

SPL Screening as a Service Whitepaper

Do you know who you are doing business
with?

Regulatory background



Foreign Trade and Payments Act (AWG):

- Principle of freedom of foreign trade
- Nonetheless, the AWG contains rules to protect the foreign relations of the Federal Republic of Germany

Foreign Trade and Payments Ordinance (AWV):

- Concrete prohibitions and permit requirements
- A key component of export control is counterterrorism measures.



Regulation (EC) No. 881/2002 of May 27, 2002:

Restrictive measures to combat terrorism

- No financial assets or economic resources may be made available, directly or indirectly, to certain persons, groups or entities included in the sanctions lists.



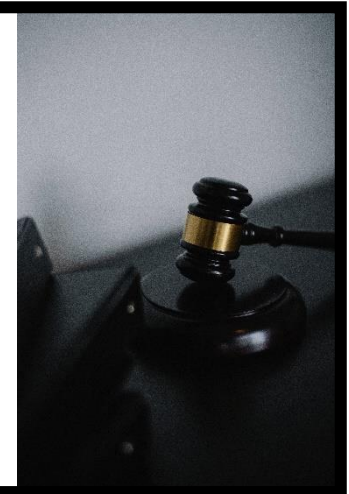
Regulatory background



Regulation (EC) No. 2580/2001 of December 27, 2001:

- Basis: United Nations Resolution
- Content:
 - It is prohibited that funds and other financial assets or economic resources are made available for the benefit of these persons.
 - In addition, states should freeze all funds and other financial assets or economic resources - including, for example, direct or indirect supplies - of persons who commit, attempt to commit, or participate in or facilitate the commission of terrorist acts.


These and other regulations (e.g. embargoes) have given rise not least to a number of sanctions lists, which are now an integral part of compliance and export control. In the process, for many Companies in the EU also face sanctions Lists with extraterritorial applicability
Claim (e.g. the US OFAC - lists) a decisive role.



As a rule, ignorance is no defence:

- Non-compliance with sanctioning regulations = risk of initiation of **criminal and fine proceedings** (e.g. according to AWG and OWiG).
 - **Audit of all business partners** (in addition to customers, for example, also suppliers and cooperation partners)
 - Implementation of **sufficient and appropriate organizational and supervisory measures** by management, authorized representatives and persons as well as senior employees
- Reliable sanctions list compliance is therefore recommended for every company - and before entering into the business relationship in question.
- In this context, it is advisable to determine the specific risk profile of the company's business relationships as well as the country-specific sanctions list scope in detail through a preliminary analysis.

Outsourcing the SPL Screening to AWB Consulting GmbH supports you in carrying out your worldwide trading activities in compliance with the currently applicable regulations and restrictions.




SPL affects everybody



SPL Screening as a Service

SPL Screening by the AWB

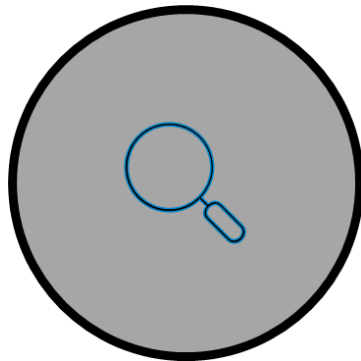
Method

- 
- Due to the large number of business partners, the number of sanctions lists to be included worldwide, and the dynamic nature of the lists, a consistent sanctions list check on a manual basis is not feasible in companies or is risky.
 - As part of the outsourcing of the sanctions list check (SPL Screening as a service) to AWB, our software for the automated check of sanctions lists is used to screen your business partners at regular intervals. By this, suspicious natural or legal persons or associations of persons can be identified and thus be subjected to a detailed check.
 - Each screening is documented in a report and made available to you. In this way, the software solution not only makes work much easier, but also ensures maximum compliance.
 - SPL Screening by AWB allows you to check addresses against a variety of sanctions lists. The sanctions lists are updated automatically when updates are available, so your customer data is always checked against the latest sanctions lists.

Service level

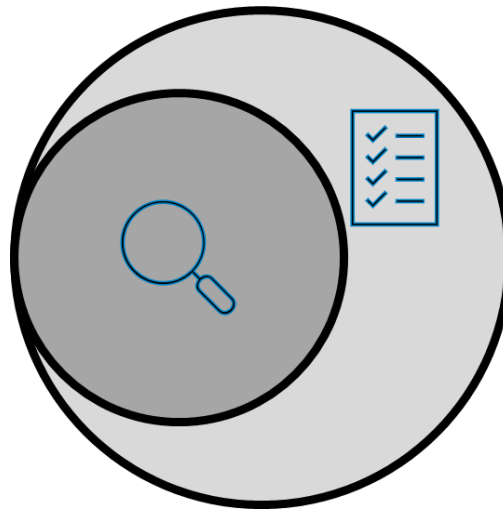
Level 1

- Receipt of a hit report



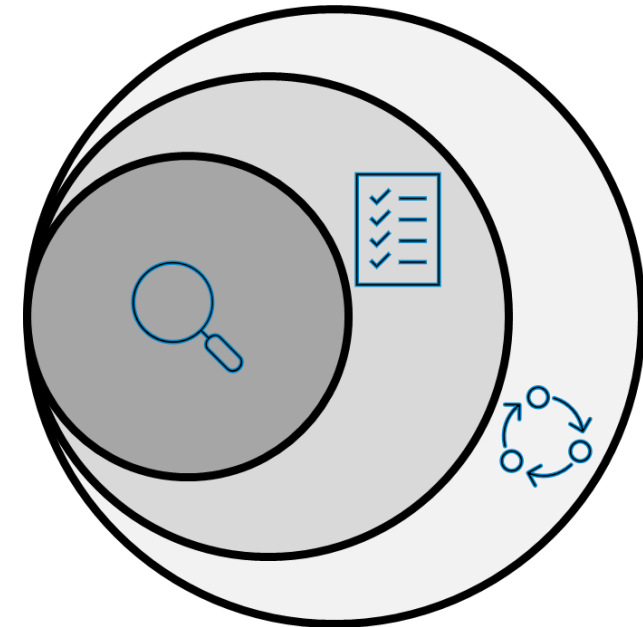
Level 2

- Receipt of a hit report incl. initial validation
- On request: user access to the validation tool



Level 3

- Receipt of a hit report incl. initial validation
- Receipt of recommendations for action and measures according to prior alignment
- On request: user access to the validation tool



Lists in scope

- Standard*
- **EU**
 - Consolidated list of persons, groups and entities subject to EU financial sanctions
- **US**
 - Specially Designated Nationals And Blocked Persons List (SDN)
 - Consolidated Sanctions List (US-Non-SDN)
 - Denied Persons List (DPL)
 - Entity List (EL)
 - Unverified List (UVL)
 - List of Statutorily Debarred Parties (DTC)
 - Nonproliferation Sanctions (ISN)
- **UN**
 - UN Entities List (UNE)
 - UN Individuals (UNI)

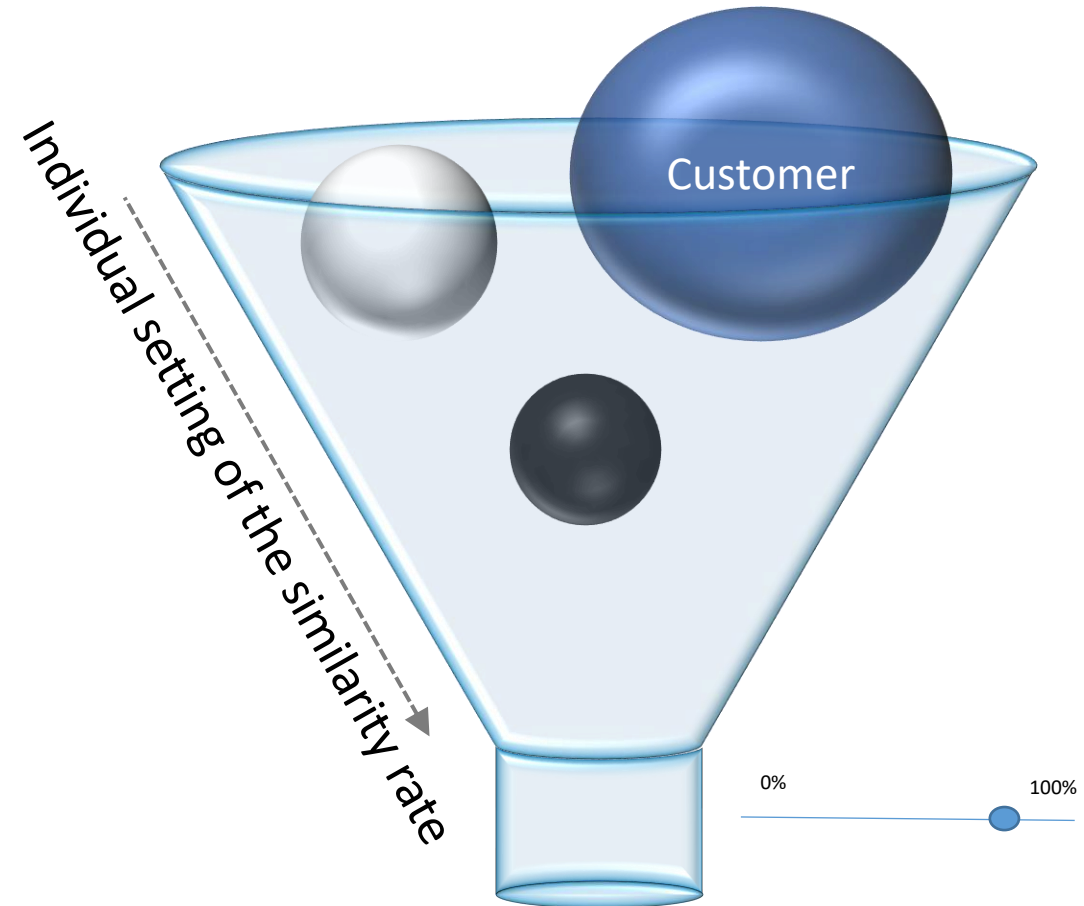
*Other lists can also be integrated on request (e.g. PEP, AML, other national sanctions lists).

In addition, it is possible to create company-internal country blacklists and check customer addresses against them.

Screening algorithm

Functioning of the screening algorithm

- In order to keep the so-called "false-positive" rate within limits and still maintain an adequate risk management level, the desired similarity rate can be configured. It is based on a distance function.
- For recurring screening runs, your customer base is checked for changes so that only new or changed customers are re-validated. In the event that sanction list entries have been added, customer data that has not changed is also checked against new entries.
- Before matching with the SPL database, your customer data is pre-processed uniformly, so that upper and lower case, order of individual words, as well as diacritics have no effect on the result.





[SPL Screening as a Service](#)



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