

**University of Warwick**  
**Financial Sanctions Policy**

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### 1. Introduction

- 1.1 The University of Warwick (the “University”) has a legal obligation to adhere to financial sanctions imposed by the UK Government. The purpose of this policy is to ensure the University complies with those sanctions. The UK implements a range of sanctions regimes through regulations made under the Sanctions and Anti-Money Laundering Act 2018 (the Sanctions Act). The Sanctions Act provides the main legal basis for the UK to impose, update and lift sanctions. Some sanctions measures apply through other legislation, such as the Immigration Act 1971, the Export Control Order 2008 and the Anti-Terrorism, Crime and Security Act 2001.
- 1.2 A current list of UK sanctions regimes can be found at:  
<https://www.gov.uk/government/collections/uk-sanctions-regimes-under-the-sanctions-act>
- 1.3 This Policy applies to all individuals engaged in financial transactions for or on behalf of the University. It will therefore cover all staff of the University (both full-time and part-time across all grades), those engaged via the Variable Monthly Staff (VAM) Payroll and Unitemps/other agency contracts) and all those third parties acting on its behalf, including but not restricted to agents, wherever they may be located. The Policy will also apply to students when they are acting on behalf of the University, either in a paid or voluntary role.
- 1.4 This Policy sits alongside the University’s [Anti Money Laundering Policy](#).
- 1.5 Any allegations of misconduct under this Policy within the jurisdiction of the University will be taken seriously. Should any member of the University be found to have acted in contravention of this Policy or the related UK legislation, action may be taken under the University’s disciplinary procedures. Breach of this Policy may be considered an act of gross misconduct and where it is considered a criminal offence has occurred the police may be informed.

### 2. What are Sanctions?

- 2.1 Sanctions are restrictive measures that can be put in place to fulfil a range of purposes. In the UK, these include complying with UN and other international obligations, supporting foreign policy and national security objectives, as well as maintaining international peace and security, and preventing terrorism.
- 2.2 The UK may impose the following types of sanctions measures:
  - Trade sanctions
  - Financial sanctions including asset freezes
  - Immigration sanctions (also known as travel bans)

- Aircraft and shipping sanctions, including de-registering or controlling the movement of aircraft or ships.

This policy covers financial sanctions. Trade sanctions are covered by [the Institutional Export Control Policy](#) and [Financial Procedures](#). Immigration sanctions are covered by the [Travel Risk Management Policy](#). Aircraft and Shipping sanctions impose restrictions on the ownership, registration, movement and use of ships and aircraft in certain countries which are not activities the University undertakes.

- 2.3 Financial sanctions come in many forms as they are developed in response to a given situation. The most common types of financial sanctions used in recent years are:
- Targeted asset freezes – an asset can refer to funds, economic resources or goods
  - Financial market and service restrictions
  - Directions to cease all business
- 2.4 HM Treasury implements and enforces financial sanctions through its Office of Financial Sanctions Implementation (OFSI).
- 2.5 Where the financial sanction is an asset freeze, it is generally prohibited to:
- deal with the funds of a designated person<sup>1</sup>
  - make funds or economic resources available, directly or indirectly, to, or for the benefit of, a designated person
  - engage in actions that, directly or indirectly, circumvent the financial sanctions prohibitions
- 2.6 Restrictions pertaining to other types of financial sanction are listed on the individual regime pages [Financial sanctions targets by regime - GOV.UK \(www.gov.uk\)](#)
- 2.7 An asset freeze and some financial services restrictions will also apply to entities that are owned, either directly or indirectly, by a designated person.
- 2.8 A breach of financial sanctions may be a criminal offence, punishable upon conviction by up to 7 years in prison. The Policing and Crime Act 2017 also contains powers for HM Treasury to impose monetary penalties for breaches of financial sanctions.

### 3. Procedures

- 3.1 The Finance Office will maintain a list of high-risk countries relating to financial crimes <https://warwick.ac.uk/services/finance/atoz/aml/amlguidance/>. This list comprises a consolidation of UK sanctioned regimes, the Financial Action Task Force (FATF) high risk jurisdictions and jurisdictions under increased monitoring ('black' and 'grey' lists) and restricted and narrowly restricted countries advised annually by our bankers.
- 3.2 Individuals or Departments planning to engage with an entity from a country on the list of high-risk countries or where other high-risk indicators are present should ensure due diligence checks are carried out by either Research and Impact Services, the Development Office or the Finance Office, depending on the nature of the activity. This can be achieved by following the relevant financial procedure for the area.
- 3.3 High risk indicators include but are not limited to:
- The entity is based in a high-risk country
  - The entity has links to a high-risk country

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<sup>1</sup> An individual, entity or ship subject to financial sanctions

- The entity has links with a Politically Exposed Person (PEP)
  - The entity lacks proper paperwork
  - The entity is unable to receive or send funds from a bank account in their name for no good reason.
- 3.4 The University will conduct Know Your Client and Customer Due Diligence in accordance with the Anti-Money Laundering Guidelines . This should also include identifying any beneficial owner(s) (where appropriate). With specific reference to financial sanctions:
- New customers<sup>2</sup> and suppliers will be screened against sanctions lists using a third-party compliance database.
  - Regular screening checks for financial sanctions will be carried out on the University's lists of customers and suppliers using a third-party compliance database.
  - Students from high-risk countries will be screened against sanctions lists using a third-party compliance database.
  - Student payments are subject to sanctions checks by the University's third-party payment platform, Flywire.
  - Student sponsors will be subject to the same checks as the University's customers.
  - Other ad-hoc checks will be carried out as required out to respond to new Government sanctions or a specific alert.
- 3.5 Results of screening activities will be documented, and records retained for a period of six years.
- 3.6 Prohibited transactions may be permitted under a licence issued by OFSI. Any application for such a licence will require the prior written consent of the Group Finance Director or Finance Director.

## **4. Responsibilities**

- 4.1 The Financial Controller is responsible for maintaining and updating the list of high-risk countries relating to financial sanctions.
- 4.2 Heads of Department are responsible for ensuring appropriate due diligence has been carried out before the Department or individual within the department engages with an entity displaying any high-risk indicators.
- 4.3 Individuals are responsible for following the relevant financial procedure(s), before engaging with an entity displaying any high-risk indicators, to ensure appropriate due diligence can be carried out.
- 4.4 The Financial Controller is responsible for conducting financial sanctions screening checks on the University's lists of customers and suppliers and keeping records of these checks.
- 4.5 The Head of Student Finance is responsible for conducting financial sanctions screening checks on the University's sponsors and students from high-risk countries and keeping records of these checks.
- 4.6 The Financial Controller and / or Head of Student Finance will be responsible for carrying out any ad hoc checks required to respond to new financial sanctions or specific alerts as deemed appropriate.

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<sup>2</sup> Customers may be screened by the Finance Office, Research and Impact Services or the Development Office.

## **5. Action Required in the event of a known or suspected breach of Financial Sanctions**

- 5.1 In the case of a known or suspected breach of financial sanctions, individuals should immediately:
- cease dealings with the designated person;
  - report the known or suspected breach to the Financial Controller, Finance Director and Group Finance Director with as much information as possible.
- 5.2 If the University knows or has reasonable cause to suspect that it holds or controls funds or economic resources belonging to, held or controlled by a designated person, it must:
- freeze them;
  - not deal with them or make them available to, or for the benefit of, the designated person, unless there is an exception in the legislation that it can rely on, or it has a licence from the OFSI;
  - report them to the OFSI.
- 5.3 Following a report of a known or suspected breach of financial sanctions, the Financial Controller, Finance Director and Group Finance Director will determine what action should be taken under the Reporting obligations in 5.1 above. If required, the Financial Controller will freeze funds or economic resources.
- 5.4 The Group Finance Director will report any breaches to the OFSI, the University's Audit and Risk Committee and, where relevant, the University's bank and insurers.

## **6. Monitoring and Review**

- 6.1 The University is committed to reviewing on an ongoing basis the effectiveness of its policies and procedures in relation to Financial Sanctions and criminal financing measures. The Policy will be subject to annual review.