

Payments Screening & Sanctions

Key Stats & Figures

There are now more than 60,000 individuals and entities sanctioned globally, a 320% increase from January of 2017.

- In 2022 alone, the United States (U.S.) placed 2,275 persons on the Specially Designated Nationals and Blocked persons (SDN) list compared to 743 in 2021
- The United Kingdom (U.K.) has sanctioned 1,500 persons since Russia's invasion of the Ukraine
- As of June 2023, the European Union (EU) has sanctioned 1,784 Russian persons. The EU has continued increasing sanctions against Russian persons since Russia's invasion of the Ukraine
- Notably, Japan, Singapore, and South Korea have also imposed sanctions against Russia

2024 started with sustained sanctions pressure as nearly 1,000 parties were added to sanctions lists globally in the first three months. Greater focus was placed on parties aiding in sanctions evasion.

Sanctions Overview

- Sanctions are imposed by governmental organizations and intergovernmental bodies, such as the United Nations and the European Union
- Sanctions are implemented to apply political pressure or influence the behavior of sanctioned states, entities, and individuals
- States, entities, and individuals may be sanctioned if their activities:
 - » Pose a security threat to national security, foreign policy, another state, or global economies
 - » Are illegal according to international standards or agreements
 - » Are oppressive or violate human rights
 - » Connect them to authoritarian states or regimes
 - » Consist of serious organized crime that poses a threat to states, weapons proliferation, or acts of terrorism

In recent years, screening has received renewed focus and interest from both regulatory authorities and organizations. This is due to the unprecedented increases in sanctioned parties since the Russia and Ukraine war and the increasing complexity of secondary sanctions.

Key Stats & Figures

During the 2022-2023 financial year, there were 473 suspected financial sanctions breaches (excluding oil price cap and counterterrorism) in the U.K. recorded by the Office of Financial Sanctions Implementation (OFSI). This is a significant jump from the 147 suspected breaches recorded the previous year.

Fines levied to financial institutions (FIs) for violating sanctions total an average of \$800 million (USD) globally each year.

The highest fine levied to an FI was in 2014 for \$8.9 billion (USD), issued in the United States.

Financial Institutions & Sanctions

As the number of sanctions and attempted sanctions evasions has increased, FIs play a critical role in monitoring customers and counterparties to ensure they are not a sanctioned subject. Regulations have become more stringent such as the U.K. moving to a strict civil liability basis, allowing the OFSI to levy civil monetary penalties without needing to prove there was knowledge or reasonable cause to suspect involvement in breach of sanctions.

Payments need to be screened in real time to prevent the processing of sanctioned transactions. FIs must use effective compliance processes and implement modern monitoring solutions to ensure compliance, avoid fines, and prevent reputational damage.



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