Client Note on Russian Sanctions

A number of major countries and economic blocs including the US, UK, and EU have been quick to impose economic sanctions in response to the Russian government's decision to recognize as independent and deploy troops to the self-proclaimed Donetsk People's Republic (DNR) and Luhansk People's Republic (LNR) regions in Ukraine. Current and proposed sanctions include comprehensive sanctions on the DNR and LNR, a wide range of additional sanctions, asset freezes, travel bans and shutting off access to the SWIFT network for certain Russian banks. These restrictions target Russian sovereign debt, major Russian state-owned financial institutions and their subsidiaries, and Kremlin-connected members of the Russian elite.

Organizations globally will quickly need to assess their exposure to the Russian state and economy, certain Russian financial institutions, targeted Russian individuals as well as assess downstream risk exposure associated with Russia-related corporations, business dealings, transactions, equities, debt holdings, and raw materials. To do this, organizations will need to mobilize multiple resources simultaneously:

- **Name screening and due diligence** on clients, vendors, suppliers, supply chain participants, corporate ownership structures, and transactions against the names of recently sanctioned individuals, entities, and jurisdictions, and the resulting obligation to resolve any 'alerts' quickly and deal with sanctioned parties and transactions efficiently;

- **Supply chain illumination** to identify Russian state links to supply chain participants and Russian-sourced raw materials and goods; and

- **Capital markets and investment portfolio illumination** to determine potential exposure to Russian sovereign debt and equity / debt owned or controlled by sanctioned Russian organizations and individuals.

Exiger is helping clients manage the challenges placed on them by these wide-ranging sanctions programs and would be happy to discuss your challenges in complying with them.