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Sanctions reporting: Episode I - The phantom menace

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The Sanctions (*Bailiwick of Guernsey*) Law, 2018 (the **Sanctions Law**) and the Terrorist Asset-Freezing (*Bailiwick of Guernsey*) Law 2011 (**the Laws**) have been around for some time, so most of us are aware of our obligation to make a report to the Policy and Resources Committee (the **Committee**) under them.

Reporting obligations up to now

By way of a quick reminder, the Laws state that if you are a relevant institution (as defined in the Laws) you have an obligation to make a report to the Committee if during the course of carrying on your business:

(a) you know or have reasonable cause to suspect that:

i. a person is or is linked to a designated person; or
ii. a person has committed an offence under the Laws, or; in the case of the Sanctions Law, its subordinate provisions; or

(b) any assets are frozen or actions are taken in compliance with a sanctions measure, including attempted transactions.

The information that you must provide to the Committee is set out in detail the Sanctions Law and the Laws. Remember - if the person you are reporting on is your institution's customer, you must also provide additional information.

New reporting obligations

In addition to the historical obligations, there is now a new reporting obligation to consider. The Guernsey Financial Services Commission (**Commission**) Handbook (updated 2024) specifies that once a report has been made to the Committee in accordance with the Laws a further report must now to be made to the Commission. The report to the Commission must set out:

(a) The name of the customer, beneficial owner, key principal or transaction and/ or asset linked to the sanctioned or designated person; and

(b) The nature of the business relationship or occasional transaction, including the value of the transaction and/ or asset.

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Further and in addition to the reports to both the Committee and the Commission, the institution captured by this new reporting requirement must also keep a register of all reports made to the Committee in accordance with the Laws.

This register must include:

(a) The nature of the report made to the Committee;
(b) The transaction and/ or asset value associated with the sanctioned/ designated person at the time of the designation;
(c) Details of the controls in place to ensure the sanctioned/ designated person and the linked assets are frozen; and
(d) Details of any licenses sought from the Committee (if any).

Despite updating your internal register and submitting reports to the Committee and the Commission, it is important not to become complacent when it comes to sanctions.

The names of those sanctioned under the Guernsey sanctions regime are constantly changing, and there is little room for error under the Laws or the Handbook.

If you are a business or individual impacted by Guernsey's sanctions regime, please get in touch with our specialist team who would be happy to advise you on your legal and regulatory obligations.

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COLLAS CRILL

For more information please contact:



Michael Adkins

Partner (Advocate) | Guernsey

t: +44 (0) 1481 734 231 | **e:** michael.adkins@collascrill.com



Amy Davies

Of Counsel (Advocate) | Guernsey

t: +44 (0) 1481 734234 | **e:** amy.davies@collascrill.com



Alice Allen

Associate | Guernsey

t: +44 (0) 1481 723191 | **e:** alice.allen@collascrill.com

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