ensuring compliance with sanctions

introduction

Sanctions are by States or International Organizations on individuals, corporations, shadow organizations or groups and at states at the national level. Sanctions do not have a legal framework, but are principally a political instrument intended to induce compliance with international regimes; constrain corrupt or criminal individuals and parties to a conflict; and to respond to a specific crisis.

The most well-known sanctions are issued by the United Nations, European Union and the United States. Many of the sanctions applied by these three entities are then duplicated by national jurisdictions. They can limit sales of products or services, freeze assets and limit access to countries by not delivering visas.

Adherence to applied sanctions is a public and private obligation. Not adhering to sanctions regimes can be catastrophic for an organization. There are not only legal implications, but also potential damage to reputation, loss of funding, and loss of trust from our donors, partners and staff.

**The use of sanctions as a targeted action to limit criminal and corrupt behavior is congruent with the mission of the GI-TOC, and thus the necessity to be scrupulously compliant with sanctions regimes is heightened.**

GI-TOC SANCTIOns protocols

GI-TOC, both in its field research activities and in its grant making and outreach activities as part of the Resilience Fund, supports local actors, individuals and organizations, in countries where the breach of sanctions is a material concern. We send funds to remote locations and to individuals with tangential associations with criminal economies.

We therefore have a number of long-existing protocols in place to ensure adherence with the sanctions regimes to the maximum extent possible. These are as follows:

1. Limiting the channels by which money transfers take place. The GI-TOC only uses established financial services and money value transfer systems, which places the onus of sanctions compliance on these institutions which have robust systems in place. The institutions with which we work are on the forefront of ensuring the safe and legal transfer of funds, and we privilege payment via bank transfer to ensure the full benefit of the powerful bank databases and strict compliance regulations. We used Western Union for less than 30 individual transactions in 2019.
2. Systematic review of the sanctions list. The director of finance and project managers directly receive the sanctions list from Europe and the United States and get notifications when new sanction lists become available. These are checked to look for potential matches with new or existing vendors or consultants.
3. Background checks and invoice controls. When establishing a new vendor or payee in the system, or signing a new contract with a consultant, a background check and verification is performed. When subsequently processing invoices, the name of the suppliers must correspond to the name of the bank account holder. When funding through Western Union, a passport is provided.
4. Compliance. When banks or Western Union come across a suspicious/unusual bank transfer request, the representative calls the Director of Finance for more information. The invoice is provided to clear the transfer.