



Sanctions Risk Assessment Checklist



Know Your Customer requirements are so familiar in the banking industry that they are often referred to as KYC. Outside that industry, however, the term is less frequently used. To better assess sanctions compliance risk, however, GAC needs to be familiar with KYC, as well as other key knowledge areas, to assess the risks we face. Here's what GAC management uses as a risk assessment checklist:

Know Your Customers & Third Parties

GAC's supply chain and other third parties on which our company relies also pose risks.

- Have individuals and entities been checked against published sanctions and SDNs lists?
- Do you have visibility into the controlling interests behind individual customers, suppliers, or other third parties?

Know Your Product or Service

- Does the product or service you provide have a dual-use or military application?
- Does the product or service require an export license?
- Is the product or service subject to an embargo?

Know the Receiving Country

- Is the country a known facilitator for sanctioned countries or regimes?

- Is there a payment risk?
- Is the country's legal system reliable?
- Does the country have an elevated corruption risk?

Know the End-Use

- Has GAC confirmed the intended end use of the product or service?
- Are there sanctions that might apply to that end-use?

Know the End-User

- Can GAC verify whether the end-user and its ultimate beneficiary are subject to sanctions?

Know the Financial Transaction

- Is this an allowable financial transaction under applicable sanctions?
- Are there any sanctions applicable to the person or corporate/company entity receiving the payment/funds?
- Are third parties, such as agents and service providers acting on your company's behalf and involved in the transaction on any sanctions list?