efficient and effective solution for identifying  
and screening sanctioned securities**

Refinitiv's new sanctioned securities monitoring and screening solution solves the complex data challenge of identifying securities related to sanctioned entities and screening for sanctions-related risk, allowing banks and FIs to maintain effective sanctions compliance and trade with confidence.

## **Sanctioned securities: the data challenge**

Compliance with sanctions remains a complex area for many banks and financial institutions (FIs). Identifying and responding effectively to top line sanctions is not enough, as institutions must also identify sanctioned securities – in other words, any securities related to a sanctioned entity, including securities issued by subsidiaries of sanctioned companies and those where sanctioned individuals enjoy beneficial ownership.

Failure to identify such securities and screen for related risk can result in both reputational damage and often hefty fines, but the process of identifying sanctions-related securities is often far from straightforward.

Sanctioned securities may explicitly be named by sanctioning bodies, such as the U.S. Office of Foreign Assets Control (OFAC), the European Union, the United Nations and the JMOF KW, but this is not always the case. In many instances, the onus falls on FIs to uncover any links between sanctioned entities and potentially related securities.

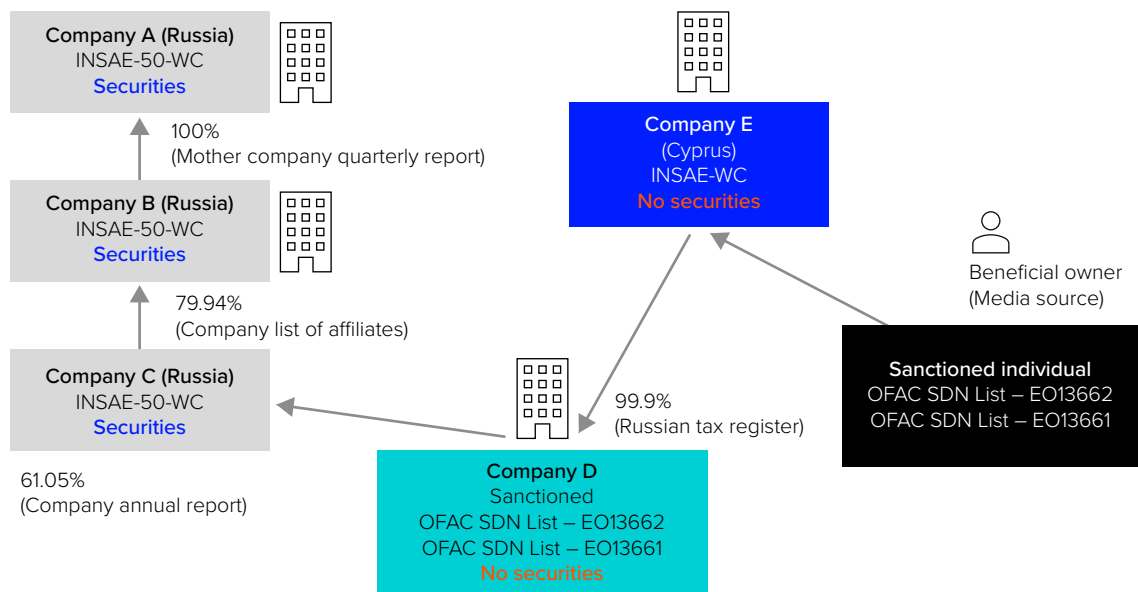
This can quickly become a significant data challenge that typically involves:

- Identifying sanctioned entities and their issued securities
- Uncovering any subsidiaries or holdings of more than 50%
- Ascertaining whether the securities issued by those subsidiaries are affected
- Verifying if any sanctioned individuals enjoy beneficial ownership
- Determining any exposure to securities affected by persons or entities added to any watch lists or "high risk" lists

Further challenges are created by the fact that the original sanctions relating to the linked entities can be:

- Comprehensive (broad-based) or sectoral in nature. Under sectoral sanctions, certain transactions by U.S. persons or within the United States are prohibited.
- Explicit or implicit. Explicit sanctions are governed by lists specifying the names of the individuals, organizations and/or sanctioned countries, while implicit (narrative) sanctions only name the main sanctioned entity, but extend to all entities covered by a narrative statement on a sanctions program. In addition, for example, specific tenors such as 14/30/90 days maturity may apply.
- Moreover, several additional factors can add layers of complexity when maintaining sanctions-related compliance. For example, regulators may impose new sanctions at any time, and securities that are currently not sanctioned may become so in the course of corporate actions, such as capital increases, acquisitions or IPOs.

### Sanctioned securities screening



### The Refinitiv sanctioned securities solution

Refinitiv has introduced a holistic solution that addresses the complex data needs associated with sanctioned securities compliance – by delivering accurate, comprehensive sanctions content that can be used to screen for risk.

Featuring regularly updated lists of issuers and securities linked to sanctioned domiciles, companies and individuals, and simplified access to securities linked to entities or persons at high risk of being sanctioned, our solution leverages the watch list functionality of our market-leading Refinitiv® World-Check® One. This means that users can identify sanctioned securities and screen for risk all on a single platform.

Our streamlined process sees users upload our sanctioned securities file and create a sanctioned securities watch list before enabling the ongoing screening functionality that uses unique security identification numbers (ISIN, CUSIP and SEDOL) to ensure the accuracy of results.

Users can:

- Upload internal and/or third-party lists seamlessly using the World-Check One interface or API
- Benefit from the extensive use of advanced automation that reduces the risk of manual mistakes
- Quickly and easily maintain and update the content of existing records or add new records to a watch list
- Use free text fields to record specific information on a record

#### The solution incorporates full workflow capabilities and matching.

We further offer the ability to upload and screen names in 30+ supported languages, including Russian, Chinese and Japanese.

## The World-Check advantage

World-Check offers market-leading sanctions coverage of over 280 sanctions lists, with all major sanctions lists monitored and covered on an ongoing, 24/7 basis.

- Covers all known sanctions lists: 280+ lists
- 100% coverage of explicit sanctions
- Implicit (narrative) sanctions coverage
- Coverage of sanctioned securities of financial instruments issued by sanctioned entities (ISIN/CUSIP/SEDOL)
- External assurance with ISAE 3000 audit on an annual basis
- Major sanctions lists monitored and covered on a 24/7/365 basis
- Special team dedicated to covering all sanctions lists
- Dedicated quality control
- Records are keyworded, allowing flexible screening
- Records are deduplicated, reducing noise by ~70%

## Key benefits

- **Extensive coverage and regular updates:** Across comprehensive, sectoral, explicit and implicit sanctions
- **Simplicity:** User-friendly design featuring simplified navigation and a one-click approach
- **Efficiency:** We apply secondary matching rules at list level to reduce false positives and further boost efficiency. We also offer an at-a-glance view of screening match strength
- **A holistic approach:** Enhanced enterprise-level case management facilitates work on cases with assigned colleagues and teams when investigating risk. Multi-language capabilities cater to multinational companies and teams
- **Proof of due diligence:** Each step of the screening process is tracked and saved for auditing purposes, and organizations can retrieve detailed reports showing the decision-making process and the individuals involved during every stage of the remediation process

Refinitiv is one of the world's largest providers of financial markets data and infrastructure, serving over 40,000 institutions in approximately 190 countries. It provides leading data and insights, trading platforms, and open data and technology platforms that connect a thriving global financial markets community – driving performance in trading, investment, wealth management, regulatory compliance, market data management, enterprise risk and fighting financial crime.

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