

## Sanctions questionnaire

### Tell us about your firm's approach to financial sanctions

28 April 2023

We require all firms, for which we do not already hold such information, to complete a short assessment outlining how you are making sure you comply with the UK's current financial sanctions regime.

The window for you to provide this information is open from **2–31 May**.

#### Who needs to complete a return?

All SRA-regulated firms who were not previously required to provide a return as part of our 2022 anti-money laundering information exercise must take part in this exercise.

We have emailed your Compliance Officer for Legal Practice (COLP) or Authorised Signatory with instructions if your firm is included.

Please note:

- There is a dedicated link in the email that you must use to provide your firm's information and it is specific to the firm detailed in the covering email.
- If you are a role holder at more than one firm you will be required to complete a separate return for each.
- Responses submitted by email or post cannot be acknowledged or processed.
- If you need input from others in your firm you may share the PDF version of the questions (available from the 'List of questions' section below) but you must complete the return yourself.

#### Do I need to provide this information?

Yes. We will be requesting this information under paragraph 3.3 of our Code of Conduct for Firms. There are no exceptions to the requirement to do this. We may take action against those that fail to submit the information within the required timetable.

#### What will I be asked?

To help you prepare the questions are listed below (along with a PDF version). If you are unsure about any of the questions then please provide the most accurate answer to the best of your knowledge.



## **Questions that show how you are meeting sanctions requirements**

### **List of questions**

These are the questions you will have to answer in the questionnaire. Do not complete this version — only use the form that is emailed to you.

### **These questions may change.**

#### **Download**

[Questions about sanctions \(PDF, 7 pages, 205K\)](#)

[<https://upgrade.sra.org.uk/globalassets/images/specimen/approach-to-financial-sanctions--sample-questions.pdf?version=497d03>]

### **Questions**

#### **Have you assessed in writing the sanctions risks your firm may be exposed to?**

*For example, which work areas or client groups are most likely to result in a sanctions breach.*

- Yes
- No

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#### **Do you have clients with a connection to any of the countries listed below?**

*For the purpose of answering this question a client is to be regarded as 'connected with' a country if the person is—*

- an individual who is, or an association or combination of individuals who are, ordinarily resident in that country,*
- an individual who is, or an association or combination of individuals who are, located in that country,*
- a person, other than an individual, which is incorporated or constituted under the law of that country, or*
- a person, other than an individual, which is domiciled in that country.*

- Afghanistan
- Armenia
- Azerbaijan
- Republic of Belarus
- Bosnia and Herzegovina
- Burundi
- Central African Republic
- China and Hong Kong



- Democratic People's Republic of Korea
  - Democratic Republic of the Congo
  - Guinea
  - Republic of Guinea-Bissau
  - Haiti
  - Iran
  - Iraq
  - Lebanon
  - Libya
  - Mali
  - Myanmar
  - Nicaragua
  - Russia
  - Somalia
  - South Sudan
  - Sudan
  - Syria
  - Venezuela
  - Yemen
  - Zimbabwe
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**Do you provide advice to clients in any of the following areas of work? (Select all that apply)**

- Trade
  - Shipping
  - Aviation
  - Immigration
  - Financial Sanctions
  - None of the above
  - Don't know
- 

**Do you identify clients, including ultimate beneficial owners (if the client is not a natural person).**

*Identification of a client or a beneficial owner is being told or otherwise coming to know a client's identifying details, such as their name and address.*

- Yes - all
  - Yes - some
  - No
  - Don't know
- 

**Do you verify clients' identities using independent materials?**



*For example, independent materials includes, passports or other equivalent documentation*

- Yes – all
  - Yes – some
  - No
  - Don't know
- 

**Do you carry out source of funds checks on matters?**

*Source of funds refers to the funds that are being used to fund the transaction you are acting on and understanding how and where the client got the money for this transaction or business relationship.*

- Yes – all matters
  - Yes – some matters
  - Yes – legal fees
  - No
  - Don't know
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**How do you check whether a new client is on the UK sanctions list?**

- We check the UK consolidated sanctions list maintained by the Office of Financial Sanctions Implementation (OFSI) direct
  - We use an e-verification provider
  - We do not check if our clients are subject to sanctions
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**Do you check if an existing client has been added to the UK sanctions list during the life of a matter?**

- Yes – after a set period of time
  - Yes – we rely on our e-verification provider
  - No, we do not check during the life of the matter
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**In the past 24 months, have you carried out any work for a sanctioned individual, organisation or ship (also known as a designated person)?**

- Yes, with a licence from the Office of Financial Sanctions Implementation
  - Yes, without a licence from the Office of Financial Sanctions Implementation
  - No
  - Don't know
-

**Are you currently holding any frozen assets or funds that belong to a designated person?**

- Yes
  - No
  - Don't know
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**In the last 24 months have you made a report to the Office of Financial Sanctions Implementation?**

- Reported a designated person
- Reported a breach of sanctions
- Reported a breach of a licence
- Other (please specify)
- None of the above
- Don't know

**Why does the SRA need this information?**

[The UK financial sanctions regime \[https://www.gov.uk/guidance/uk-sanctions\]](https://www.gov.uk/guidance/uk-sanctions) is operated by the Office of Financial Sanctions Implementation (OFSI). The measures are imposed by the Government to achieve specific foreign policy or national security objectives. Strengthening the financial sanctions regime is an important part of the government's response to war in Europe.

All SRA-regulated firms must ensure they comply with sanctions legislation, including ensuring they are not receiving fees for work for a designated person outside of a licence from OFSI. Breaching such requirements can result in criminal prosecution or a fine.

To help us assess risk within the sector we require all SRA-regulated firms to provide certain information regarding their approach and potential exposure to financial sanctions risk.

**What will you do with this information?**

We will use the information you provide to help us assess potential financial sanctions risk faced by your firm, and by SRA-regulated firms overall.

We recognise that firms may have taken different approaches to mitigate the risk of dealing with a designated person or entity. That means there is not necessarily a right or wrong answer to the questions, but it is essential that all firms do provide a response.

The information we are collecting is to inform our understanding of firms' exposure to sanctions risk. Although we may take enforcement action for

non-responders, we won't take enforcement action against firms on the basis of their responses.

This assessment of risk will feed into our proactive work on sanctions in the future which may involve proactive engagement with firms in due course based on their risk exposure.

## **What are sanctions?**

Sanctions are restrictive measures that can be put in place to fulfil a range of purposes. In the UK, these include complying with UN and other international obligations, supporting foreign policy and national security objectives, as well as maintaining international peace and security, and preventing terrorism.

Financial sanctions include restrictions on designated persons, such as freezing their financial assets, as well as wider restrictions on investment and financial services.

[Guidance on complying with the sanctions regime](https://upgrade.sra.org.uk/solicitors/guidance/financial-sanctions-regime/1)

[\[https://upgrade.sra.org.uk/solicitors/guidance/financial-sanctions-regime/1\]](https://upgrade.sra.org.uk/solicitors/guidance/financial-sanctions-regime/1).

If you have any queries regarding whether you are in scope, contact our [Professional Ethics helpline](https://upgrade.sra.org.uk/contactus/1) [\[https://upgrade.sra.org.uk/contactus/1\]](https://upgrade.sra.org.uk/contactus/1).