

INTER CITY MONEY LIMITED

Sanction Policy

Contents

PURPOSE OF THE POLICY	3
OBJECTIVE	3
SCOPE OF THE POLICY	3
WHAT IS SANCTION?	3
WHAT IS SANCTION LIST?	3
WHAT ARE FINANCIAL SANCTIONS?	3
RELEVANT SANCTION BODIES	4
THE OFFENCES	5
CONSEQUENCES OF BREACH OF UK FINANCIAL SANCTIONS	5
IMPORTANCE OF SCREENING AGAINST SANCTIONS LISTS	5
OUR APPROACH	6
CUSTOMER	6
BENEFICIARY	6
RECORD RETENTION	7
SANCTIONS SCREENING IS APPLIED AT VARIOUS STAGES OF CUSTOMER	7
POLICY REVIEW	7

Purpose of the Policy

The purpose of the Policy is to help prevent breaches of UK Financial Sanctions laws and to provide guidance on UK Financial Sanctions.

Objective

The objective of the Sanctions Policy is to set out the principles for the management of risk and compliance associated with money laundering ("ML"), terrorist financing ("TF") and sanctions.

The Policy is designed to ensure that Inter City Money Limited adheres to:

- All applicable laws and regulations in relation to AML and CTF for the jurisdictions in which Inter City Money Ltd operates; and
- All relevant sanctions regimes in all jurisdictions in which it operates. These include EU, UN, HM Treasury Sanctions List and any other applicable sanctions as appropriate

Scope of the Policy

All staff, business partners, contractors, and agents to the Inter City Money Limited must comply with the Policy.

The Policy does not form part of any employee's contract of employment and may be amended at any time.

What is Sanction?

Sanctions are restrictions imposed by international authorities on specific countries, persons, terrorist organisations, and human smugglers in order to force them to change their behaviour where diplomatically impossible. Sanctions can take the shape of trade barriers, travel restrictions, and financial restrictions such as trade, among other things.

What is Sanction List?

A sanctions list is a compilation of individual sanctions that can be applied to individuals, countries, groups or companies. Sanction lists are often collated by governments or international bodies such as the European Union.

What are Financial Sanctions?

Financial sanctions are restrictions on dealing with the funds and assets of certain individuals and entities. They are put in place by the UK, US, EU, United Nations, and other countries because of threats to international peace and security, human rights abuses, other criminal conduct, and/or to help combat terrorism ("Financial Sanctions").

They exist for a variety of political, military, social, and economic reasons and work by preventing, pressuring, or restricting targets in an effort to curtail their activities.

Complying with financial sanctions means that organisations need to consider who they enter into business with, and whether any funds received are from a legitimate source. This is known as due diligence.

It is a criminal offence to deal with a person or business who is the target of UK Financial Sanctions where it ought to be known that they are the target of sanctions because either they are listed on sanctions list or they are owned or controlled by a person or entity that is listed on sanctions list.

Sanctions may be issued against:

- Countries/jurisdictions (for example, US sanctions against Iran and Russia)
- Terrorist Organizations
- Corrupt individuals (for example, especially designated nationals 'SDNs')
- Specific industry like Irani oil
- Financial Institutions etc

Relevant Sanction Bodies

- EU Consolidated List of Sanctions

The EU consolidated list of sanctions applies to:

- all EU citizens, wherever they are located in the world
- corporate entities constituted in a member state

- HM Treasury Sanctions List

The UK consolidated list of financial sanctions targets applies to:

- all UK citizens, wherever they are in the world
- corporate entities trading in, or constituted in the UK

- OFAC Sanctions List

The specially designated nationals and blocked persons list (SDN) applies to:

- all US citizens, wherever they are in the world
- corporate entities constituted in the US
- any entity that:
 - trades in US dollars
 - uses US goods or components
 - has a US parent, subsidiary or affiliate
 - and/or work through a local agent or supplier with a US connection

- UN Sanctions

- The United Nations Security Council sanctions list applies to all UN Nation states
-

The Offences

The most common type of Financial Sanction is an asset freeze of designated persons and includes essentially three prohibitions:

- ❖ making funds available, directly or indirectly, to or for the benefit of, a designated person;
- ❖ dealing with funds owned or controlled by a designated person, or a person acting on behalf of a designated person; and
- ❖ making economic resources available to a designated person, or dealing with the economic resources of a designated person.

It is also a criminal offence for Inter City Money Ltd to:

- ❖ knowingly participate in activities that directly or indirectly circumvent the prohibitions on making funds available and dealing with funds; and
- ❖ facilitate the commission of any of the offences.

Consequences of breach of UK Financial Sanctions

A breach of the law occurs if Inter City Money Ltd had knowledge or reasonable cause to suspect that it was conducting business contrary to Financial Sanctions. An objective test known as "reasonable cause to suspect" determines whether there were factual circumstances from which an honest and reasonable person should have drawn conclusions about the situation or developed suspicions.

The prohibition of knowingly and purposefully engaging in activities that have the purpose of evading any sanctions legislation or have that impact is a tenet of the majority of sanctions regimes. It is crucial that no actions are taken to circumvent financial sanctions. For example, entering into an arrangement with a third party who is not themselves a sanctions target but who is known or suspected of being connected to a designated person could amount to circumvention.

The potential consequences for breaching sanctions laws are severe, including civil penalties; unlimited criminal fines; periods of imprisonment of up to 7 years for individuals; the disgorgement of any profits; and reputational damage. Currently, most sanctions breaches are enforced by way of a civil penalty regime. The value of a monetary penalty may range from 50% of the total breach or up to £1m – whichever is the greater value.

Importance of screening against Sanctions lists

The core purpose of customer screening is to add to the risk picture of your customers (or potential customers) and, specifically, to identify if they are:

- Subject to international sanctions
 - Politically exposed persons (PEPs)
 - Convicted or suspected criminals
-

It could be reputational risk to business. The ultimate aim is to find out whether customers are or could be linked to money laundering, bribery and corruption, terrorist financing, or another form of financial crime, and, if they are, to protect own business by taking evasive action (by declining to do business) or appropriate follow up action (through enhanced due diligence [EDD] or a suspicious activity report [SAR]).

Transacting with customers who appear on Sanctions lists puts organizations at greater risk:

- Non-compliance with watch list screening may expose to steep regulatory fines
- Failure to identify sanctions evasion, bad actors or a PEP involved in organized crime may lead to potential reputational damage

Our Approach

Customer

When registering a customer or beneficiary, the individual's name must be screened against the Financial Sanctions List by means of a search on Inter City Money Limited software i.e. iRemitfy.

If a search returns a positive result, the search should be repeated with additional information that is available from the identification documents pertaining to the individual in question that have been retained.

- Date of birth
- Place of birth
- Passport number

If the repeated search also returns a positive result, the individual's registration should not be completed, and the matter should be referred to the MLRO for further inquiry.

Beneficiary

It is important to note that screening against the Financial Sanctions List should not be confined to customers only; beneficiaries of remittances must also be similarly screened.

Beneficiaries must be screened against both the Sanctions List and the Investment Ban List. Any potential match should be thoroughly investigated and, where possible, verified through additional searches. If a match is identified after entering the beneficiary's name, their identity document must be obtained to confirm their identity.

If it cannot be confirmed with certainty that the beneficiary in question is not the same person or entity as is listed in the Financial Sanctions List, the transaction/registration should be reported to the MLRO for further inquiry.

Record Retention

It is important to retain evidence of all searches conducted, whatever the results. Such evidence should be appropriately filed with individual customers' records (and retained for a minimum of five years from the end of Inter City Money Ltd.'s relationship with the customer).

Sanctions screening is applied at various stages of customer

- ❖ KYC and Customer Due Diligence checks – On the process of Onboarding the Customer is screened against the Sanction Lists.
- ❖ Transaction screening – Remittance Transactions are monitored for screening both Sender and beneficiary information.
- ❖ Sanctions screening should take place both at the point of onboarding and on an ongoing basis, so that when new sanctions are issued, they can be identified and actioned quickly.

Policy Review

This Policy shall be reviewed by the Compliance Officer/MLRO Mr. Taliq Hussain on a regular basis on every 12 months and as regulation and sanction list changes.

Signed 

Date 16 May, 2025

Mr. Taliq Hussain
