

Taking the Pulse of Major Sanctions Lists

January-June 2021



For sanctions compliance professionals, the new administration in the U.S. and the UK embarking on a post-EU autonomous sanctions policy have already made 2021 a year worth watching.

Lists have continued to change at a fast pace, keeping financial institutions busy updating their screening software. In fact, for global companies screening against just four key lists (UN, OFAC, EU, OFSI), there was not a single week in the first half of 2021 without an update to process.

LexisNexis® Risk Solutions analyses sanctions data from core regulators during this period to identify trends and changes in policy. The findings may offer a glimpse of what to expect for the remainder of the year.

Key Takeaways

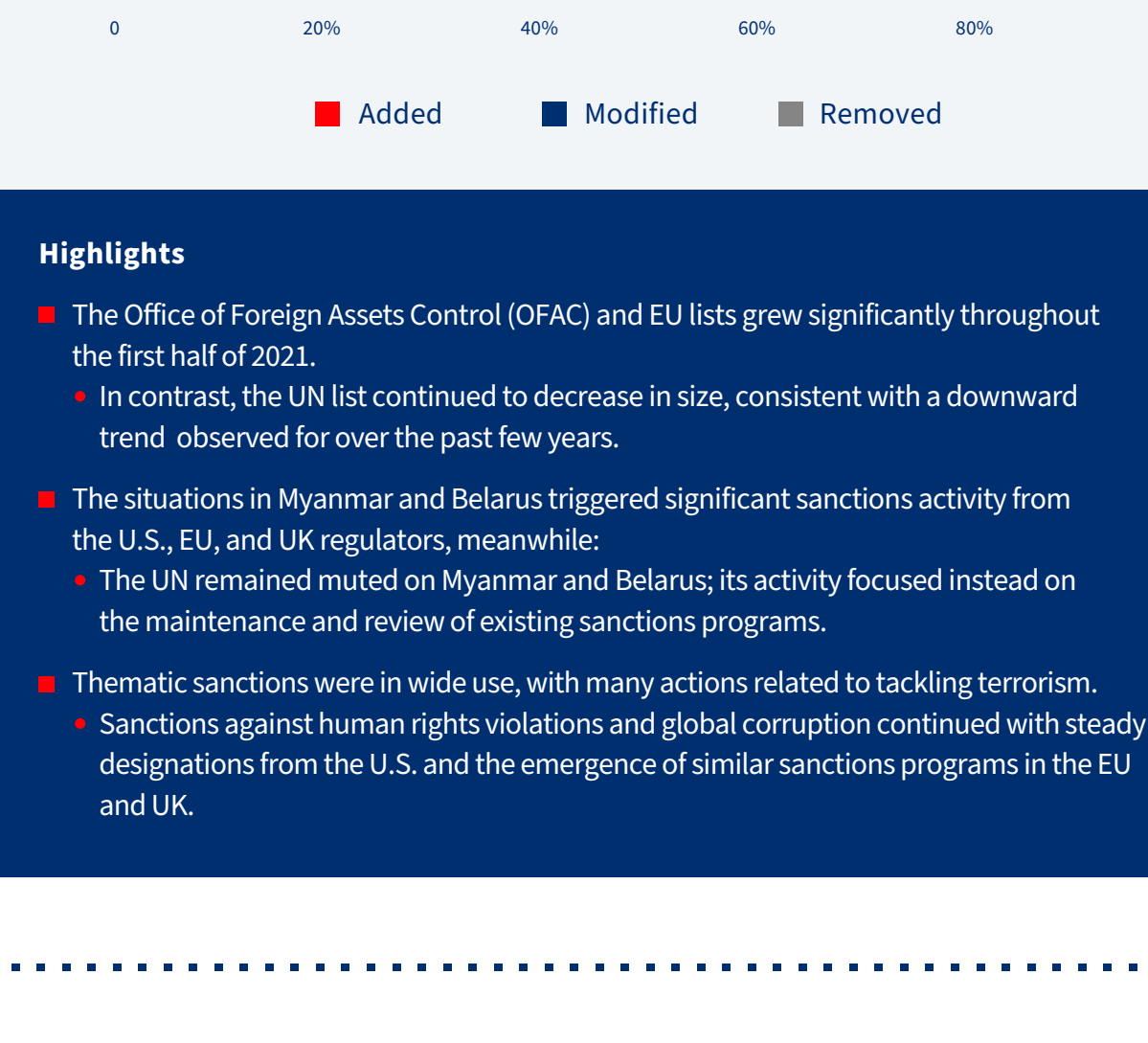
109

Number of updates to the UN, OFAC, EU, and UK lists in H1 2021

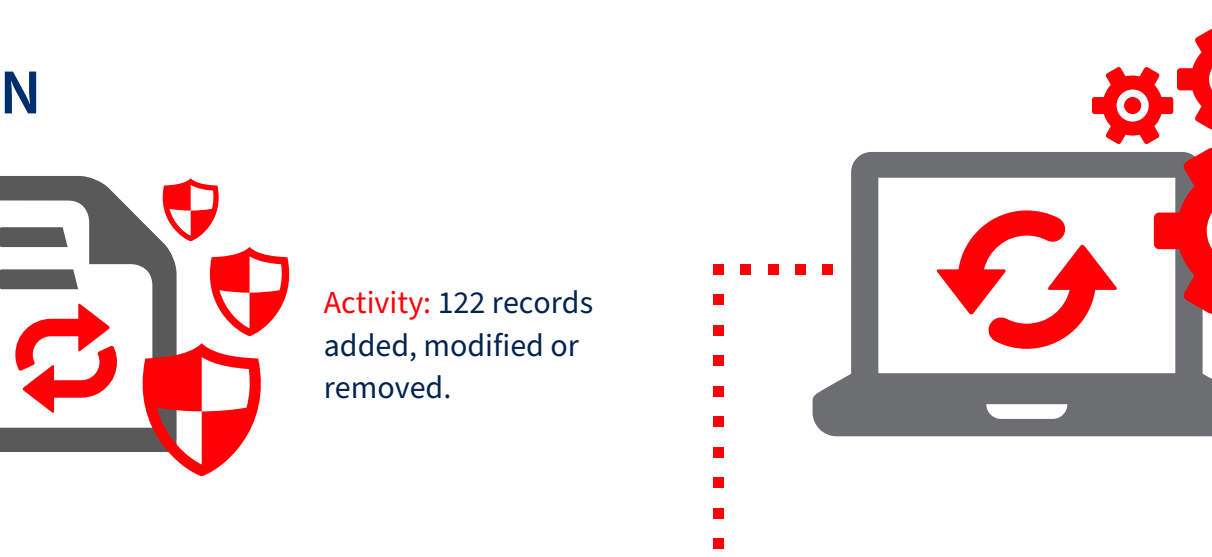
+614

Net count of added designations

Number of List Updates Per Agency, H1 2021



H1 2021 Overall Changes

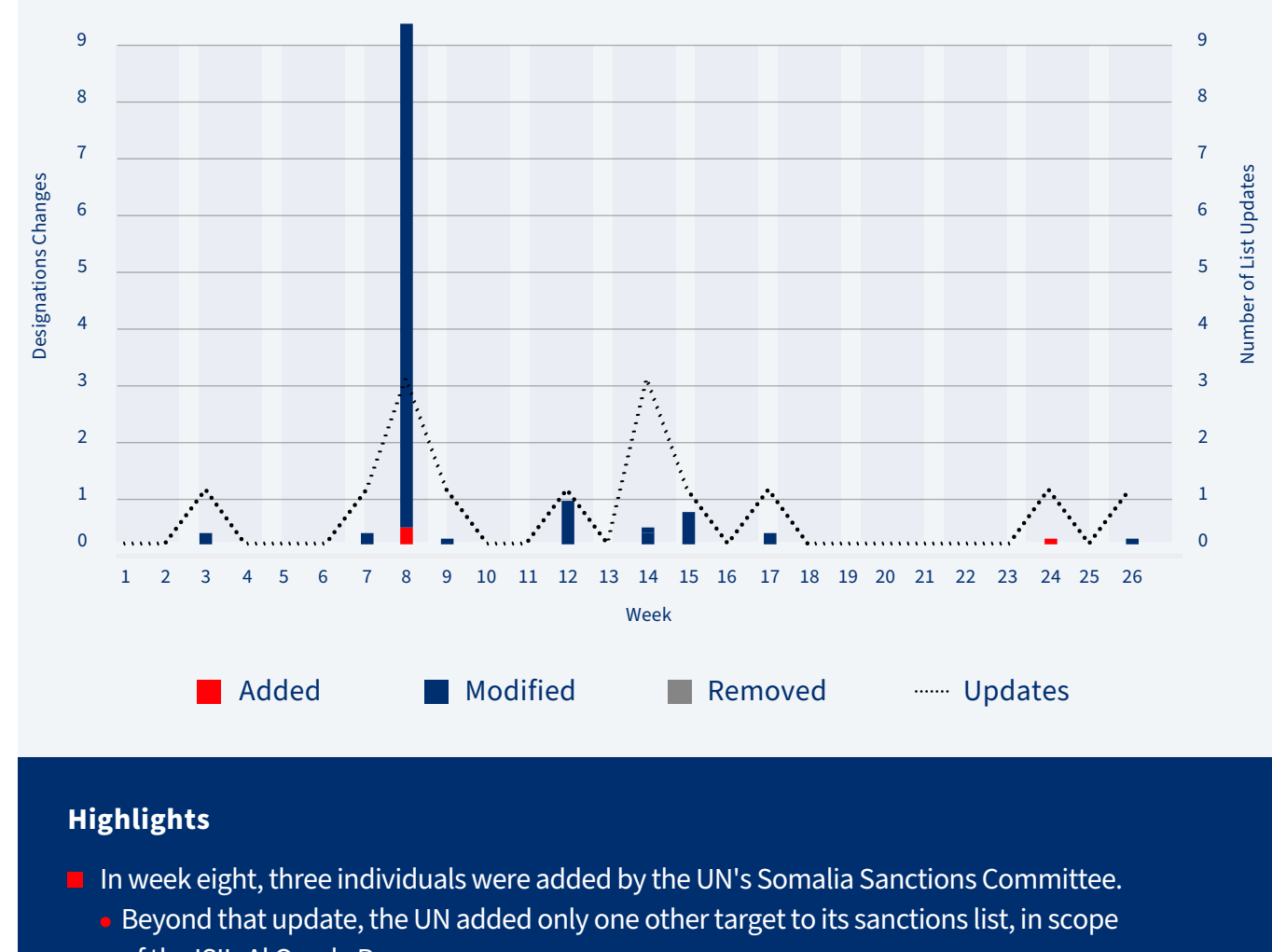


Highlights

- The Office of Foreign Assets Control (OFAC) and EU lists grew significantly throughout the first half of 2021.
- In contrast, the UN list continued to decrease in size, consistent with a downward trend observed for over the past few years.
- The situations in Myanmar and Belarus triggered significant sanctions activity from the U.S., EU, and UK regulators, meanwhile:
- The UN remained muted on Myanmar and Belarus; its activity focused instead on the maintenance and review of existing sanctions programs.
- Thematic sanctions were in wide use, with many actions related to tackling terrorism.
- Sanctions against human rights violations and global corruption continued with steady designations from the U.S., and the emergence of similar sanctions programs in the EU and UK.

A Closer Look by Agency

UN



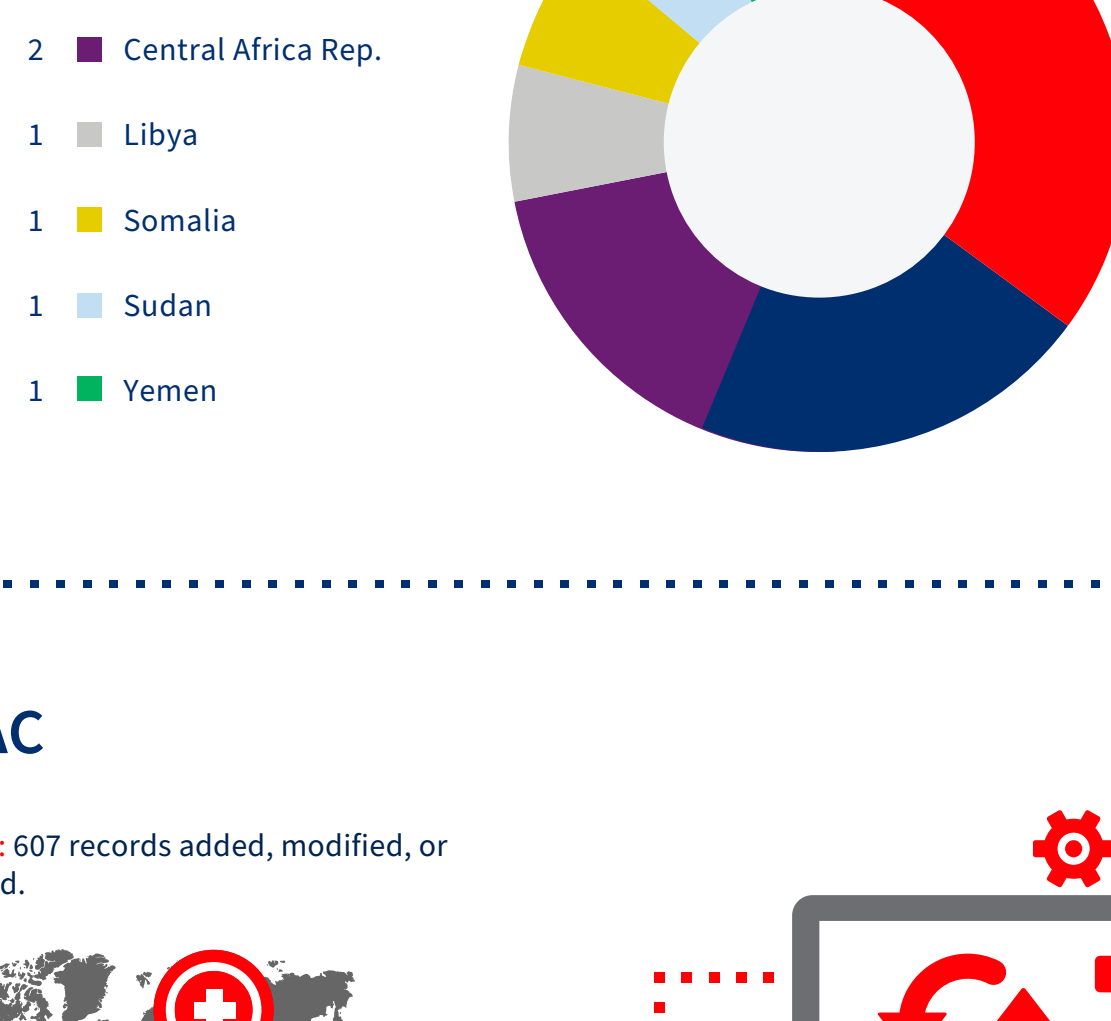
UN Updates: Scale and Nature of Changes



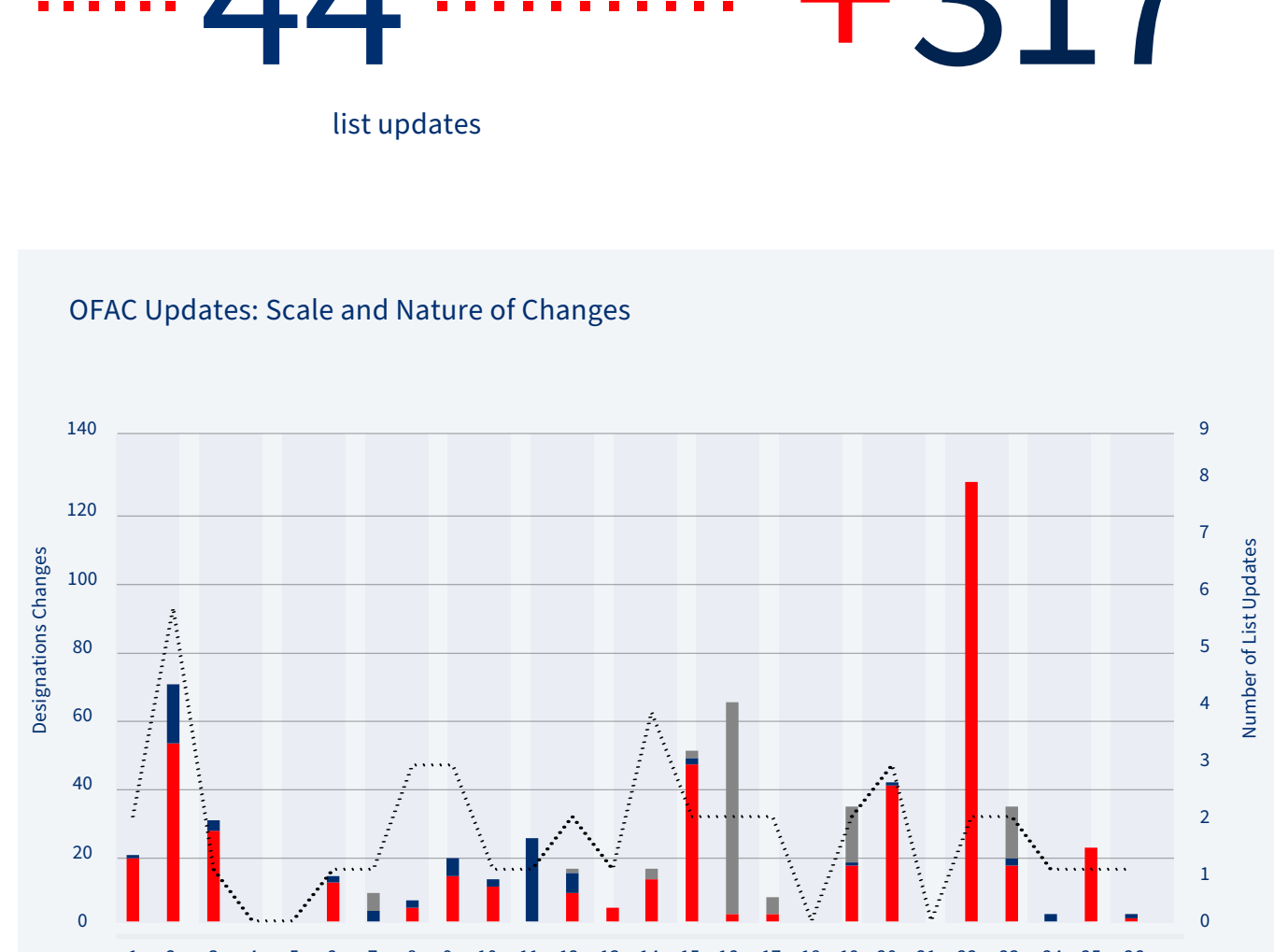
Highlights

- In week eight, three individuals were added by the UN's Somalia Sanctions Committee. Beyond that update, the UN added only one other target to its sanctions list, in scope of the ISIL-/Al Qaeda Program.
- In week 15, six entities in Iraq were removed on April 15th. This Iraq update appears to be part of a wider trend: 28 Iraq sanctions targets were removed from the UN List in 2020; nine in total over H1 2021.
- In week eight, it's important not to notice the large number of modifications, which are a result of a February 22nd update from the UN Sanctions Committee on ISIL and Al-Qaeda. This corresponds to a periodic review of designated persons in order to renew sanctions.

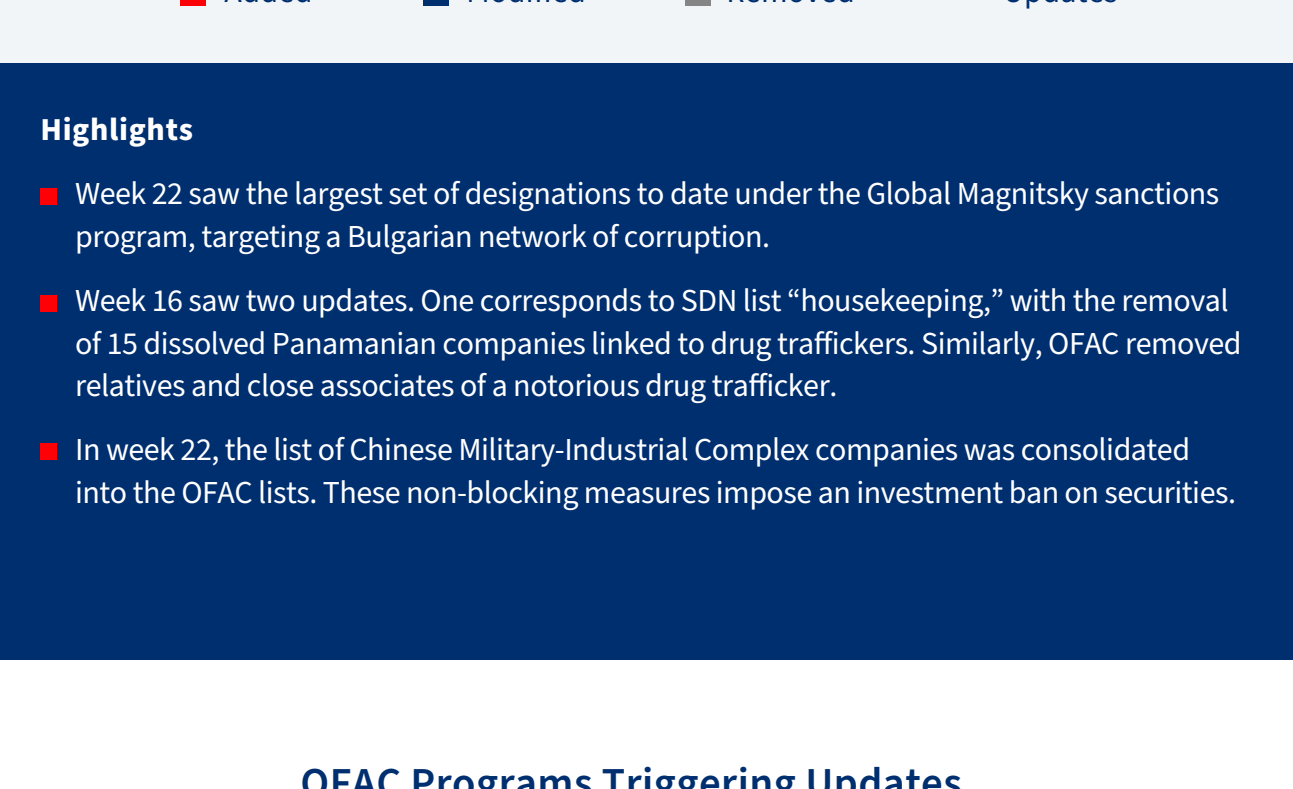
UN Programs Triggering Updates



OFAC



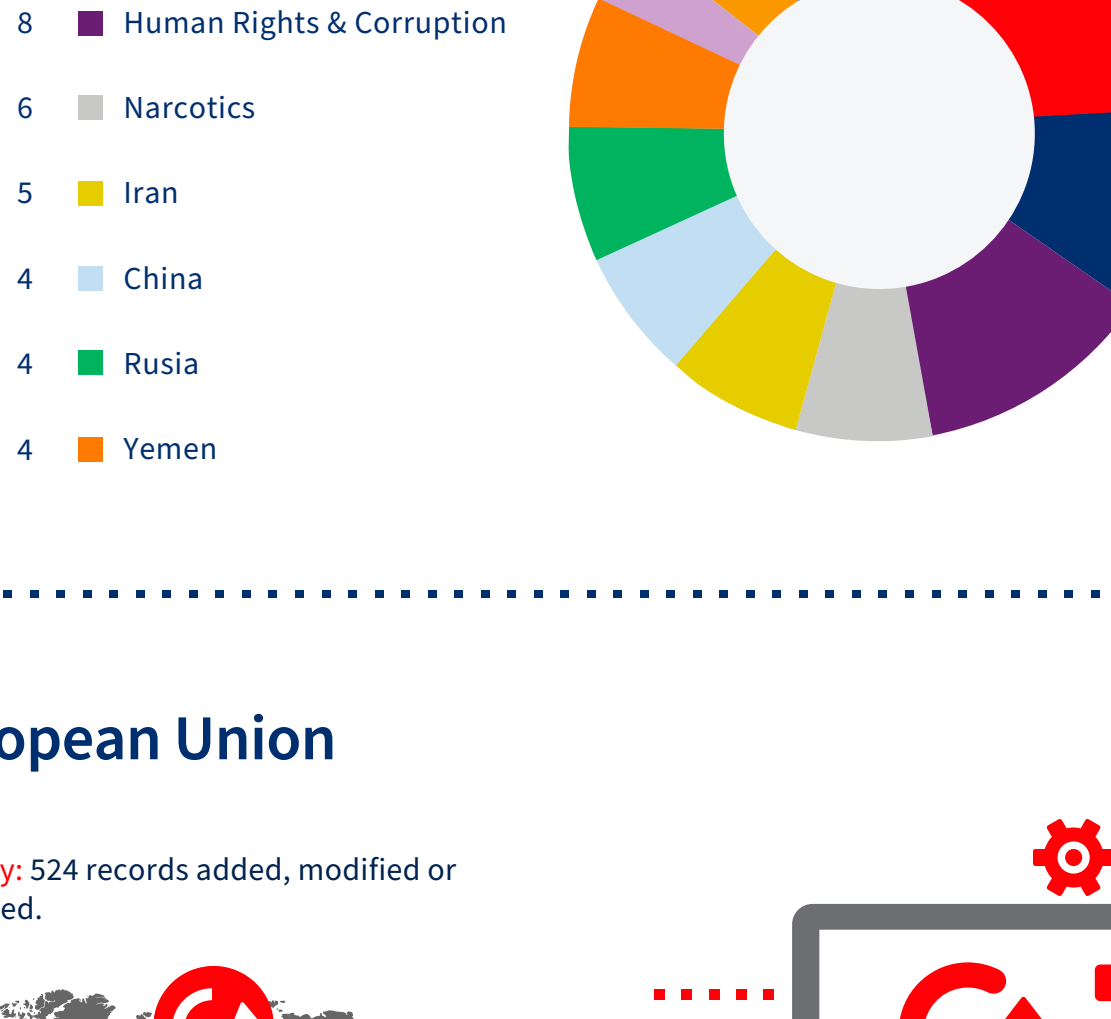
OFAC Updates: Scale and Nature of Changes



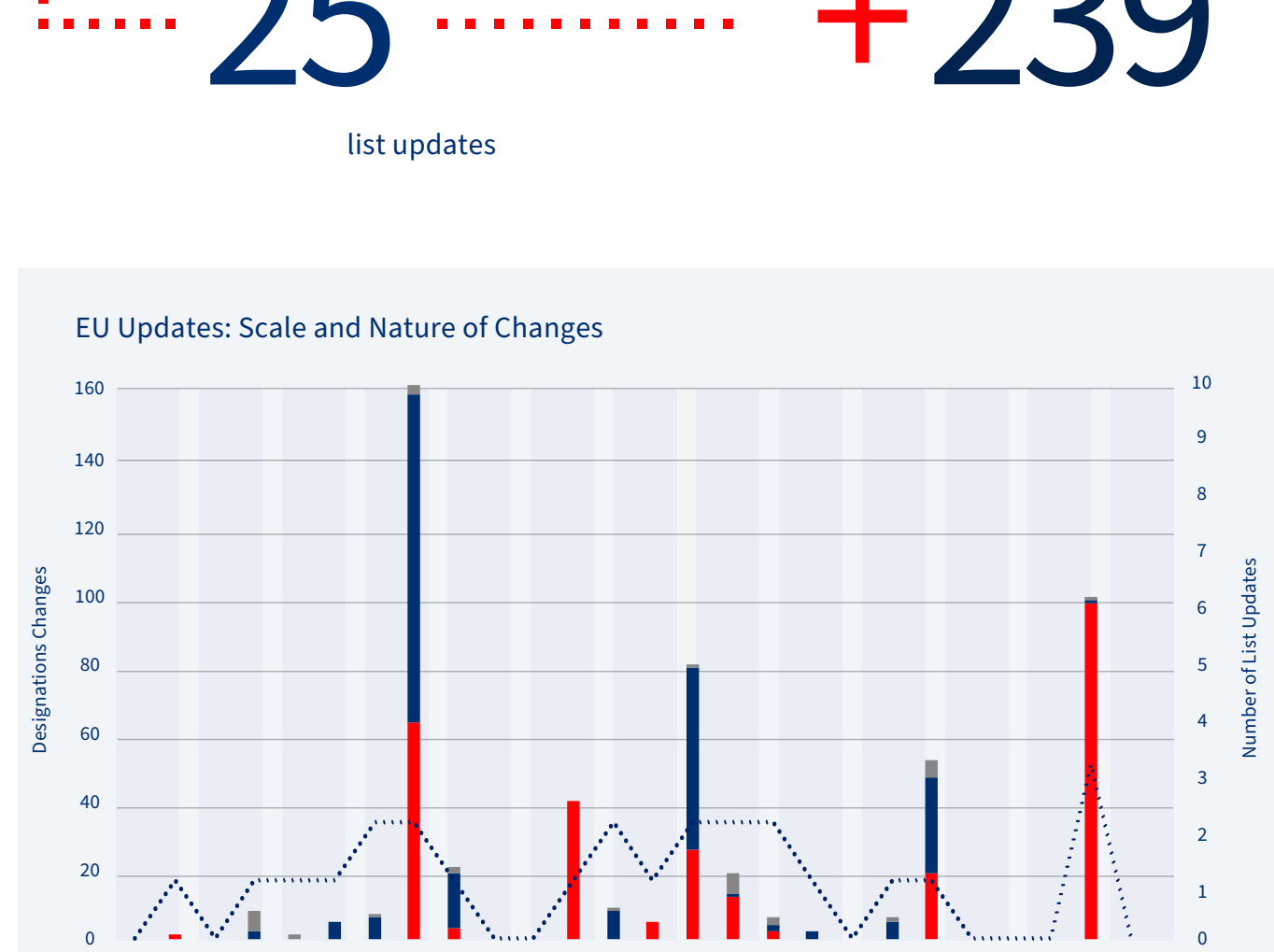
Highlights

- Week 22 saw the largest set of designations to date under the Global Magnitsky sanctions program, targeting a Bulgarian network of corruption.
- Week 16 saw two updates. One corresponds to SDN list "housekeeping," with the removal of 15 dissolved Panamanian companies linked to drug traffickers. Similarly, OFAC removed relatives and close associates of a notorious drug trafficker.
- In week 22, the list of Chinese Military-Industrial Complex companies was consolidated into the OFAC lists. These non-blocking measures impose an investment ban on securities.

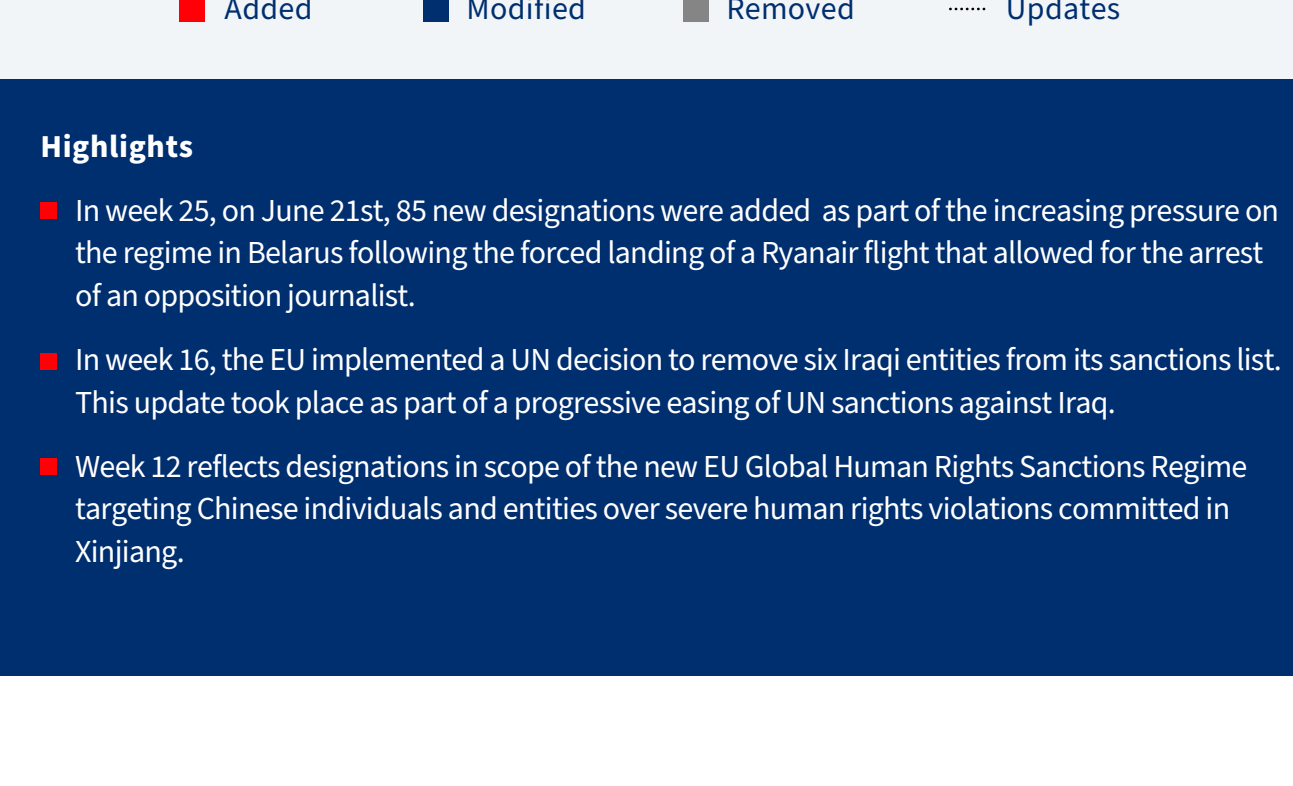
OFAC Programs Triggering Updates



European Union



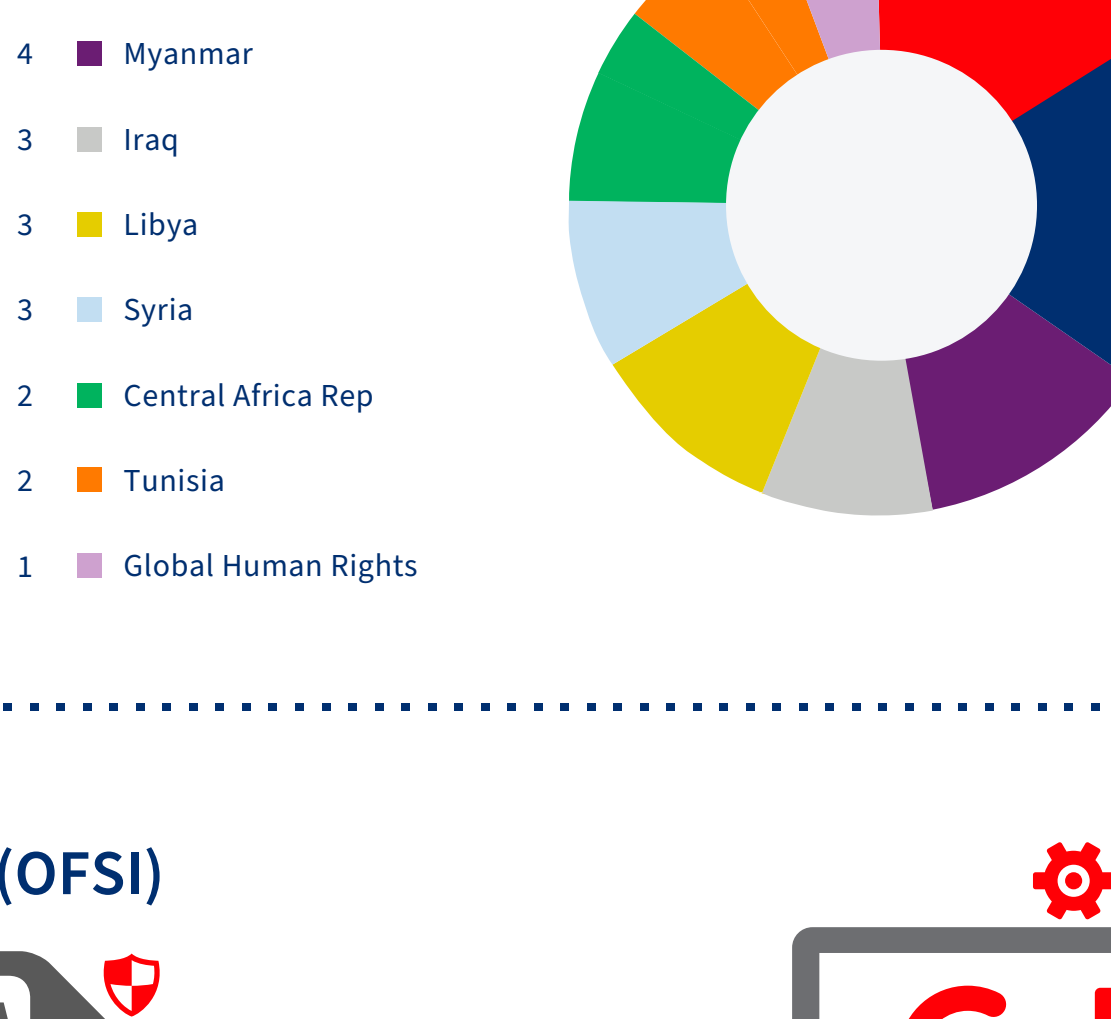
EU Updates: Scale and Nature of Changes



Highlights

- In week 25, on June 21st, 85 new designations were added as part of the increasing pressure on the regime in Belarus following the forced landing of a Ryanair flight that allowed for the arrest of an opposition journalist.
- In week 16, the EU implemented a UN decision to remove six Iraqi entities from its sanctions list. This update took place as part of a progressive easing of UN sanctions against Iraq.
- Week 12 reflects designations in scope of the new EU Global Human Rights Sanctions Regime targeting Chinese individuals and entities over severe human rights violations committed in Xinjiang.

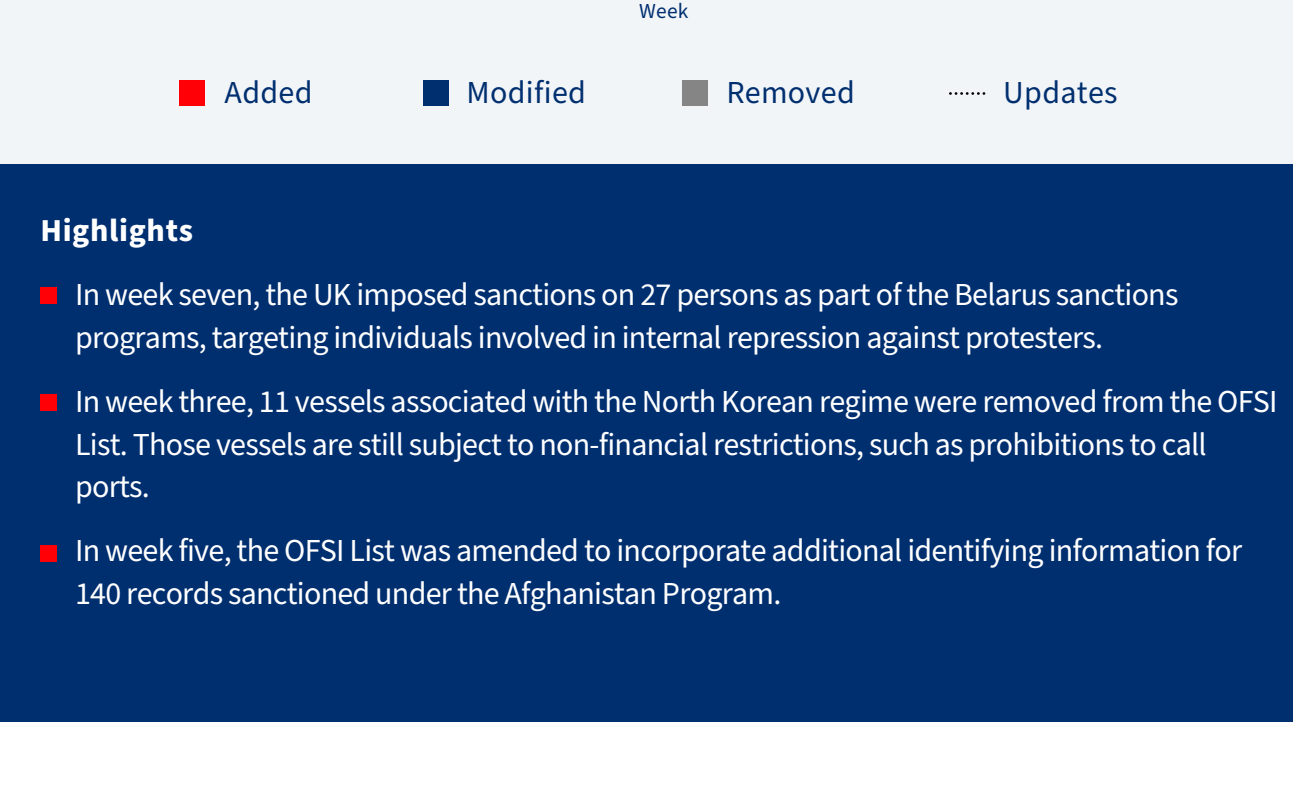
EU Programs Triggering Updates



UK (OFSI)



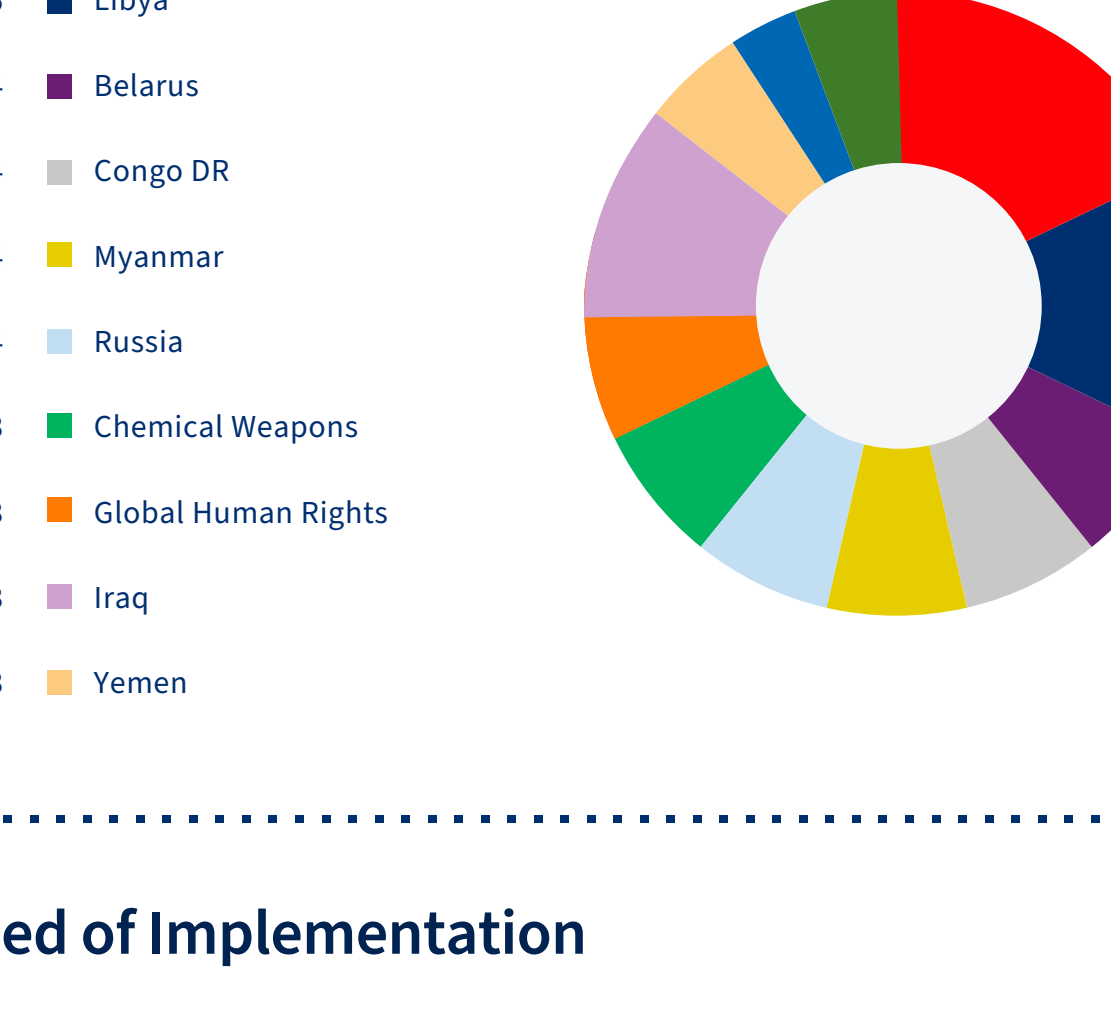
OFSI Updates: Scale and Nature of Changes



Highlights

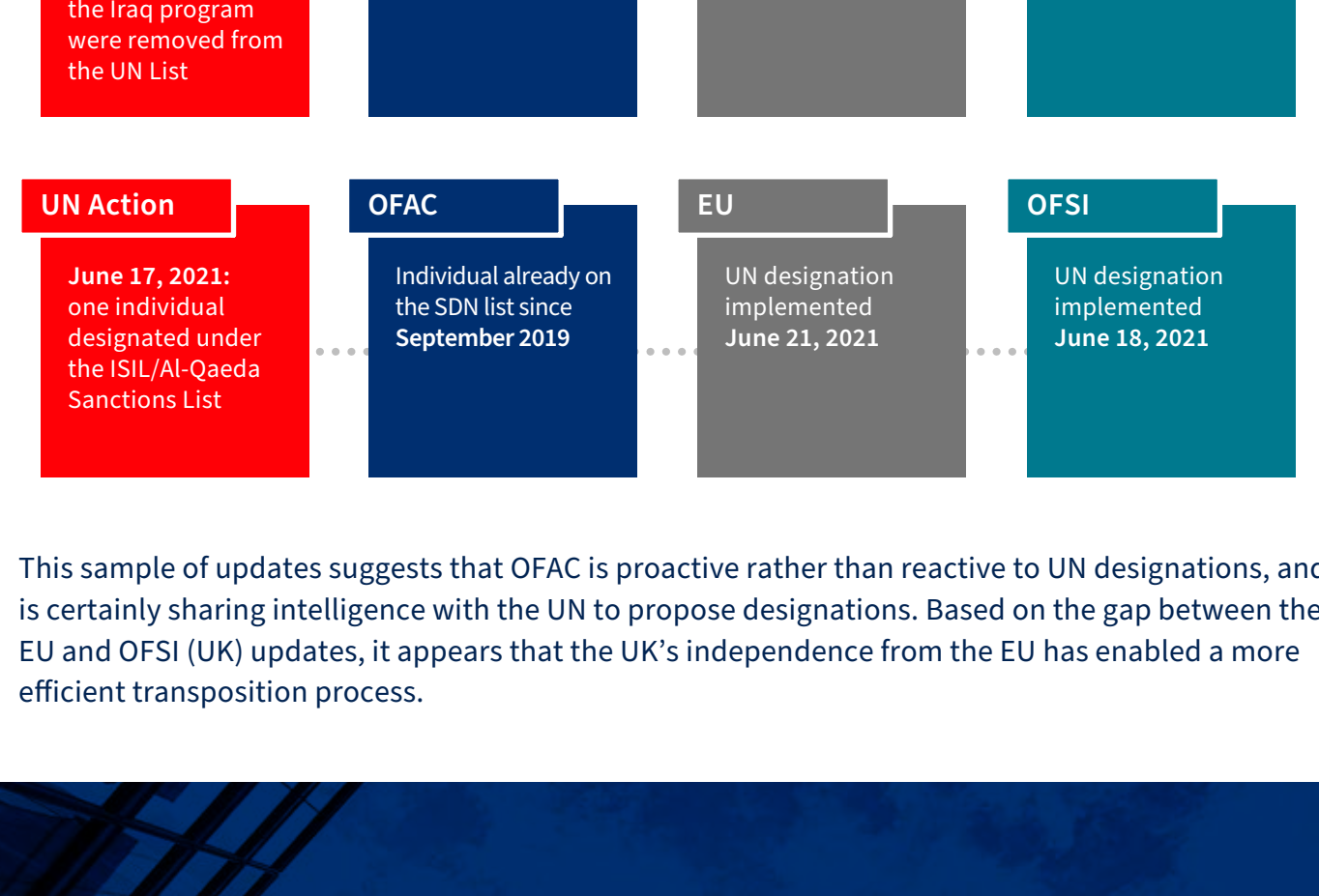
- In week seven, the UK imposed sanctions on 27 persons as part of the Belarus sanctions programs, targeting individuals involved in internal repression against protesters.
- In week three, 11 vessels associated with the North Korean regime were removed from the OFSI List. Those vessels are still subject to non-financial restrictions, such as prohibitions to call ports.
- In week five, the OFSI List was amended to incorporate additional identifying information for 140 records sanctioned under the Afghanistan Program.

OFSI Programs Triggering Updates



Speed of Implementation

UN sanctions are binding on Member States (193 countries), so their timely implementation is key to limit the risk of asset flight from UN targets. Timely implementation of certain UN sanctions is the purpose for FATF's Recommendations 6 and 7.



This sample of updates suggests that OFAC is proactive rather than reactive to UN designations, and is certainly sharing intelligence with the UN to propose designations. Based on the gap between the EU and OFSI (UK) updates, it appears that the UK's independence from the EU has enabled a more efficient transposition process.

The sanctions landscape is in constant flux. More than ever, being equipped with quality watch list data is essential for sanctions compliance programs. Harness the power of accurate, timely data with LexisNexis® Firco™ Global WatchList®.

Firco Global WatchList brings you the most up-to-date lists from all major sanctioning bodies, law enforcement agencies, media and financial regulators worldwide for a comprehensive source of regulatory and sanctions data.

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