Navigating the global sanctions landscape in 2020

Diverging paths, increasing risks

October 2019

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The global sanctions landscape in 2020

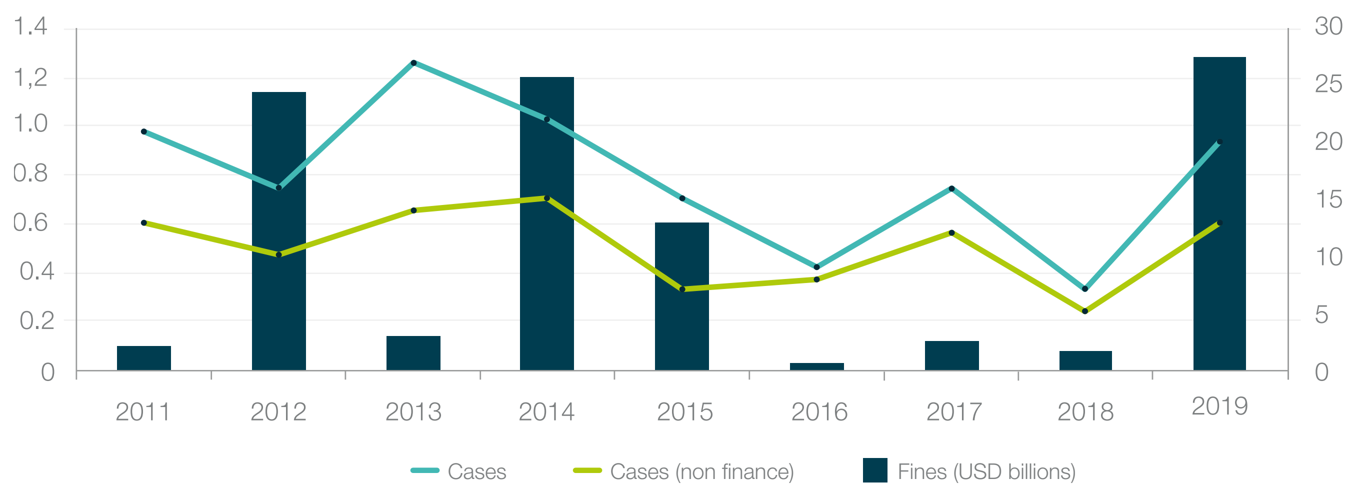
Sanctions regimes are increasingly complex and less predictable. US foreign policy under President Donald Trump has become markedly more protectionist under his "America First" mantra, emphasising geopolitical competition and stark pursuit of national interests. Growing polarisation between the presidency and Democratic-controlled Congress has also resulted in more personalised and contested policy outcomes. US relations with traditional allies (particularly in Europe) have deteriorated amid disagreement over a suite of strategic issues, including sanctions on Iran and Russia. Meanwhile, US and European retrenchment is encouraging regional powers in the Middle East and Asia-Pacific to pursue more independent policies to grow their own spheres of economic and political influence.

There are five key trends shaping global sanctions risks:

1. **The US is introducing and enforcing sanctions more frequently.** Sanctions have been perceived as a low-cost and low-risk foreign policy tool since the Barack Obama administration, but that has become much more acute under President Trump. The US is also making extensive use of so-called secondary sanctions aimed at pressuring non-US companies to stop business with countries under US sanctions.[1] Partly, this reflects Trump's more unilateral and nationalist approach to foreign policy. Geopolitical dynamics have also made it increasingly difficult for the UN Security Council to adopt collective sanctions against governments – think of Syria, for example – that enjoy the protection of Russia or China. However, while the US can afford to impose unilateral sanctions because of the centrality of the US dollar to the global financial system and commerce, their lack of international legitimacy and buy-in complicates their implementation and antagonises the US's allies.

Source: The U.S. Department of The Treasury (https://www.treasury.gov/resource-center/sanctions/CivPen/Pages/civpen-index2.aspx)

Fig.1 ▸ The numbers: OFAC enforcement actions by year (2011-2019)



[1] Primary sanctions are restrictions applied to US persons, while secondary sanctions apply to non-US persons and are designed to prevent non-US persons from doing business with a target of primary US sanctions. They have mainly been used in connection to Iran, North Korea and most recently Venezuela. There is very limited precedent for the enforcement of secondary sanctions. However, the prospective penalties that secondary sanctions could impose on non-US organisations is often enough to encourage compliance with them.

2. **There is disagreement within the US on the use of sanctions.** Policymaking under Trump often shows differences between the president's intentions and members of his administration and the Republican Party. This political polarisation in Washington means that significant differences over sanctions policy exist between the Trump administration and Congress, particularly after the opposition Democrats' gains in the November 2018 midterm election. In short, Congress is trying to "codify" sanctions – or require Congressional review – to make them more difficult for the administration to remove. This more aggressive stance shows Congress trying to regain control over foreign policy, after having delegated much of it to the White House over the decades. The division has been stark when it comes to Russia: Congress in 2017 enacted the Countering America's Adversaries Through Sanctions Act (CAATSA) over Trump's objections, and then tried to prevent him lifting sanctions on Russian company Rusal this year. Conversely, Congress also wants more sanctions on Saudi Arabia but is split over sanctioning Europe for the Nord Stream gas pipeline from Russia. Congress is generally aligned with the administration behind Iran and Venezuela sanctions.

3. **The EU and US are growing apart on sanctions policy.** Divergence between Trump's US and key European allies on major foreign policy issues – above all, Iran – is increasing sanctions risk and complicating compliance for companies. The US's exit in May 2018 from the nuclear deal has exposed EU companies to sector wide US restrictions. The EU or US also disagree on the targets for sanctions, which means companies now need to comply with two sets of blacklists. The EU has sought to save the nuclear deal since the US withdrawal by updating its Blocking Statute (to forbid EU entities from complying with US sanctions on Iran and to allow them to recover any associated damages) and setting up a special purpose vehicle (the Instrument for Supporting Trade Exchanges, or INSTEX) to enable certain transactions with Iran. However, the bloc has been unable to offset the impact of US secondary sanctions; EU businesses will not risk their relationships and businesses in the US for Iran. Over the longer term, the EU will be looking to increase its economic autonomy from the US, including through its own use of sanctions and measures that give the euro currency a greater role in international trade.

4. **The US is encouraging its allies to adopt their own sanctions.** Gulf states have joined this trend, developing blacklists of their own. While most of these are designed to target terrorism financing, others are driven by foreign policy aims. For instance, the Terrorist Financing Targeting Center (TFTC), which comprises the US, Bahrain, Kuwait, Oman, Qatar, the UAE and Saudi Arabia, in May 2018 imposed sanctions against the leader of the Lebanese Shia movement Hizbullah, Hassan Nasrallah, and other entities and individuals affiliated with the movement. These are intended to counter Hizbullah's political power in Lebanon and reduce Iran's influence across the Middle East; Hizbullah is widely viewed as acting as an Iranian proxy. However, Gulf countries are still building the capacity to enforce these measures, and US sanctions regimes will probably continue to be the most relevant for businesses operating in the region. International financial hubs (such as Switzerland, Hong Kong and Singapore) have also traditionally maintained independent sanctions regimes to counter terrorist financing, money laundering and other transnational threats, though these are mostly aligned with the UN.

5. **Extraterritorial sanction regimes are proliferating.** Extraterritorial regimes that apply to persons in countries not otherwise subject to sanctions are likely to continue to spread. The US was the first country to adopt sanctions to punish human rights abuses (the Magnitsky Act in 2012, which targeted Russia specifically), and in 2016 it expanded their reach to any foreign nationals deemed responsible for or complicit in human rights violations or – notably – corruption. Five other countries – Canada, Lithuania, Estonia, Latvia and the UK – have since passed similar provisions, with the EU and Australia also considering proposals along these lines. While these measures have had only limited direct impact on business, designations will not remain static and will continue to reflect human rights and corruption investigations, as well as broader geopolitical considerations. Being able to better assess the likelihood that a current or prospective business partner will feature on a Magnitsky list in the future will allow organisations to make more informed, forward-looking decisions about new business relationships.

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Sanctions risk map

Methodology

Control Risks' CORE country risk experts evaluated sanctions risk according to the ability of companies to operate in compliance with applicable sanctions regimes, primarily, UN, US and EU but also third-country sanctions (where relevant). It encompasses the focus and breadth of sanctions which may apply to multinationals doing business in the country, and also considers broader implementation and enforcement trends (particularly at the US and the EU levels). Additionally, the ratings reflect the underlying geopolitical, political, security and integrity factors driving sanctions risk in the country, and the likelihood of applicable sanctions regimes being strengthened or relaxed as a result.

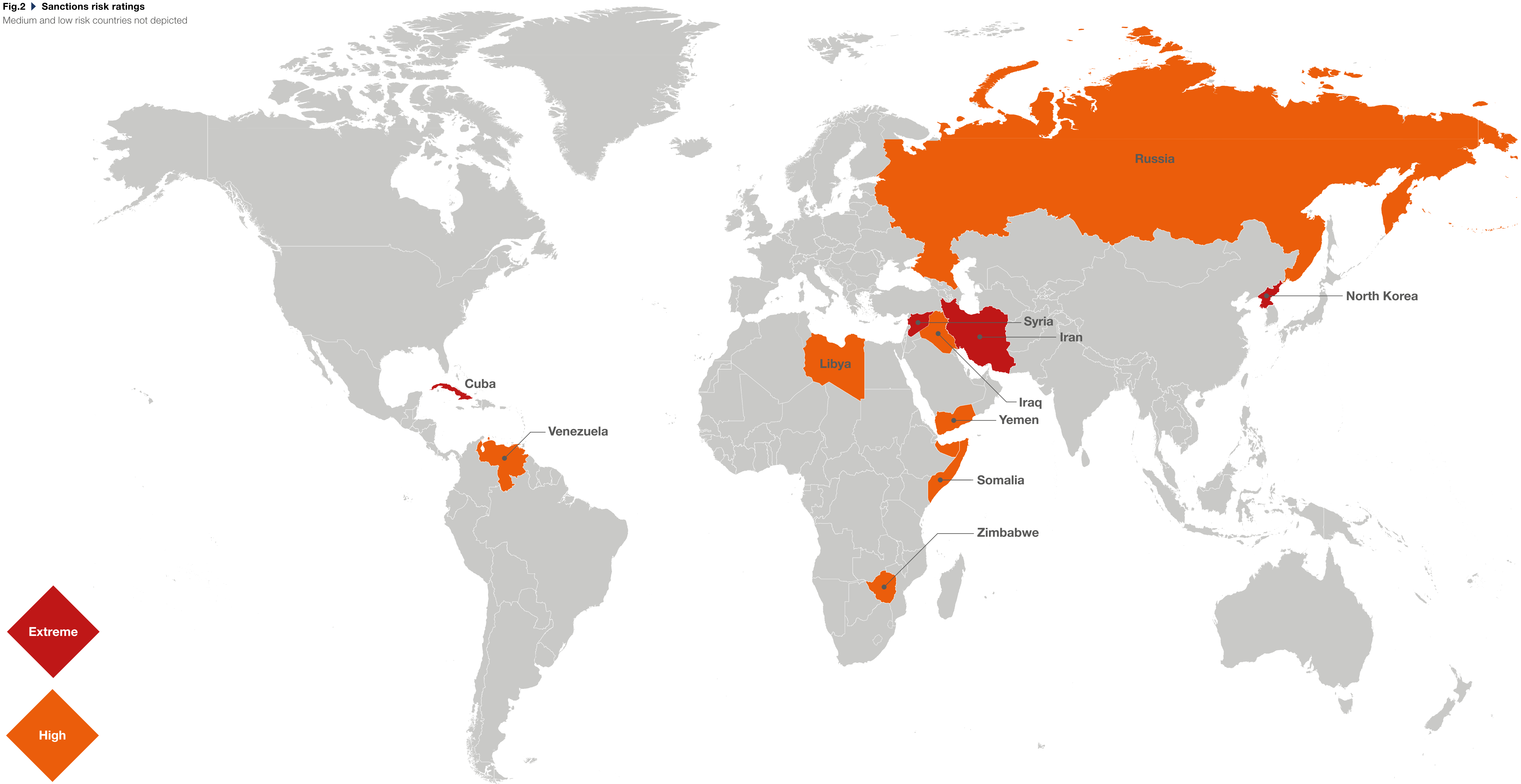
In time, our CORE country risk experts will expand this analysis to cover a broader spectrum of risk ratings.

Sanctions risk ratings – definitions

Risk rating	Definitions
Extreme	Sanctions risks severely limit investment or operations in most sectors of the country, and pose critical compliance, reputational and operational risks to business. For example: ▸ Comprehensive UN, US, EU and third-country sanctions apply, including arms and trade embargoes. ▸ Sanctions enforcement, particularly from the US and the EU, is very strict and proactive. ▸ There is widespread support within the international community for sanctions, on grounds that the country's behaviour significantly transgresses international norms and/or poses significant threats to global and regional security.
High	Sanctions risks greatly hinder investment or operations in most sectors of the country, and pose significant compliance, reputational and operational risks to business. For example: ▸ Sectoral sanctions restrict or prohibit transactions with specific economic sectors. ▸ Trade sanctions ban the provisions of certain goods or services, including arms embargoes. ▸ Targeted UN, US, EU and third-country sanctions apply to significant groups of individuals or entities with interests in the economy. ▸ Sanctions enforcement, particularly from the US and the EU, is strict and proactive. ▸ There is generally strong support within the international community for sanctions, on grounds that the country's behaviour significantly transgresses international norms and/or poses significantly threats to global and regional security.

Sanctions report

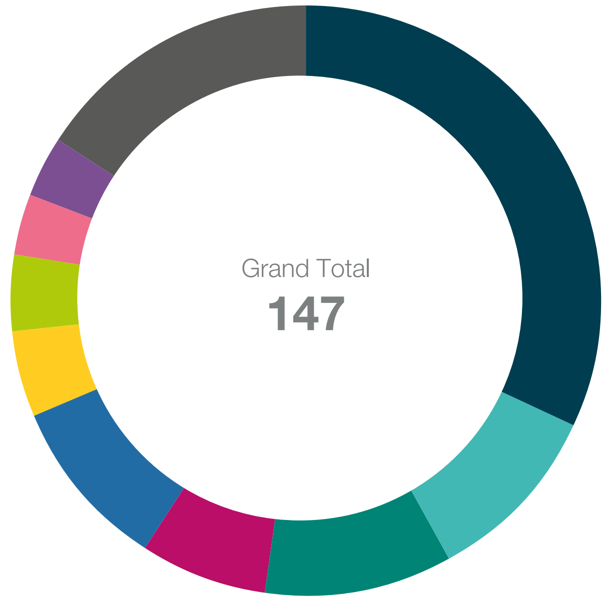
Fig.2 ▶ Sanctions risk ratings
Medium and low risk countries not depicted



How can companies manage their compliance with increasingly complex sanctions?

Source: The U.S. Department of The Treasury (https://www.treasury.gov/resource-center/sanctions/CivPen/Pages/civpen-index2.aspx)

Fig.3 ▸ The numbers: OFAC enforcement actions by sector (2011-2019)



Financial services	47
Manufacturing	15
Information, communication and technology	15
Pharmaceuticals and healthcare	10
Oil and gas	14
Logistics and transport	7
Retail trade and luxury goods	6
FMCG	5
Insurance	5
Other	23

1. **The US and the EU have given you guidance to follow.** The US sanctions enforcement agency, the Office of Foreign Assets Control (OFAC), released its sanctions compliance programme (SCP) guidelines in May 2019, which coincided with one of the biggest annual sanctions conferences in Washington, DC. The guidance is consistent with previous advisories released by other US government agencies about financial crime compliance, most notably anti-bribery and corruption. The guidance recommends five pillars as central to a sanctions compliance programme:

- Clear management support and buy-in for sanctions compliance
- The importance and centrality of risk assessments to understand and evaluate your exposure
- The development of internal controls to address the risks that you face
- Testing and auditing these controls, and responding to any shortcomings
- Training on sanctions compliance processes for different sets of employees.

OFAC has made it clear that the presence and application of a SCP will be taken into consideration when it considers enforcement actions.

The EU has also published due diligence guidance for companies considering whether and how to undertake due diligence on business opportunities in Iran. This takes organisations through a series of potential transactions, assessing the level of risk and recommending a commensurate level of due diligence.

2. **You should monitor enforcement actions.** OFAC publishes its enforcement actions on its website with a helpful summary of the nature of the violation, the decision-making process it went through to determine the severity of the penalty, and – increasingly – commentary on the nature of the

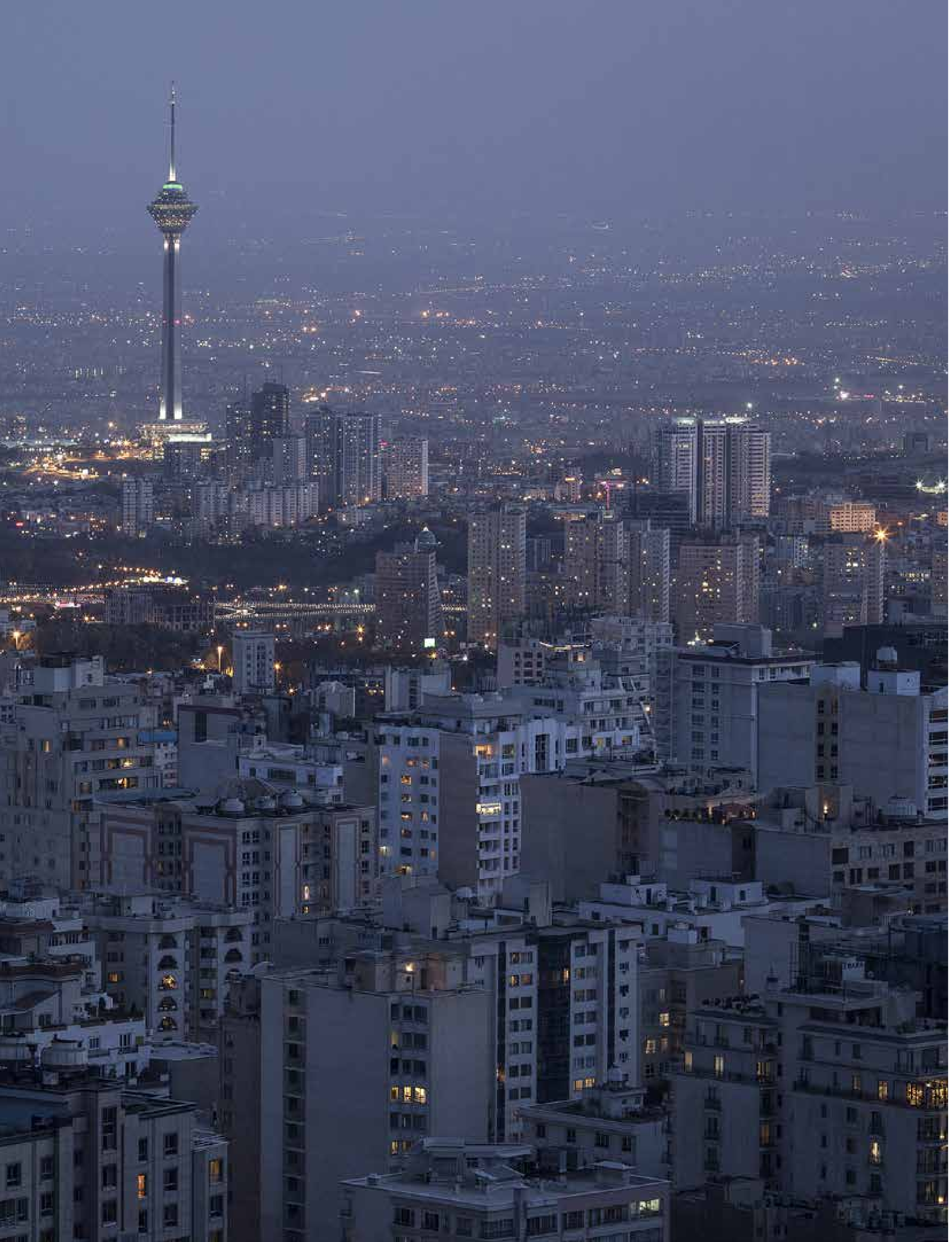
compliance commitments that the organisation has made in response to the enforcement action. These enforcement actions are a rich and concise source of guidance for people responsible for sanctions compliance, which we monitor on behalf of clients. They can help you understand how sanctions violations occur, how OFAC interprets companies' practices and behaviours towards compliance, and the types of remedial steps that organisations are encouraged to adopt to improve their compliance processes. It can be helpful to use these actions to build your business case for adjustments to your organisation's existing practices and to develop typologies and case studies in training sessions.

3. **You should understand your sanctions risk in countries that are not sanctioned.** OFAC's guidelines specifically point out that a good SCP should be designed to prevent employees from engaging in misconduct. The frontline staff responsible for growing your business will be aware that countries like North Korea, Iran and Syria have sanctions and compliance challenges. However, your colleagues might not always think the same way about countries that trade with sanctioned countries, like China (with North Korea) or Turkey (with Iran), but that are not sanctioned jurisdictions. Recent OFAC enforcement actions and our own due diligence experience indicate that organisations' supply chains, and their sales and marketing activities, can expose them to sanctioned countries and trigger violations. We have seen this in several cases with clients in recent years. OFAC's designations of companies and individuals as sanctioned entities also demonstrates how countries like Iraq and the UAE can be used by networks seeking to circumvent sanctions. Your third-party risk and due diligence assessments of agents, distributors, suppliers and clients in countries that trade or share borders with sanctioned countries should specifically address your exposure to sanctions from these entities. Not knowing their business activities is not a good defence.

4. **Your due diligence needs to go deeper than your immediate counterparties.** Recent OFAC enforcement actions demonstrate the need to consider sanctions exposure throughout your value chain – suppliers through to customers and everything in-between. Furthermore, the political messaging from representatives of the US Departments of Treasury and State under the Trump administration has called on companies to consider their *customers' customers* in their due diligence and risk assessments. Although there is not a prescription to do this in OFAC's guidelines for a SCP, the political tone has been made clear by the administration. In our experience with clients, sanctions compliance due diligence will typically include a legal review of your exposure points and establishing the ultimate beneficial owners and controllers of your counterparties. There is limited guidance from government agencies about how far your due diligence should go to consider your immediate counterparties' customers and relationships. In our experience, a risk assessment of a relationship or transaction you are considering, and identifying your blind spots, is typically a good starting point for determining the level of due diligence you should apply. Having done your initial due diligence and risk assessment, you then need to ensure that any red flags that required remediation are addressed and monitored.

5. **You need multi-disciplinary teams to understand and monitor sanctions risk.** Sanctions have a crucial difference from other financial crime regulations that companies need to comply with. Sanctions are a foreign policy tool subject to a range of political, security and economic drivers that other financial crime regulations are not affected by. As such, we see companies and financial institutions increasingly approaching sanctions risk assessments and monitoring with a broader range of skill sets and disciplines. Legal and compliance teams benefit from the insight and understanding of politics and diplomacy that government affairs and political risk teams can bring.

Five countries to watch in 2020



Iran

Outlook

EU and UN sanctions on Iran remain lifted as a result of the implementation of the Joint Comprehensive Plan of Action (JCPOA) in January 2016. However, sanctions risk increased sharply with the US's withdrawal from the JCPOA in May 2018, which led to the re-imposition of US primary and secondary nuclear sanctions in August and November 2018. The US in 2019 also increased its sanctions regime as part of its "maximum pressure" policy. The growing burden posed by US sanctions on various sectors of the Iranian economy means that Tehran's incentives to comply with the nuclear agreement have diminished. Iran will increasingly breach the nuclear deal over the coming months to pressure the EU into offsetting the impact of US sanctions on its economy, and to give itself concessions it can offer to the US in return for temporary sanctions relief and a return to negotiations. The EU is unlikely to systematically target Iranian persons and entities over the next year, with its efforts focused on how to retain or reformulate the JCPOA. However, the EU's position will be contingent on the extent of Iranian compliance with the JCPOA, though we expect Iran to remain in large part compliant with it.

What to watch

Triggers for **increasing** sanctions risk:

- Other signatories to the JCPOA withdraw from the agreement, which effectively collapses.
- Iran produces enough fissile material to approach nuclear weapon "breakout" thresholds.
- Significant security incidents by Iranian proxies against US assets or personnel in the Gulf.
- Fresh satellite or ballistic missile launches suggesting technological advances.
- Russia supporting China in its trade war with the US.

Triggers for **decreasing** sanctions risk:

- The US and Iran engage in direct diplomatic talks, with a view to negotiate a new nuclear deal.
- US agrees not to enforce aspects of its secondary sanctions for EU trade, and/or establishes some sort of cooperation around due diligence.

Implications

- Companies with US interests/ exposure will most probably choose to continue to comply with US primary and secondary sanctions.
- The EU's countermeasures are unlikely to encourage – or force – European companies to do business with Iran beyond humanitarian-related business.
- However, legal disputes in Europe are likely to question the application and validity of US secondary sanctions, and award damages from non-US companies that have chosen to comply with US secondary sanctions.
- Companies that have the legal space and risk appetite to engage Iran will still face a range of practical and operational challenges, principally around banking and insurance.

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North Korea

Outlook

International sanctions have expanded significantly since 2016 in response to Pyongyang's unprecedented nuclear and ballistic missile tests in 2016-17. The US under Trump has pursued a strategy of "maximum pressure" and has strengthened economic sanctions. However, diplomatic engagement between North Korea, the US, South Korea and China since early 2018 has the potential to reduce sanctions risk over the next three to five years. While existing sanctions are being enforced less strictly, a formal and full lifting of UN, US, EU and third-country sanctions will take much longer – at least some significant sanctions will remain in place until the North has made very substantial concessions. A highly fragile diplomatic process lies ahead over the next year, with a persistent threat of breakdown and re-escalation.

What to watch

Triggers for **increasing** sanctions risk:

- A breakdown in US-North Korea nuclear talks, amid long-standing, incompatible positions on denuclearisation.
- A resumption of long-range ballistic missile and nuclear tests by the North.

Triggers for **decreasing** sanctions risk:

- Historic US-North Korea deal based on "phased" approach to denuclearisation in return for sanctions relief.

Implications

- Amid hopes for a US-North Korea nuclear deal and the possibility of sanctions easing, business interest in the North is tentatively emerging.
- However, business deals with North Korea – even indirect ones – will continue to involve very severe risks, including operational, non-payment and reputational risks.

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Russia

Outlook

Sanctions risk emerged in 2014 over Russia's annexation of Crimea, involvement in the eastern Ukraine conflict, military intervention in Syria, and domestic human rights and corruption issues that escalated after Moscow's interference in the 2016 US election. However, the sanctions regime has largely stabilised in the past two years. Russia is refraining from moves that could trigger new sanctions and/or more robust implementation of existing ones. Trump is under sustained bipartisan pressure from Congress to strike a hardened stance on Russia ahead of the 2020 election but continues to oppose more draconian sanctions as limiting his flexibility to manage US foreign policy towards Russia. The failure of the Mueller report to tie Trump's 2016 victory to Russia's meddling, internal strains on the EU's readiness to roll over sanctions and the lack of clear vision for post-conflict Syria have further de-incentivised new sanctions against Russia. The poorly calculated effect of sanctioning Rusal, which resulted in the effective revocation of sanctions under pressure from US domestic and international business lobbies, is also contributing to the US administration's unwillingness to press sanctions against major Russian businesses. Within the EU, while member states are still broadly in agreement over sanctions adopted in response to Ukraine events, they demonstrate preparedness to ease the most substantial of these sanctions if progress is made resolving the conflict in the east of the country. We do not anticipate a major breakthrough in the eastern Ukraine conflict over the next year.

What to watch

Triggers for **increasing** sanctions risk:

- Revelations of new evidence of Russian interference in elections in the US in 2020.
- Revelations of malicious cyberactivity in the US and an allied country, attributed to Russian state actors.
- Another attack against a Russian defector or anti-regime figures in Europe or the US.
- Rupture of personal rapport between Trump and Putin.
- Russia supporting China in its trade war with the US.

Triggers for **decreasing** sanctions risk:

- A durable de-escalation in the conflict in eastern Ukraine, in line with the Minsk-2 peace agreement.
- Trump's victory in the 2020 presidential elections, which would push the Moscow meddling narrative away into the past.

Implications

- In the absence of new sanctions laws and massive implementation against major businesses, the investment appeal of Russia somewhat improves, compared with 2014-16.
- Companies with a significant presence in Russia have had enough time to adjust their compliance to stable sanctions risk.
- Russia's countersanctions and import substitution policies have eroded in many sectors, leading to lucrative opportunities for international companies with a sophisticated understanding of sanctions risk.
- Companies with less exposure to US sanctions risks, primarily Chinese, Japanese and Korean entities, as well as ones from the Middle East, have an advantage over their US and European peers on the Russian market.
- Relatively stable US-Russia relations under Trump may quickly come to an end, with sanctions risk increasing, if a new administration comes to power in Washington in 2020-21.

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Venezuela

Outlook

The US since mid-2017 has significantly expanded its sanctions regime against Venezuela, imposing wide-ranging targeted, financial and sectoral sanctions. Targeted EU and third-country (for instance, Canada) sanctions also remain in place. Sanctions risk increased further after National Assembly President Juan Guaidó in January 2019 declared himself interim president and called for new elections. In the most restrictive measure intended to force regime change, the US in January 2019 imposed targeted sanctions on state-owned Petróleos de Venezuela (PDVSA), though it issued – and then renewed in July 2019 – waivers for five US companies. International pressure on the regime of President Nicolás Maduro will persist, raising the likelihood of further sanctions from the US as well as the EU and third countries. The Trump administration is betting that tough sanctions, without military intervention, will dislodge Maduro and is thus likely to continue to tighten sanctions. The US retains several options for further sanctions escalation, in the form of additional secondary sanctions or an embargo similar to that imposed on Cuba that bans all US companies from operating there. However, tougher US sanctions on Venezuela will likely include waivers for the US oil companies that are keen to remain in the country. The US government is also unlikely to force Western oil companies out because that would hand over control of the oil sector to Chinese and Russian companies.

What to watch

Triggers for **increasing** sanctions risk:

- Maduro holds highly fraudulent congressional elections in 2020.
- The Maduro regime jails Guaidó, or other members of the US-aligned opposition.
- Venezuela finds ways to circumvent sanctions with the help of allies such as Russia, China and Turkey.

Triggers for **decreasing** sanctions risk:

- Maduro is forced to step down by a critical mass of his own armed forces and leftist allies.
- A successful coup ousts the Chavista regime and puts the opposition firmly in control of the government.

Implications

- US financial sanctions have made it difficult or prohibitive for many US companies to continue operating in Venezuela. However, US oil companies continue to operate under sanctions waivers.
- More importantly, sanctions merely add to Venezuela's complex and hostile business environment, in which the Maduro government has increasingly intervened to maintain control over aspects of the economy. Reputational risk will remain high as the Maduro government stays in power.

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Syria

Outlook

Targeted UN and sectoral US, EU and third-country sanctions continue to preclude most business activities from US and European companies in Syria, even as the security environment is likely to become more conducive to business – particularly reconstruction work. However, these sanctions are very unlikely to be relaxed if President Bashar al-Assad remains in office, which is the most likely outcome given reduced US support for opposition groups and Russia and Iran's continued military and political support for him. Assad is likely to further consolidate his position over the next year, ensuring he remains in power during any post-conflict transition. The US will also maintain intent to sanction Syria as a secondary means to apply economic pressure on Iran, which has backed Assad throughout the conflict. More broadly, a general breakdown in the rule of law means that militia and militant groups operate checkpoints, or control the movement of goods or people and natural resources to extract profit – in turn hindering operations in various parts of the country.

What to watch

Triggers for **increasing** sanctions risk:

- Fresh evidence of the Assad regime's use of chemical weapons and involvement in other war crimes.

Triggers for **decreasing** sanctions risk:

- Regime change that leads to the installation of a political leadership amenable to Western countries.
- The EU and US come to a pragmatic realisation that they will be better able to exert influence in Syria and that they would otherwise lose business and other opportunities unless they eased some of their restrictions.

Implications

- Doing business in Syria exposes companies to a series of overlapping sanctions regimes beyond those applied to the Assad government. This is because of the presence of Iranian, Iraqi, Lebanese and Russian business interests that are subject to their own sanctions regimes.
- Beyond sanctions risk, companies will also face reputational risks if they are perceived as legitimising the actions Assad took during the conflict.
- Comprehensive sanctions regimes have provoked fuel and other shortages, as well as a broader economic turndown. These issues, combined with decrepit power, telecommunications and other infrastructure, will also pose operational risks to companies looking to re-enter Syria.

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Beyond sanctions: Foreign investment considerations

Focus on the Committee on Foreign Investment in the United States (CFIUS)

National security concerns around foreign direct investments (FDI) are a growing concern for multinational companies and their legal advisors the world over. As the global threat landscape continues to evolve, matters including cybersecurity vulnerabilities, dual-use technologies with civil / military fusion, intelligent (information) warfare, and global supply chain considerations are increasingly being monitored and scrutinized in the context of foreign direct investments (FDI) for possible national security concerns, and the respective risks and opportunities they create. Savvy global investors are advised to keep an eye on The Committee on Foreign Investment in the United States (CFIUS) and other foreign investment regulations that continue to develop to ensure their investments can stand-up against growing scrutiny now and in the future.

Risk on the rise

The Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) has created a new reality for US companies and foreign investors partaking in transactions focused on critical technologies. On September 17, 2019, the Department of Treasury released draft regulations to implement the changes that FIRRMA made to CFIUS's jurisdiction and processes.

These changes represent a significant expansion of authority and were necessary to address the evolving national security threat environment, particularly the risks inherent in Technology, Infrastructure, and Data ("TID") US Businesses.

While the updates present a more complex regulatory environment, the release of the draft regs provides needed clarity for companies and investors to understand and adjust to the current state of play.

Successful models and deal-making strategies will account for the nuance of an evolved security and technological environment, while recognizing the need to engage early and aggressively to address potential national security concerns.

Learn more about CFIUS and FIRRMA here.

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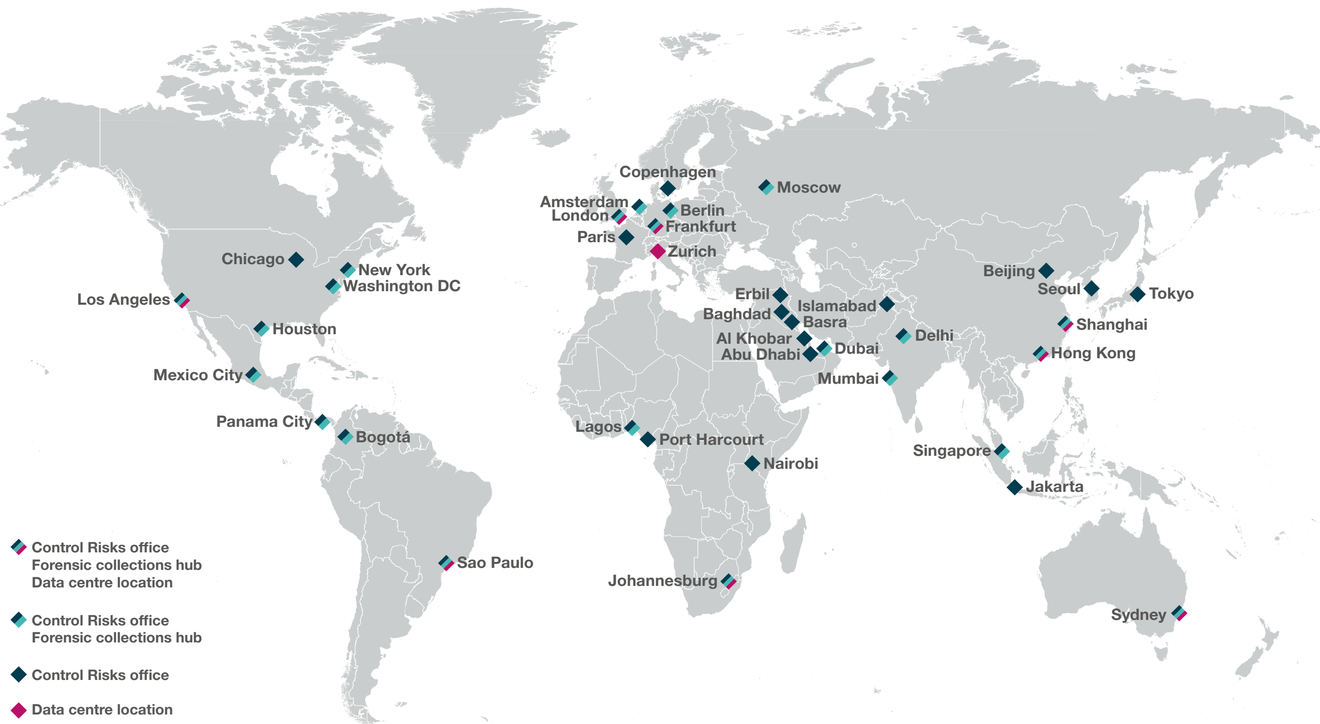
About us

Control Risks exists to make our clients succeed. We are a specialist risk consultancy that helps to create secure, compliant and resilient organisations in an age of ever-changing risk.

Control Risks' 3,000 employees work out of 36 offices around the world with experience in 178 countries and 18 sectors.

With experts strategically placed around the world, we have a unique blend of skills and local insights to support our clients and their legal counsel as they consider sanctions globally.

Contact us for more information about our experience with sanctions and how we can help you.



Our experience with sanctions

- Advised a chemical company on their exposure to the shareholders of a **Russian** partner; the nuances of entities part-owned by sanctioned individuals; and the risks of secondary sanctions for similar companies.
- Delivered a country risk assessment and multiple enhanced due diligences for a multinational bank considering whether to finance a multi-billion-dollar transaction with **Iran** under an OFAC licence.
- Investigated the sale of electronics in **North Korea** on behalf of a Japanese client. Advised on potential sanctions considerations and provided recommendations for export controls enhancements.
- Mapped the business interests of major sanctioned entities in **Iran's** consumer goods sector, enabling a client to place informed restrictions on marketing and sales activities of distributors.
- Advised an international oil company on the likely future sanctions the US and the international community will implement against **Venezuela**.
- Developed a bespoke database that detailed key **global (UN, EU and US) and third country sanctions** regimes on dozens of countries of commercial interest to a multinational chemical company. Delivered information at regular risk-based intervals, with supplementary consulting and monitoring of significant political or legal developments which could impact the client's exposure. Such developments included international conflict, unrest, human rights violations, and proposed or pending legislative changes.
- Conducted an assessment of the oil output implosion in **Venezuela** and how oil production is expected to be impacted by tighter US sanctions in the future.
- Provided a nuanced assessment of sanctions, their applicability and political motivations for a Japanese conglomerate. The client then formulated a strategy that serves as the foundation of a sanctions-related policy in **Russia**.
- Conducted a scenario planning exercise for a manufacturing multinational that included a view of how tighter international sanctions could affect their business with **Iran** and how to mitigate the associated sanctions risk.
- Mapped a businessman's corporate interests to identify ties to senior and sanctioned figures in **Syria**. During our project, sanctions were imposed against the subject and one of his companies. We then assessed the risks of sanctions being expanded to include the subject's other companies and extended family.
- Forensic data analytics to identify sanctioned individuals and entities in our client's financial and sales data as part of a forensic investigation into potential sanctions violations in **multiple countries**.
- We identified the historical changes in shareholding structure of a company in **Myanmar** to identify the sanctions risks that our clients might inherit through an acquisition.

Notes