


Sanctions Policy & Guidelines

ADRA Austria & Partners

	Date:	Signature Board Chair
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Revision 2		
Revision 3		
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The present sanctions policy and guidelines are a set of binding decisions applying to ADRA Austria's operation and its partners.

For reasons of readability, no gender-specific wording has been used; the masculine form also stands for female persons.

Table of Contents

1	Introduction	3
1.1	What are sanctions?	3
1.2	The law	3
1.3	Sanctioning bodies	3
2	Sanctions vs. Anti-Money Laundering (AML)	3
3	Responsibility for the Sanctions Policy	4
3.1	Responsibilities	4
3.2	Duties	4
4	Risk Assessment	4
5	ADRA Austria procedure	5
5.1	Screening countries	5
5.2	Screening clients	5
5.3	Screening individuals	5
5.4	Sanctions Screening Steps	5
6	Red Flags	6
7	Staff Information & Training	6
8	Monitoring and review	6
9	Annexes	7
9.1	Annex A – Sanctions Register	7
9.2	Annex B – Sanctions Report Form	7

1 Introduction

This Sanctions Policy is designed to ensure that ADRA Austria and its partners and stakeholders comply with applicable sanctions laws.

1.1 What are sanctions?

Sanctions are restrictions on activity with targeted countries, governments, entities, individuals and industries ('targets') that are imposed by bodies such as the United Nations (UN), the European Union (EU), individual countries or groups of countries.

1.2 The law

Breaching a sanctions regime can constitute an offence. Therefore, **we must not:**

- Deal with funds or economic resources owned, held or controlled by a target (or where we know or have reasonable grounds to suspect that a target is holding or controlling those funds or economic resources)
- Make funds, financial services or economic resources available, directly or indirectly to targets
- Make funds, financial services or economic resources available, directly or indirectly for the benefit of targets
- Knowingly and intentionally participate in activities that would directly or indirectly circumvent the financial restrictions imposed by the sanctions regime or enable or facilitate the commission of any of the above

1.3 Sanctioning bodies

For ADRA Austria and partners, the most relevant sanctioning bodies include the European Union, US Office of Foreign Assets Control (OFAC) and the UN Security Council:

EU Sanctions List: The EU consolidated list of sanctions applies to all EU citizens, wherever they are located in the world and corporate entities constituted in a member state.

https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions

OFAC Sanctions List: The specially designated nationals and blocked persons list (SDN) applies to any entity that trades in US dollars. <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-list-search-tool>

UN Sanctions List: The United Nations Security Council sanctions list applies to all UN Nation states

<https://scsanctions.un.org/search/>

2 Sanctions vs. Anti-Money Laundering (AML)

The table below outlines the difference between sanctions and anti-money laundering:

Sanctions Regime	AML Regime
Prevents the use of all financial resources by or for the benefit of a designated person, entity or regime (the target); it is irrelevant that the funds and purpose of the transaction are legal.	Aimed at disrupting the flow of criminal property, i.e. property that constitutes or represents a person's benefit from criminal conduct.
No tipping-off offences relating to sanctions compliance — the lists of designated persons, entities and regimes are public documents.	You can commit a tipping-off offence — see national Anti-money laundering and counter-terrorist financing policy.
No distinction between regulated and non-regulated sectors or activities — the sanctions regime applies to all organisation and all services.	Some aspects of the AML regime are limited to regulated sector/regulated activities.

It is important to remember that there is no distinction in the sanctions regime between regulated and non-regulated sectors or activities.

3 Responsibility for the Sanctions Policy

3.1 Responsibilities

ADRA Austria and all its partners have to nominate a responsible person who is in charge to implement the policy:

Responsible: Marcel Wagner

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Email: m.wagner@adra.at

3.2 Duties

- Overall responsibility for this policy to keep it updated as new regulations and procedures are announced
- Ensuring that all staff are informed about and implemented all tasks where finances and 3rd party stakeholders or countries are involved.
- Responsible for maintaining a register of all reports we receive under this policy (see register template Annex A).
- Review and assess the countries we work with, if they are currently under sanctions.

4 Risk Assessment

ADRA Austria and its partners aim to ensure, that our sanctions policy and procedures are proportionate to the risks we face. ADRA has performed an assessment of the risks being exposed to persons/entities subject to sanctions at organizational level. This Sanctions Policy and the procedures listed below have been developed in response to the results of that risk assessment and the requirements of our foreign exchange suppliers. Where necessary, we will review our risk assessment and make appropriate changes to this policy.

Risk chapter	Explanation	Risk management process
Governance	Responsibility: information collection and documentation Accountability: control and signatures	Internal and external control
Policies & Procedures	Finance Policy: standard practices Treasury Policy: transactions, exchange, money institutions Anti-Corruption policy Sanctions policy: this policy	Regular review of content Review after incident
Risk Assessment	At organization finance level At partner level: all finance related tasks and practices At 3 rd party level: indirect investigation	Risk description (sources) Risk exposure Risk appetite
Management Information	Ensure and maintain transparency with partners	Partnership agreement
Record keeping	Stakeholder list per project (direct and indirect) Stakeholder screening log with reference to sanctions list Documentation of matches and reporting	Responsibility and training Documentation
Monitoring and controls	Stakeholder list per project at the beginning of the project including names and contact details of leadership	Monitor and document lessons learned
Training	This guideline serves as training guide, the partner has to write a protocol after the training including date, names of participants and topics informed	Monitor partners
Independent testing	Every international money transfer is screened by the foreign exchange supplier. ADRA Austria will spot check some stakeholders	Monitor partners
Learning and improvement	Information at hand to be evaluated regularly and consulted with the national bank if matching incidents detected	Evaluation

5 ADRA Austria procedure

5.1 Screening countries

Financial sanctions relating to a specific country or terrorist group are known as regimes. They have specific regulations and various forms of conduct are prohibited depending on the particular regulations. Regulations are imposed by the UN Security Council (<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>) and the European Union.

We screen those countries from which we seek products or services which are on the UN sanctions list or with links to them. We conduct screening **before** we:

- (a) Undertake any invitations for tender, or
- (b) Receive or transfer any funds to the country
- (c) Whenever we become aware that a target has been added or removed from the sanctions lists

5.2 Screening clients

We screen all our project partners either from the country of project implementation or with links to it. We conduct screening **before** we:

- (a) Undertake any work for or on behalf of the individual or entity, or
- (b) Receive or transfer any funds to, from or on behalf of the individual or entity
- (c) Routinely – every 6 months and whenever we become aware that a target has been added or removed from the sanctions lists

5.3 Screening individuals

In addition to screening our partner and stakeholders, we follow the above screening procedures for:

- (a) Directors and beneficial owners of corporate clients
- (b) Intended recipients of funds in transactional and litigation matters, where we have reason to believe that they may be subject to sanctions
- (c) Sanctions List to scan names:
https://namescan.io/FreeSanctionsCheck.aspx?gclid=EAlaIqobChMl5rjgqf47AlVieR3Ch3kTwtuEAAYASAAEgKd4fD_BwE

5.4 Sanctions Screening Steps

Sanction lists are growing daily, and sanctions published by the multiple different issuing bodies don't always align. Coupled with this, the definition of sanctions is broadening and is becoming more open to interpretation, making it more difficult than ever for businesses to effectively identify and manage sanctions risk. Our best practice guide on sanctions screening provides useful advice to help you overcome these challenges.

- 1) Consult the UN Security council website (<https://www.un.org/securitycouncil/>) and check if the host country of project implementation is listed.
 - a. If yes: consult with ADRA Austria
 - b. If not: continue with 2)
- 2) List all private-, institutional- and CSO stakeholders working with the project or which are related to one or more project activities. Attach all the names of leaders from these entities
- 3) Enter the names in the list (see 5.3) and check if there are any matches
 - a. Any potential match identified must be properly investigated before taking any further steps
 - b. If the investigation is positive, we are responsible for reporting any potential matches immediately to the nominated officer at ADRA Austria.
- 4) The Nominated Officer will verify whether there is an actual match. The result of that investigation may be that we:
 - a. Seek guidance from Ministry of Finance
 - b. Ask an external party to investigate whether the person or entity we are dealing with is in fact a target
- 5) Where there is a positive match against the sanctions lists:
 - Decline to act
 - Cease to act
 - Inform Ministry of Finance as necessary: fill in the Sanctions Report Form (see Annex B)

6 Red Flags

In case of suspicion, ADRA Austria will conduct further investigation into whether a particular transaction or relationship may present a potential economic trade sanctions regulation issue. We will look out for any red flags or suspicions that may indicate the direct or indirect involvement of a restricted territory, restricted party, controlled item, service, end-use or any other sanctions compliance concern. Some examples of red flags to be reported include:

- The consignee has a different name or location than the ultimate end user;
- Unusual invoicing, shipping, or packaging requests;
- Abnormal shipping route;
- Unusually favourable payment terms or large cash payments;
- Any suspicion or evidence to suggest the possible involvement of a Restricted Territory or Restricted Party;

The above list is not exhaustive. Any suspicion of the direct or indirect involvement of a restricted territory, restricted party, controlled item, service, end-use or any other sanctions compliance concern will lead to further investigate the activity in accordance with this Policy.

7 Staff Information & Training

This thematic area is fast developing and receives frequent updates and additional topics. There is a wide range of training materials and information available on the internet:

<https://www.skillcast.com/economic-sanctions-training-presentation>

<https://de.slideshare.net/williamsmcguire/aml-sanctions-presentation>

<https://de.slideshare.net/SWIFTcommunity/day-2-sanctions-1-swift-bnlforumsanctionsscreeningandtesting>

All current staff involved, will receive training to familiarize themselves with the topic of this policy and its guidelines. New staffs will receive training as part of the induction process. Further training will be provided at least every two years or whenever there is a substantial change in the law or our policy and procedure. Training will cover:

- The law relating to the sanction's regime
- Our sanctions policy and procedures

The **Nominated Officer** will continually monitor training needs. If the officer sees the need for further training on any aspect of the relevant law or the sanctions policy or procedures, he will consult the following sources of information:

- FMA (Austrian Financial Market Authority): <https://www.fma.gy.at/en/cross-sectoral-topics/prevention-of-money-laundering-terrorist-financing/country-and-sanctions-lists/>
- Austria Global Sanctions Guide: <https://sanctionsguide.eversheds-sutherland.com/countries/austria/>

8 Monitoring and review

Compliance with this policy will be continually monitored. ADRA Austria will review this policy at least annually as part of our overall risk management process. We will also review this policy if:

- There are any major changes in the law or practice
- We identify or are alerted to a weakness in the policy
- There are changes in the nature of our projects, our partners or other changes which impact this policy

9 Annexes

9.1 Annex A – Sanctions Register

Country / Office	Project	Date	Suspect entity/name	Details
Country: Office: Name: Contact details	Title: Number:		Contact person: Contact details:	
Country: Office: Name: Contact details	Title: Number:		Contact person: Contact details:	
Country: Office: Name: Contact details	Title: Number:		Contact person: Contact details:	
Country: Office: Name: Contact details	Title: Number:		Contact person: Contact details:	

9.2 Annex B – Sanctions Report Form

Date: <i>Date sanction discovery</i>	
Personal Details: <i>Name, Contact Details</i>	
Project activity: <i>Brief outline how incidence was discovered</i>	
Detail of Person/Entity concerned: <i>A detailed description of party involved</i>	
Relationship to Person/Entity: <i>Outline the connection/transactions with the person and/or entity</i>	
Link and details to sanctions list: <i>Provide the details of the sanction</i>	
Signatur: <i>Including date and location</i>	

1. The first part of the report discusses the general situation of the company and the results of the previous year. It also mentions the main objectives for the current year.

2. The second part of the report describes the various projects that have been completed during the year. It includes a detailed description of each project and the results achieved.

3. The third part of the report discusses the financial performance of the company. It includes a breakdown of the income statement and the balance sheet, and a comparison of the results with the previous year.

4. The fourth part of the report discusses the company's position in the market and its competitive advantage. It also mentions the company's plans for the future.

5. The fifth part of the report discusses the company's social and environmental responsibilities. It includes a description of the company's policies and the results of its activities.

6. The sixth part of the report discusses the company's human resources. It includes a description of the company's recruitment and training policies, and the results of its activities.

7. The seventh part of the report discusses the company's information systems. It includes a description of the company's IT infrastructure and the results of its activities.

8. The eighth part of the report discusses the company's legal and regulatory compliance. It includes a description of the company's policies and the results of its activities.

9. The ninth part of the report discusses the company's risk management. It includes a description of the company's risk assessment and the results of its activities.

10. The tenth part of the report discusses the company's overall performance and its future prospects. It includes a summary of the main findings of the report and the company's plans for the future.