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15 May 2019

Firco Trade Compliance

Layers of risk within Trade Finance, Logistics and Cargo

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accuity.com

Fircosoft

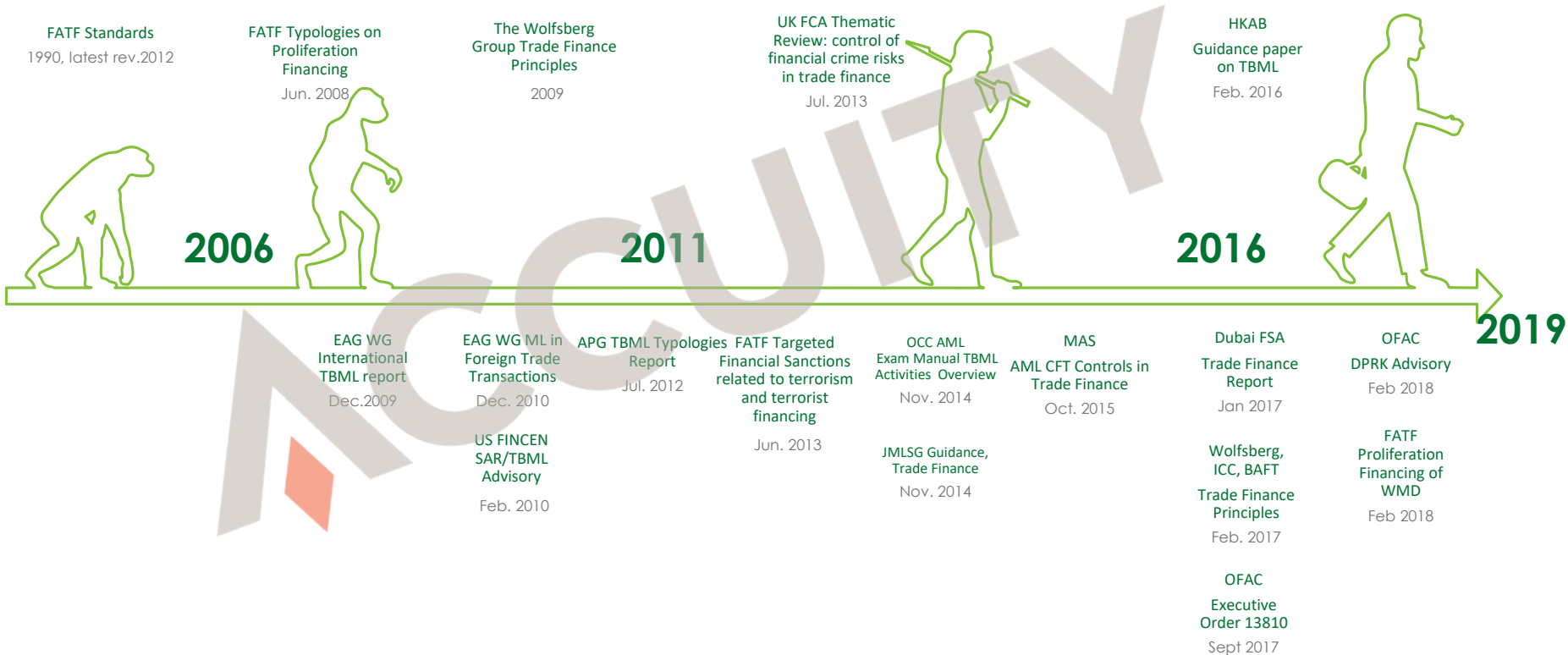
Bankers
ALMANAC

Agenda

- ✓ Growing Regulatory Pressure
- ✓ Key themes and drivers
- ✓ Trade Compliance Roadmap

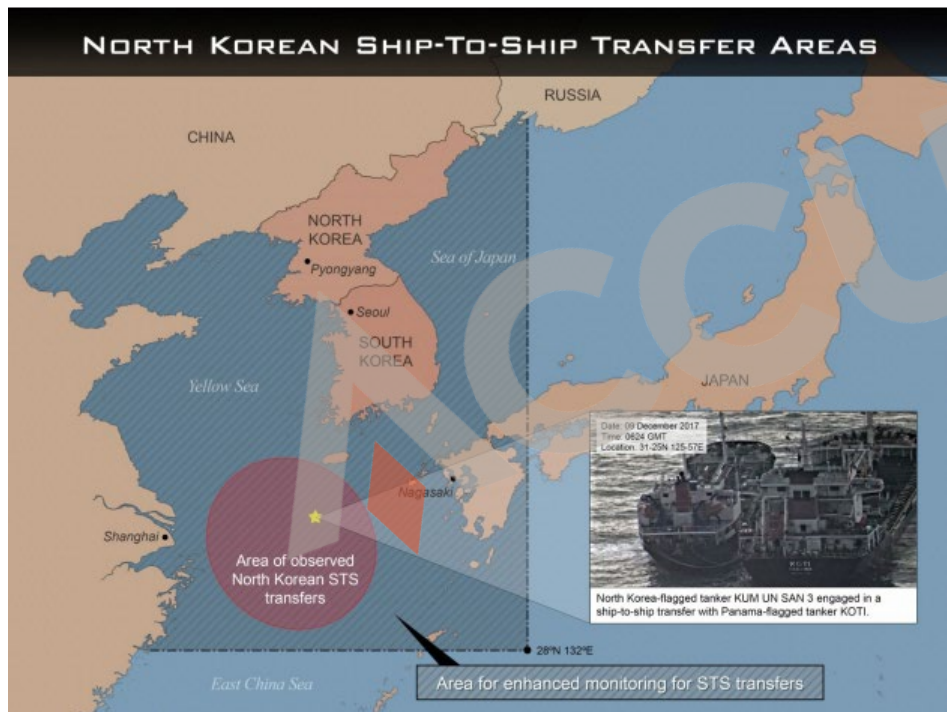
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Regulator pressure has been growing

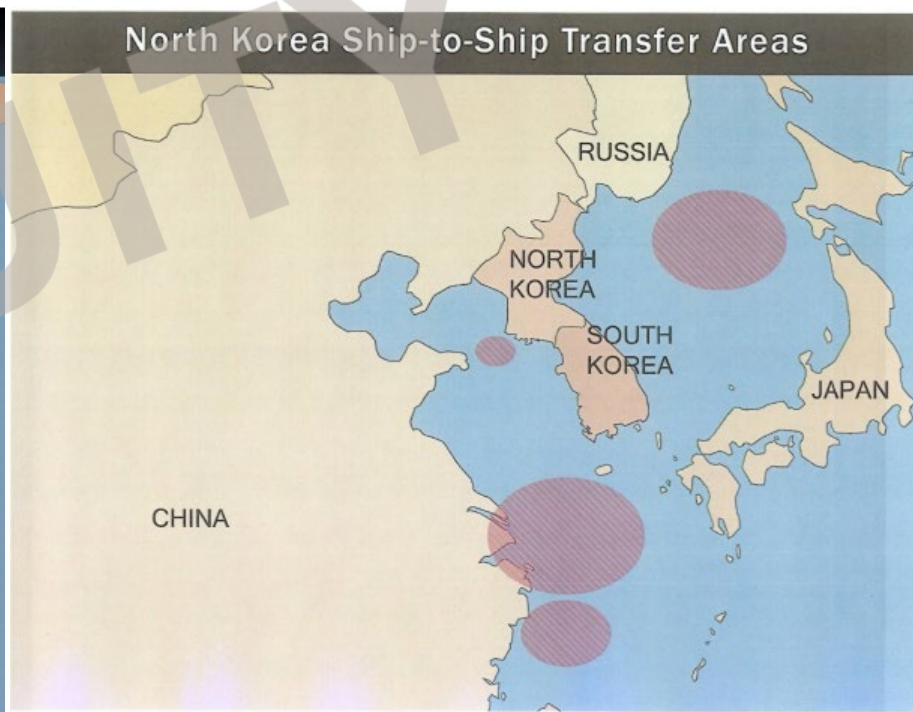


The problem is continuing to grow

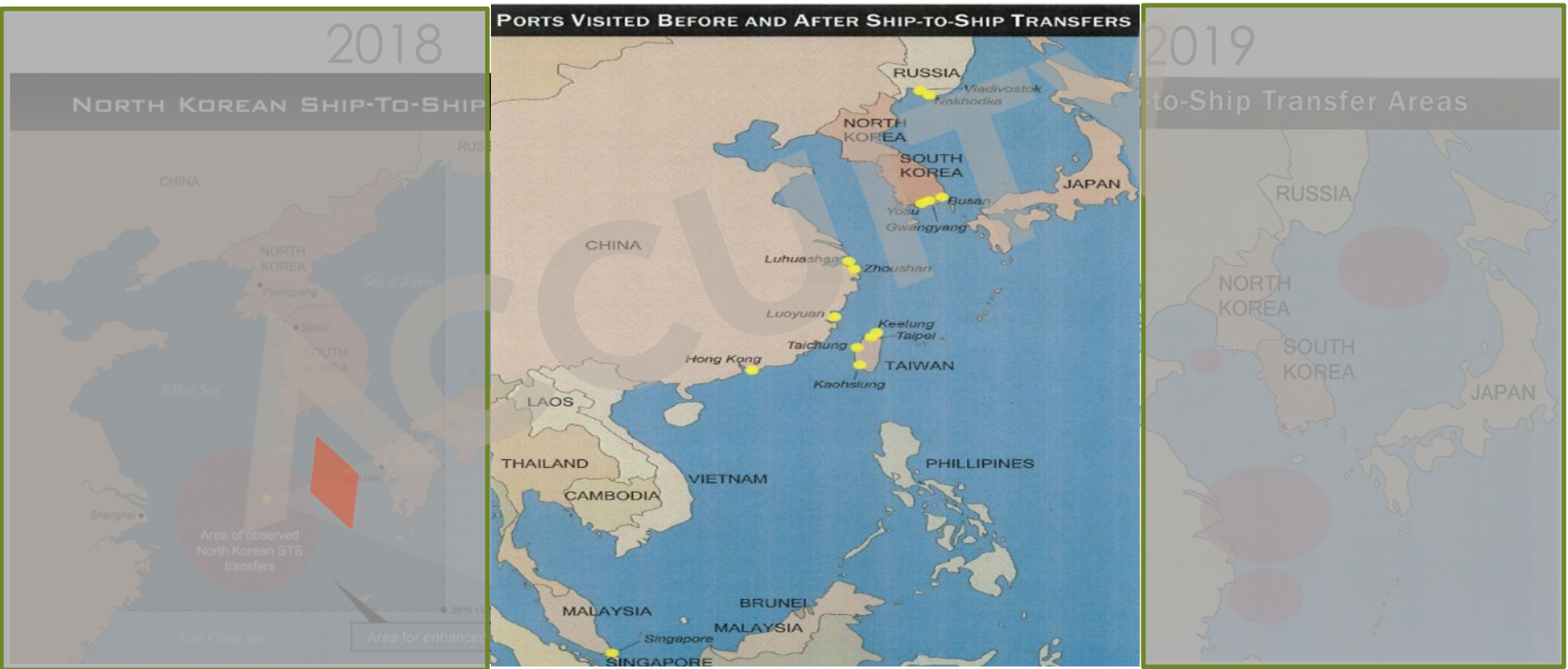
2018



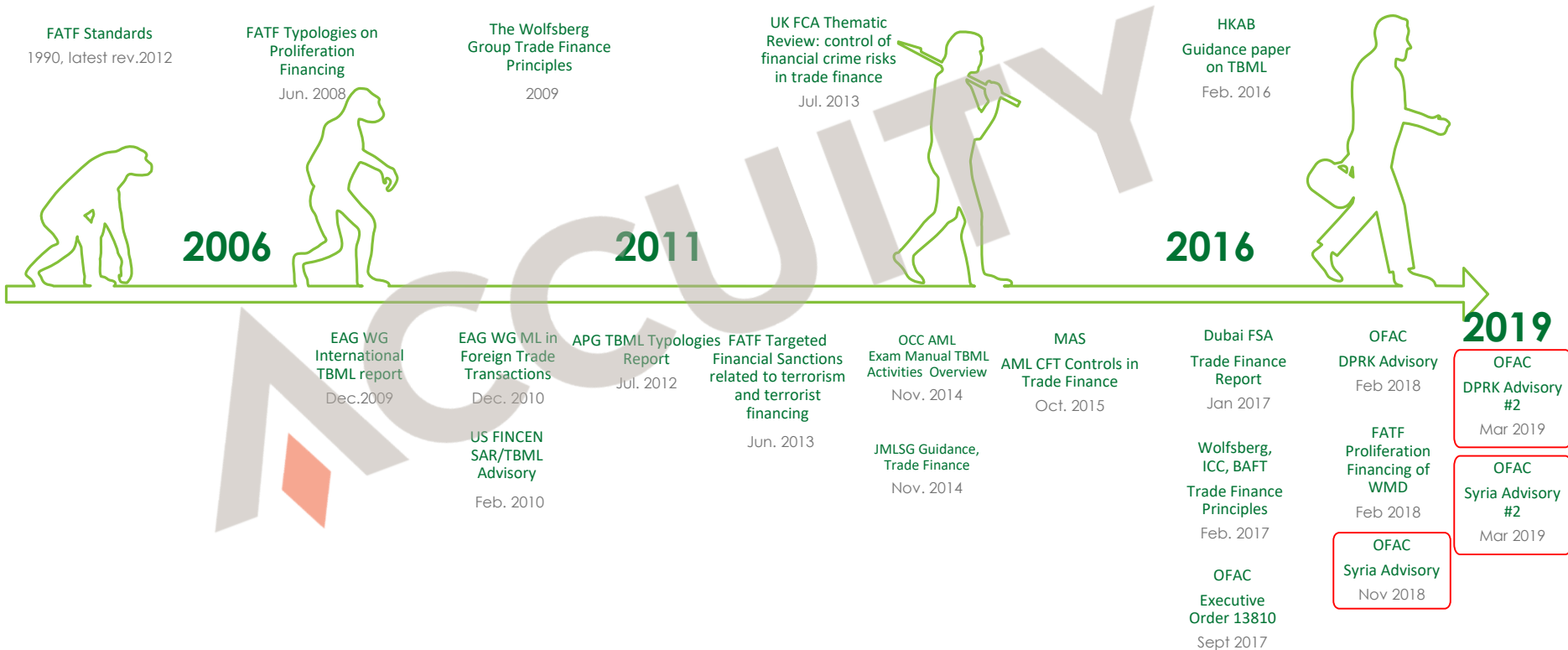
2019



The problem is continuing to grow



Regulator pressure has been growing



MID-SHIP group LLC – April 2019

Although OFAC had not publicly identified the M/V Haadi at the time MID-SHIP China negotiated the February 2010 Charter Party Agreement and performance of the voyage was completed, **MID-SHIP received and was in possession of documents connecting the M/V Haadi by its IMO number (9387798) to an Iranian company** not on the SDN List at that time

Vessel WISE HONEST – 10 May 2019

US seizes North Korean cargo ship, alleging sanctions violations

By [David Shortell](#) and Tammy Kupperman, CNN

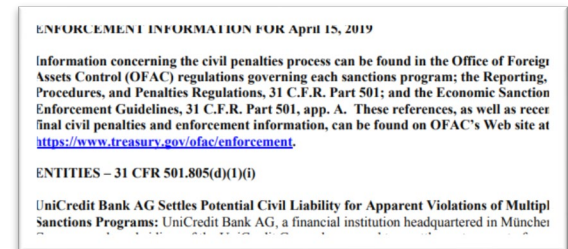
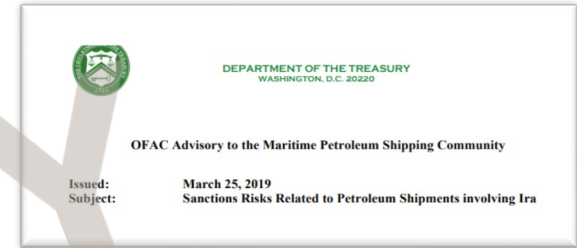
Updated 0105 GMT (0905 HKT) May 10, 2019



- First-ever seizure of a North Korean cargo vessel for violating international sanctions by the US
- Not broadcasting an AIS signal since August 2017
- Used to illicitly ship coal from North Korea and to deliver heavy machinery to the DPRK

What is OFAC telling the community?

- Issued updated advisories related to deceptive shipping practices of North Korea and petroleum shipments to Syria
- Levied fresh sanctions on shipping companies and ships tied to Venezuela
- Reached a settlement with UniCredit citing issues with identifying sanctioned parties within trade finance documents (**USD 1.3 Billion**)



The Regulator Spotlight

Global guidelines and regulation for shipping concentrates on:

- Validity of the vessel name and IMO number
- Details of vessels - such as flag, journey history, name history
- Beneficial ownership of the vessel
- Port of loading and discharge of the vessel
- Recent voyage history of the vessel (any embargoed country voyages)

No vessel ... called at a port in North Korea within the previous 180 days, and no vessel ... that has engaged in a ship-to-ship transfer with such a vessel within the previous 180 days, may call at a port in the United States.

Best Practice in combating Trade-based Money Laundering



Identifying Red Flags early is a key mitigation factor



Vessel Name Changes

“SAM MA 2”- listed on the 2018 OFAC advisory changed its name to “MYONG SIN”, and re-listed on the 2019 advisory.



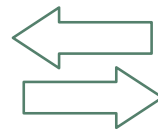
Proximity to high-risk and/or sanctioned ports

“ASIA HONOR” was not listed on the February 2018 advisory, even though it had visited the port of Najin, North Korea on June 23rd, 2017



Dual-use Goods

While complex, institutions should have measures in place, as part of their risk-based systems and controls that can assist in the identification and escalation (for further review) of dual-use goods in trade transactions



Ship-to-Ship Transfers or other AIS anomalies

OFAC provides a list of tankers capable of engaging in STS transfers of banned goods in their updated advisory

Test your knowledge & play the game now!

<https://shipalertsgame.accuity.com/ship-alerts-game/>

CONTACT US

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HELP ?

Test your knowledge in our

SHIP ALERTS GAME

Tanker + Suez, Egypt + Resin yarn = ?

OK to dock?

PLAY

Firco Trade Compliance

MORE

Firco Trade Compliance

What is Firco Trade Compliance?

Multi-faceted Red Flag Identification including sanctions, dual-use goods, vessel-related risks and high-risk entities (e.g. PEP, REP, SOE) using **Firco Compliance Link**



Centralized process;
tool for all trade-related screening



Secure and auditable to demonstrate **compliance**



Ability to **document decisions** from all involved parties



Streamlined workflow based on risk and criticality



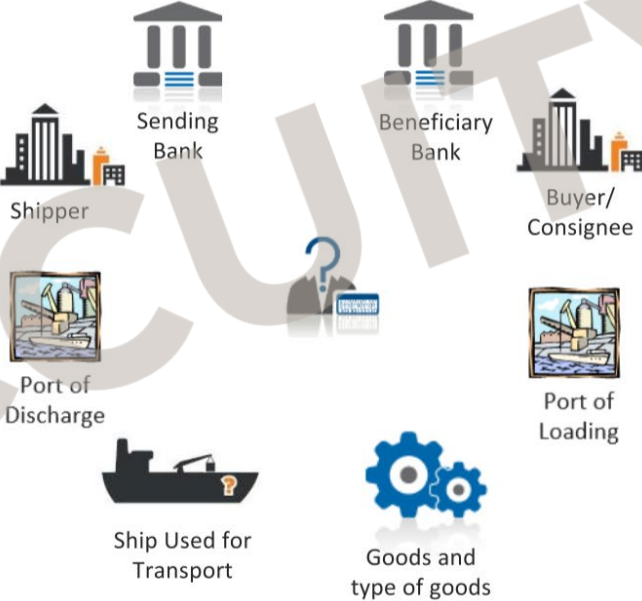
Fewer manual tasks and disparate systems



Automatic re-screening when lists update or trade information changes until the trade is complete

One tool to perform all checks

Reduction in manual effort and greater traceability



Solving the Dual-Use Goods Mystery



- **Single source** for all compliance screening requirements including the vessels, ports, dual-use goods, companies and banks involved in a trade transaction
- Advanced matching engine designed specifically for **dual-use goods detection**. Replace human judgement with structure, framework and evidence
- The **Automated Screening Manager** enables you to capture the **full life-cycle** of a transaction and monitor against regulatory changes as they occur
- Digital **auditability** through full lifecycle. Provide full transparency on all checks conducted, protecting your organisation from reputational risk and fines

Monitoring Vessel journey

Vessel data delivered by global leader in maritime AIS movement content



Satisfy regulator checks and audits

through trade ticket and history capture



Increase efficiency

with powerful alerts and notifications



Create high-risk

port and country zones for alert monitoring



Streamline

your workflow & processes through integrating all Trade Compliance checks in one place

Reduce

exposure to vessel risks

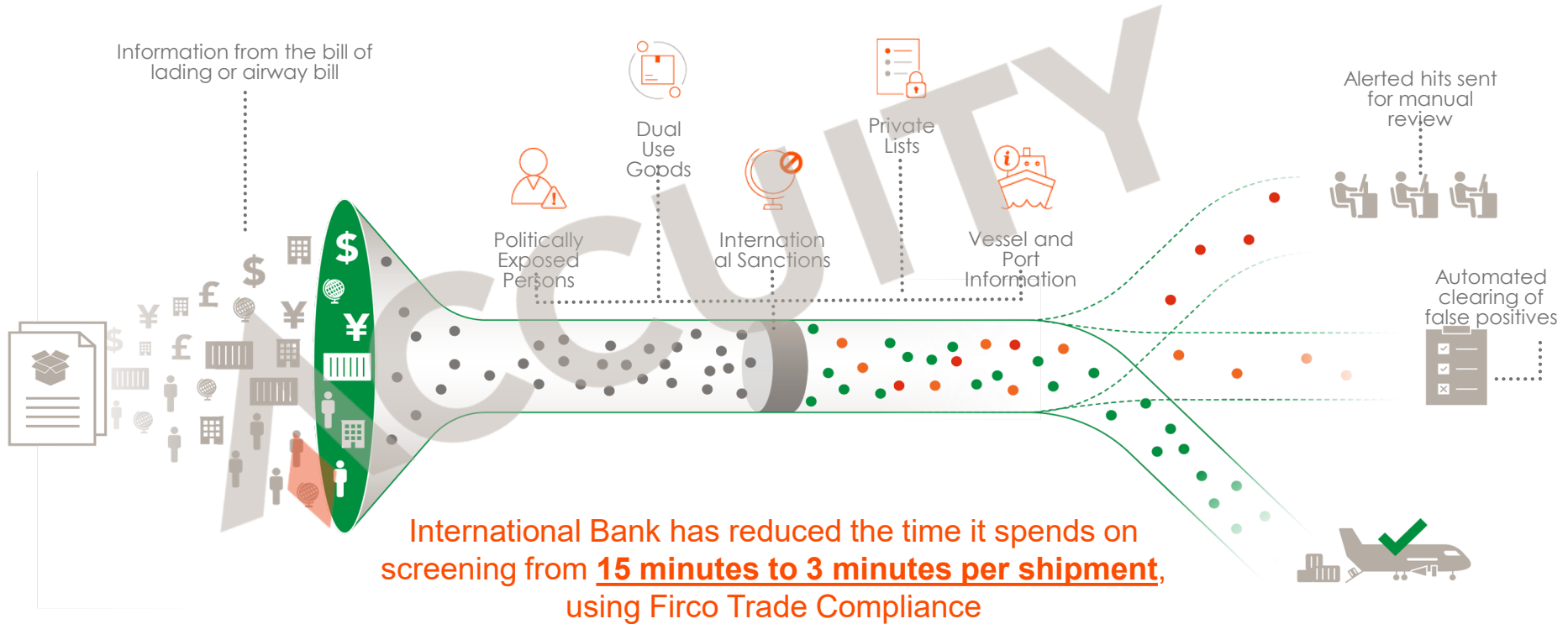


Satellite & terrestrial coverage of over 40,000

vessels across the bulker, tanker and containerised fleet



Firco Trade Compliance – Screening in Action



Key Takeaways



Continued focus on Trade-based Money Laundering from regulatory bodies across the globe



OFAC and other jurisdictions see trade as their embargo front lines



Consolidating all of the trade-related screening activity into a single application improves efficiency and reduces risk

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Thanks for your attention

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