

# Christian Hope Uganda (UK)

## Sanctions Policy

### Introduction

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This Sanctions Policy is designed to ensure that Christian Hope Uganda (UK) comply with applicable sanctions laws.

### What are sanctions?

Sanctions are restrictions on activity with targeted countries, governments, entities, individuals and industries ('targets') that are imposed by bodies such as the United Nations (UN), the European Union (EU), individual countries or groups of countries.

### The law

Breaching a sanctions regime can constitute an offence under the Terrorist Asset-Freezing etc. Act 2010 (TAFSA 2010). Other sanctions laws may also apply.

#### **We must not:**

- Deal with funds or economic resources owned, held or controlled by a target (or where we know or have reasonable grounds to suspect that a target is holding or controlling those funds or economic resources)
- Make funds, financial services or economic resources available, directly or indirectly to targets
- Make funds, financial services or economic resources available, directly or indirectly for the benefit of targets

- Knowingly and intentionally participate in activities that would directly or indirectly circumvent the financial restrictions imposed by the sanctions regime or enable or facilitate the commission of any of the above

Breaching a sanctions regime carries heavy criminal penalties: up to seven years' imprisonment, a fine or both.

## Sanctions v Anti-Money Laundering (AML)

The sanctions regime is **not** the same as the AML regime.

The table below contains some important points to note:

Sanctions Regime	AML Regime
Prevents the use of all financial resources by or for the benefit of a designated person, entity or regime (the target); it is irrelevant that the funds and purpose of the transaction are legal.	Aimed at disrupting the flow of criminal property, i.e. property that constitutes or represents a person's benefit from criminal conduct.
Requires a licence from the Financial Sanctions team to deal with a transaction involving a target (see <b>Our procedures</b> below). Consent from the National Crime Agency (NCA) is not sufficient (and may not be required if there is no criminal property involved).	Requires consent from NCA.
No tipping-off offences relating to sanctions compliance — the lists of designated persons, entities and regimes are public documents.	You can commit a tipping-off offence — see our Anti-money laundering and counter-terrorist financing policy.
No distinction between regulated and non-regulated sectors or activities — the sanctions regime applies to <b>all</b> organisation and all services.	Some aspects of the AML regime are limited to regulated sector/regulated activities.

A licence from the Office of Financial Sanctions Implementation (OFSI) may be required to proceed, and consent from NCA if you know or suspect (i) the funds represent criminal property or the matter involves terrorist financing **and** (ii) the matter involves a target.

It is important to remember that there is no distinction in the sanctions regime between regulated and non-regulated sectors or activities. The sanctions regime applies to all the services we offer.

## Responsibility for the Sanctions Policy

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**The Nominated Officer**, James Mason has overall responsibility for this policy. They are responsible for ensuring this policy is adhered to by all staff.

The **Nominated Officer**, James Mason is responsible for maintaining a register of all reports they receive under this policy (see below: *What to do if you think there is a match* below).

### UK arms embargoes

Sanctions and embargoes can be rapidly set and lifted in response to changing global events. It is important to regularly review and assess which countries are currently under sanctions. Depending on the goods to be exported, such as arms or dual-use goods, different sanctions and export controls may apply.

Check the UK government website for the latest list of embargoed countries.

<https://www.gov.uk/guidance/current-arms-embargoes-and-other-restrictions>

### UK financial sanctions

Financial sanctions relating to a specific country or terrorist group are known as regimes. They have specific regulations and various forms of conduct is prohibited depending on the particular regulations. Regulations are imposed by the UN Security Council, European Union, and a small number by the UK.

Check the [UK government website](#) for the latest list of financially sanctioned countries.

### Risk assessment

We aim to ensure our Sanctions Policy and procedures are proportionate to the risks we face.

As a UK Registered Charity namely Christian Hope Uganda (UK) – referred to throughout this document as CHU(UK) - we believe that the risks of any sanctions being applied to Uganda and the work we are involved in is very low.

The purpose of CHU(UK) is primarily to send financial support to 2 schools in Uganda via the registered NGO Christian Future Hope Uganda and referred to as CFHU.

CHU(UK) has developed a robust financial policy, with a clear audit trail of monies transferred to CFHU.

We require CFHU to send monthly reports of monies spent supported by receipts as far as practically possible, regular financial accounts supported by account sheets and bank reconciliations.

## Our procedures

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### Screening clients

CHU(UK) will screen all clients either from those countries on the UK sanctions list or with links to them.

We conduct screening **before** we:

- a. Undertake any work for or on behalf of the individual or entity, or
- b. Receive or transfer any funds to, from or on behalf of the individual or entity

and whenever we become aware that a target has been added or removed from the sanctions lists.

### What to do if you think there is a match

Any potential match identified through the screening process must be properly investigated before we can take any further steps and trustees are responsible for reporting any potential matches immediately to the Nominated Officer.

The **Nominated Officer** will investigate whether there is an actual match.

The result of that investigation may be that we:

- a. Seek guidance from HM Treasury
- b. Ask an external party to investigate whether the person or entity we are dealing with is in fact a target

Where there is a positive match against the sanctions lists:

- i. Decline to act
- ii. Cease to act
- iii. Inform HM Treasury as necessary
- iv. Apply for a licence from the OFSI to act for the target where appropriate. Note that if we have already received funds from the target we will need a licence in any event to deal with those funds

It is not for a trustee to decide whether there is a positive match and if so, whether we should act. Trustee responsibility is simply to complete the Sanctions Report Form and submit it to the **Nominated Officer** who will decide how to proceed.

## Informing HM Treasury

TAFSA 2010, S 19 requires us to inform HM Treasury as soon as practicable if we know, or have reasonable cause to suspect, that a person who is or has been a client or a person with whom we have had dealings in the course of our business:

- (a) Is a target
- (b) Is a person acting for or on behalf of a target, or
- (c) has committed an offence under TAFSA 2010

The **Nominated Officer** is responsible for providing information to HM Treasury.

## Obtaining a license

We can only act or continue acting on a matter involving a target under a licence issued by HM Treasury.

The **Nominated Officer** is responsible for:

- Deciding whether or not to apply for a licence
- Making the application to HM Treasury

- Communicating the terms of any licence granted by HM Treasury to relevant and appropriate members of staff

## Reporting concerns

Where there is concern that:

- The trust's dealings involve a target, or
- Someone has committed an offence under a sanctions regime

The concern must be raised with the **Nominated Officer**.

If it is believed that the matter being dealt with involves a sanctions issue **and** possible money laundering or terrorist financing issue it must be raised with **both** the **Nominated Officer** and the **Money Laundering Reporting Officer**.

## Tipping off

Remember, there are no tipping-off offences in the sanctions legislation—the lists of targets maintained by HM Treasury are public documents.

An offence will not be committed by telling our client that we are obtaining a licence or that we will not act for them because they are on the sanctions list.

The **Nominated Officer** will advise on communicating with the client in the event that a sanctions issue is raised.

## Training

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All CHU(UK) trustees will be required to read and adhere to this policy.

The nominated officer will keep abreast of any substantial changes in the law, and will communicate this with the trustees.

## Monitoring and review

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Compliance with this policy will be monitored.

This policy will be reviewed at least annually as part of our overall risk management process and also if:

- There are any major changes in the law or practice
- We identify or are alerted to a weakness in the policy
- There are changes in the nature of our business, our clients or other changes which impact on this policy

## Consequences of non-compliance

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Failure to comply puts individuals and the charity at risk.

You may commit a criminal offence if you fail to comply with this policy. The law relating to sanctions carries severe penalties.

We take compliance with this policy very seriously and because of the importance of this policy, failure to comply with any requirement may lead to the trustee being required to step down and leave the charity.

If you have any questions or concerns about anything in this policy, do not hesitate to contact the Nominated Officer.

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