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| **Firm-wide risk assessment template**  **Sanctions risk** | | | | | | | | |
| Firm Name:  Author:  Position held:  Number of fee-earners:  Before you begin, you should read the following and take them into account when drafting your risk assessment.   |  |  | | --- | --- | | [SRA guidance on complying with the sanctions regime](https://www.sra.org.uk/solicitors/guidance/financial-sanctions-regime/) |  | | [Office of Financial Sanctions Implementation (OFSI) general guidance on sanctions](https://assets.publishing.service.gov.uk/media/64c0d9511e10bf000d17cea5/UK_Financial_Sanctions_General_Guidance.pdf) |  | | [OFSI](https://assets.publishing.service.gov.uk/media/64ef0b4fda8451000d6323fb/Monetary_Penalty_and_Enforcement_Guidance__Aug_2023_.pdf) enforcement and monetary penalties guidance |  | | | | | | | | | |
| **Customer Risk** | | | | | | | | |
| **Risk factor** | **Customer risk** | **What are the sanctions risks?** | **Controls in place to mitigate identified risks** | | | **Overall risk rating**  **Low/Medium/High/Not applicable - How have you arrived at your risk rating?** | | **Departments to which this risk applies** |
| **Your customers and counterparties** | In this box describe your firm’s clients:  For example, individuals, corporate entities (UK), corporate entities (overseas), financial institutions, local authorities  Consider:   * if your firm has a stable client base, high turnover of clients etc * whether your firm’s clients are deal with counterparties who are at a higher risk of being designated under the sanctions regime |  |  | | |  | |  |
| Clients that instruct you via a third party, for example a family office, concierge service, broker or professional intermediary. |  |  | | |  | |  |
| Clients or counterparties with multiple layers of complex ownership |  |  | | |  | |  |
| Clients or counterparties who are high net-worth or who hold or have held, political office |  |  | | |  | |  |
| Clients or counterparties seeking anonymity, privacy or otherwise seeking to obscure their ownership or control of, or their interest in, another entity |  |  | | |  | |  |
| Partial or incomplete matches on OFSI’s consolidated list which may indicate a relationship with a designated person |  |  | | |  | |  |
| Clients or counterparties which may have been owned or controlled by a designated person in the past, who may still influence their actions. |  |  | | |  | |  |
| Other client and counterparty risks |  |  | | |  | |  |
| **Geographic risk** | | | | | | | | |
| **Risk factor** | **Geographic risk** | **What are the sanctions risks?** | **Controls in place to mitigate identified risks** | **Overall risk rating**  **(after mitigation):**  **Low/Medium/High/Not applicable** | | | | **Departments to which this risk applies** |
| **The countries or geographic areas in which you operate** | In this box describe the areas your firm provides services from and to (this can be local and international).  Include details of the geographic risks relating to the location of the firm, its clients and transactions. |  |  | |  | |  | |
| Does your firm deal with clients or counterparties in countries with significant levels of corruption or weaker economic crime controls? |  |  | |  | |  | |
| Does your firm deal with clients or counterparties in countries subject to a geographic sanctions regime? |  |  | |  | |  | |
| Does your firm deal with clients or counterparties based in offshore jurisdictions |  |  | |  | |  | |
| Other geographical risks identified |  |  | |  | |  | |
| **Products/Services Risks** | | | | | | | | |
| **Risk factor** | **Product/Service risk** | **What are the sanctions risks?** | **Controls in place to mitigate identified risks** | | | **Overall risk rating**  **(after mitigation):**  **Low/Medium/High/Not applicable** | | **Departments to which this risk applies** |
| **Your products or services** | Risk of handling frozen funds, via a client or office account |  |  | | |  | |  |
| High-value transactions of real property or other assets such as corporate entities, aircraft or vessels. |  |  | | |  | |  |
| Ancillary services, eg wealth, asset or reputation management, concierge service. |  |  | | |  | |  |
| Creating/managing companies which could obscure ownership and control. |  |  | | |  | |  |
| Services involving nominees |  |  | | |  | |  |
| Shipping, aviation, other vehicles, works of art and other high-value, transportable goods |  |  | | |  | |  |
| Other services risk |  |  | | |  | |  |
| **Transaction risk** | | | | | | | | |
| **Reg 18 factor** | **Transaction risk** | **What are the sanctions risks?** | **Controls in place to mitigate identified risks** | | | **Overall risk rating**  **(after mitigation):**  **Low/Medium/High/Not applicable** | | **Departments to which this risk applies** |
| **Your transactions** | Describe the typical types of transactions your firm deals with and the value of those transactions.  Consider what would be an unusual transaction for your firm. |  |  | | |  | |  |
| Complex transactions |  |  | | |  | |  |
| Forms of payment such as crypto currency, crypto assets, bearer bonds, or cash which can be less easily traced and scrutinised, and where ownership may be more difficult to establish. |  |  | | |  | |  |
| Transactions or products that facilitate anonymity |  |  | | |  | |  |
| Other transaction risk |  |  | | |  | |  |
| **Delivery Channels risk** | | | | | | | | |
| **Risk factor** | **Delivery Channel risks** | **What are the sanctions risks?** | **Controls in place to mitigate identified risks** | | | **Overall risk rating**  **(after mitigation):**  **Low/Medium/High/Not applicable** | | **Departments to which this risk applies** |
|  | Clients instructing your firm via third parties, eg family offices, concierge services, or professional intermediaries. |  |  | | |  | |  |
| Do fee earners have the necessary knowledge and experience to recognise and deal with designated persons if they encounter them?   * If your firm does not wish to act in this area, have fee earners and staff been trained to recognise designated persons and to check for ownership and control and take appropriate action? * If your firm does wish to act in this area, do you ensure that only those fee earners with the necessary expertise can act? * If your firm uses onboarding or verification software, do fee earners understand how to use it and what to look for if sanctions risks are flagged? |  |  | | |  | |  |
| Combining services |  |  | | |  | |  |
| Payments or asset transfers to or from third parties |  |  | | |  | |  |
| Remote clients – while this may be for legitimate reasons, this could also be due to travel restrictions. |  |  | | |  | |  |
| Other delivery channel risks |  |  | | |  | |  |

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| **Version** | **Approved by** | **Date** | **Comments** | **Date of Next Review** |
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| 0.2 | (MLCO) | DDMMYYYY | Document Revised | DDMMYYYY |
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