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## About Clear

Clear is a Chartered Broker and proud to be a Top 30 Independent Insurance Broker in the UK.

Our considerable experience in the property sector gives us the capacity to design bespoke and exclusive insurance solutions for the whole property market.

# Financial Sanctions

## Checks and Controls

The UK financial sanctions regime plays an important part in delivering the Government’s foreign policy objectives. It is also used by the government to prevent and suppress the financing of terrorism and terrorist acts. In 2007 the Government issued its new anti-money laundering and terrorist finance strategy, and HM Treasury set up a dedicated Asset Freezing Unit, which has increased the expertise and operational focus that the Government is able to bring to bear on asset freezing.

The UK financial sanctions regime lists individuals and entities that are subject to financial sanctions. These can be based in the UK, elsewhere in the EU or the rest of the world. In general terms, the law requires firms not to provide funds or, in the case of the Terrorism Order, financial services, to those on the list, unless a licence is obtained from HMT (Her Majesty’s Treasury).

A failure to comply with these obligations can carry serious consequences. For example, there is the risk of criminal penalties being sought by the government against the firm and, in certain circumstances, against the management of the firm. A breach of the regime may also result in terrorists being better able to finance their activities or a criminal offence being committed, as well as leading to reputational damage to firms.

Financial sanctions orders prohibit firms from carrying out transactions with a person or organisation subject to an order. In some cases the order will prohibit a firm from providing any services even advice to these targets. Her Majesty’s Treasury (HMT) maintains a list of targets, known as the UK Consolidated Financial Sanctions List. Firms should be checking their client lists against

the Consolidated List both at commencement of the relationship and after each and every HMT update.

While HMT is responsible for implementing, administering and enforcing compliance with UK financial sanctions, the Financial Conduct Authority seek to ensure that the firms it supervises have adequate systems and controls to do so.

Firms involved in financial services are required to ensure that they have in place proportionate systems and controls in relation to financial sanctions and this is an integral part of complying with the FCA’s requirements on financial crime.

*Principle 3 of the FCA’s Principles for Businesses provides that ‘a firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.’*

*The FCA Handbook also states ‘a firm must take reasonable care to establish and maintain effective systems and controls for compliance with applicable requirements and standards under the regulatory system and for countering the risk that the firm might be used to further financial crime.’*

The FCA have pursued high-profile actions against firms that failed to put such arrangements in place, some of which resulted in significant fines.

Where a firm has identified an actual match with a person or entity on the HMT list, or where it knows or suspects that a party with whom the firm has had business dealings has committed a breach, it must inform HMT’s Asset Freezing Unit as soon as practicable and supply any information that would facilitate compliance.

At Clear we are able to assist you with

the relevant checks and as such you can be confident that when placing your insurances via Clear your statutory obligations are being met.

## How Can We Help

At Clear Insurance Management Ltd we are specialists in the property market. If you'd like further information contact us today or visit [www.thecleargroup.com/property](http://www.thecleargroup.com/property).

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## Contact Us

For further property insurance advice and guidance please contact:

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