



**Staying Up to Speed
on Sanctions:
A Technology Checklist
for Minimizing Risk**

Introduction

Sanctions related to Russia are nothing new for chief compliance officers (CCOs) and their teams. What is new: the pace and degree at which current sanctions related to the 2022 invasion of Ukraine are evolving, and the importance of effective, timely oversight.

Executive orders in 2014 were a mere five in number. By contrast, today's roster of regulations, lists, general licenses and beyond is much longer and continually growing, encompassing financial relationships, technology, fuel, shipping, logistics and other areas.

Complicating matters even more is the complex, interconnected nature of today's global business world. A sanctioned bank may have multiple subsidiaries. A company outside of Russia or Belarus might be sanctioned due to its involvement with Russian initiatives, like pipeline construction. And even if a corporation doesn't have stores or offices in Russia or Ukraine, other dependencies across its supply chain might put it at risk. Take for example the Russian exports involved in building semiconductors, automobiles and jet engines.

Meanwhile, government entities such as the U.S. Department of Justice have publicly made it a priority to punish potential violators of Russian sanctions regulations.

What's prohibited? What's permitted? Implementing sanctions controls in accordance with a company's risk profile has become even more challenging. In a geopolitical environment where the only certainty is continued volatility, CCOs and compliance teams now more than ever need to be in the know and stay prepared.

Fortunately, there are actionable steps they can take — and technology tools that can help. These involve monitoring the dynamic landscape, gauging risk exposure and proactively identifying potential issues that could lead to regulatory scrutiny and reputational damage.

“U.S. businesses should take immediate steps... to review their relationships with customers, lenders and business partners, wind down business with restricted entities where appropriate, and examine the export classification of items being exported, re-exported and transferred, to ensure compliance with these growing international restrictions”

Nevena Simidjiyska
Fox Rothschild LLP



Step 1: Stay Up to Date

How fast is the [global sanctions landscape](#) evolving? Here are just two developments by two nations over a two-week period. On April 6, the UK froze the assets of Russia's largest bank and sanctioned eight oligarchs doing business in oil and gas, fertilizers, trucks and diamonds. On April 14, Australia added 14 Russian state-owned enterprises to its sanctions list, from energy companies to shipbuilders.

Meanwhile, the U.S. government alone has a daunting number of acts and oversight entities — from BIS to OFAC to CAATSA to EAR — with continually evolving requirements and guidance.

To flag relevant regulations and business risk in a timely fashion, technology can help you to:

- Access up-to-date sanctions lists and new changes as they're issued by authorities
- Continually monitor global media for reports of business disruption from potential sanctions
- Receive negative news, risk information and reports of business disruption in real time
- Be confident that your compliance and risk activities reflect the latest developments



Step 2: Sharpen Oversight

With events changing so rapidly, CCOs must remain fully up to speed with their complete compliance program, with defensible evidence trails showing that red flags have been identified and acted upon.

Technology can help you to:

- Centralize entity and subsidiary records and documentation
- Work confidently from a single source of truth for entity, subsidiary and business unit information
- Streamline the management of entities and their regulatory requirements
- Quickly spot red flags and areas meriting further investigation
- Provide the right information to the right stakeholder at the right time through shared dashboards and real-time reports
- Make better business decisions, backed by trusted data



Step 3: Strengthen the Assessment of Third-Party Risk

“Check-the-box” due diligence and third-party self-reporting is not enough in today’s sanctions environment. CCOs and corporations today must adopt a multifaceted approach to mitigating exposure to supplier and merchant risk.

Part of the solution involves local “boots-on-the-ground” intelligence and analysis. A team of multilingual research analysts and field investigators in-region can help you to identify red flags and undertake deeper dives on your riskiest vendors.

Meanwhile, machine learning and AI-powered tools can help corporations access reliable, effective intelligence when it’s needed most, while staying aligned with global regulatory expectations.

Technology can help you to:

- Compile relevant watch lists for sanctions, embargoes and politically exposed persons
- Monitor and search risk intelligence data in real time
- Automate third-party screening, onboarding and monitoring
- Request customized third-party screening outside of scheduled cycles
- Integrate supply chain due diligence into risk management



In Conclusion

With sanctions related to Russia evolving so rapidly, manual processes and periodic, check-the-box compliance practices are no longer enough to keep organizations up to date and on top of risk. The right technology tools can help, including:

- Alerts and feeds that deliver the latest relevant information, and integrate with risk and compliance management systems
- Centralized entity management repositories and dashboards for working from a single source of truth
- Automated processes for screening, onboarding and monitoring
- Machine learning, AI and other advanced technologies that deliver data and insight — including future-focused projections — to CCO and decision-makers' fingertips

[Learn more about staying on top of sanctions with Diligent.](#)



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