

IRAN SANCTIONS SOLUTION

ARE YOUR CLIENTS OR COUNTERPARTIES DOING BUSINESS WITH IRAN? YOU ARE ACCOUNTABLE.

THOMSON REUTERS ACCELUS

Thomson Reuters Governance, Risk and Compliance (GRC) business unit provides comprehensive solutions that connect our customers' business to the ever-changing regulatory environment. GRC serves audit, compliance, finance, legal, and risk professionals in financial services, law firms, insurance, and other industries impacted by regulatory change.

The Thomson Reuters Accelus™ suite of products provides powerful tools and information that enable proactive insights, dynamic connections, and informed choices that drive overall business performance. Accelus is the combination of the market-leading solutions provided by the heritage businesses of Complanet, IntegraScreen, Northland Solutions, Oden®, Paisley®, West's Capitol Watch®, Westlaw® Business, Westlaw Compliance Advisor®, and World-Check®.

THE CHALLENGE

In early 2010, after four intensifying rounds of U.N. sanctions aimed at preventing Iran from developing a nuclear weapons program, the U.S. and the EU issued their own set of sanctions against Iran, quickly followed by Canada, Australia, South Korea, and Japan. Avoiding Iran is not sufficient – you are expected to know if any of your business relationships are linked to Iran.

IDENTIFYING THE RISKS

Identifying where your direct and indirect Iran sanction exposure is hidden is anything but straightforward. You are looking for relevant Iranian entities, as well as non-Iranian entities engaged in the sanction-targeted activity.

Iranian banks and companies are known to conceal their involvement in transactions by using shell companies or removing their names from transaction documents. Non-sanctioned banks also step in to help conceal sanctioned entities. Recent reports reveal that Iran is secretly setting up banks in Muslim countries with false names and obscure ownership structures. The state of Iran and Iranian-linked companies have been known to use front companies and individuals to conduct business on their behalf.

And then there is the rest of the world. The sanctions apply equally to foreign entities engaged directly or indirectly in the sanction-targeted activities as they do to the Iranian entities engaged in these activities and sectors. Screening for Iranian addresses or Iranian-incorporated entities is not sufficient.

PENALTIES FOR NOT COMPLYING ARE SEVERE

Rapid and significant enforcement is expected to compel adoption and compliance, with financial services and multinationals as main targets.

- Massive fines
 - Twice the transaction value
 - Criminal penalties for willful violations of up to \$1 million or 20 years in prison
- Shareholder risk
- Civil liability
- Severe reputational damage
- Loss of commercial opportunity

It is not as simple as avoiding Iran or Iranian companies. You face risk by doing business with parties that are directly or indirectly engaged in activities targeted by the expanded global Iran sanctions – be they Iranian companies or not.

WHAT IS EXPECTED OF YOU?

Sanctions stipulate that an organization will be held accountable for what it *should have known* about the Iran-related interests of its clients and counterparties. The onus is therefore on you to proactively conduct due diligence and know what information is available in the public domain on those with whom you do business. You need a comprehensive intelligence database derived from credible public sources to uncover your potential risk. Checking watch lists or checking for Iranian addresses or incorporations is not good enough.

See reverse side



THE IRAN ECONOMIC INTEREST SOLUTION

Thomson Reuters Accelus, the industry leader in risk management and compliance solutions, now offers a unique and effective solution tailored to reduce the risk posed by international sanctions against Iran. While delivering reliable and useful intelligence, it helps you meet your obligation by providing an auditable paper trail that can be used as proof of due diligence.

THE SOLUTION HAS TWO COMPONENTS:**World-Check Risk Screening**

The IEI Database empowers businesses to automatically and cost-effectively screen all of their customers, partners, employees, and business transactions for potential Iran sanction risk. The World-Check Risk Screening research team, which numbers in the hundreds, monitors the public domain around the clock for parties that are reported to have potentially direct or indirect involvement in activities targeted by the expanded global Iran sanctions. These parties may or may not be violating any sanctions, but their activity warrants further due diligence based on its possible relevance to Iran sanctions. The World-Check Risk Screening solution makes you aware of what information is readily available in the public domain about your customers and counterparties.

The intelligence is captured in a structured file that is updated and delivered to clients daily, in the same industry-standard file format relied upon by thousands of institutions worldwide. Upon signing up, existing clients need not make a single change to their settings. The specially keyworded data will be delivered along with their standard World-Check Risk Screening subscription. You can begin monitoring your business for known potential Iran sanction risk instantly.

IntegraScreen Reports

While the IEI Database allows for the automatic screening of every relationship and transaction, select relationships may require a more targeted investigation. Certain indicators warrant enhanced due diligence – individuals and entities with links to sensitive industries or countries, or those with a particular operational history, for example. In such cases, Thomson Reuters Accelus offers the IEI IntegraScreen Report.

The IEI IntegraScreen Report empowers businesses to quickly and cost-effectively commission a due diligence report on any individual or business relationship of particular concern.

Due to our global research infrastructure, we can conduct intensive research on subjects anywhere. We employ over 350 local language speaking, specialist researchers in 11 key locations worldwide, who speak more than 60 languages between them. We do not use translation software or services. Our researchers not only understand the languages and all of their local nuances, but also understand the local environments and customs. Our language capability means that, for example, if a French company is operating in Iran or the Middle East, we can conduct research in French, Farsi, and English. By not relying on third parties, we can provide consistent, high-quality research reports at a set low price and set fast turnaround. Investigations are conducted legally and ethically with the utmost discretion.

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