

2023 Office of Foreign Assets Control (OFAC) Sanctions Annual Report

An analysis of OFAC sanctions programs, sanctions issued under US Presidential Administrations, Specially Designated Nationals (SDN) list activities, the impact of the Russo-Ukrainian War and the Israel-Hamas War, and enforcement trends

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About This Report

Current situation

The Office of Foreign Assets Control (OFAC) of the US Department of the Treasury administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers. OFAC issues multiple lists of persons and companies that US persons are prohibited from doing business with.

Do sanctions change based on the US Presidential Administration?

Each US President has faced various world events during their administration with President Biden as the sitting President during both the Russo-Ukrainian War of 2022 and Israel-Hamas War of 2023. Notably, since the Bush administration, the number of sanctions issued per year has risen dramatically under the Obama, Trump, and Biden administrations. Long gone are the days where sanctions were considered historical embargoes and basic awareness of countries/regions to avoid doing business with. Sanctions are key stick in US foreign diplomacy that has significant impact on companies doing business and transacting globally.

How to comply with ever-changing sanctions regulations

This report is designed to offer insight into understanding that sanctions are fluid and OFAC continues to expand its reach into what activities such as products, services, manufacturing, payments, and online presence can result in penalties. As a result, OFAC has issued specific guidance on establishing a sanctions-specific compliance program as a proactive measure to identify and mitigate sanctions risks.

“The U.S. Treasury has a long history of effectively disrupting terror finance and we will not hesitate to use our tools against Hamas. We will continue to take all steps necessary to deny Hamas terrorists the ability to raise and use funds to carry out atrocities and terrorize the people of Israel.

– *Secretary of the Treasury, Janet L. Yellen on October 18, 2023*

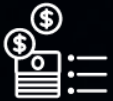


2023 OFAC Sanctions Overview

An overview of OFAC sanctions programs, SDN list progression, and key developments

OFAC Sanctions Overview

US Treasury's Office of Foreign Assets Control (OFAC) administers economic sanctions and embargoes that target geographic regions and governments. Some programs are comprehensive in nature and include broad-based trade and financial restrictions, while others target specific individuals and entities such as terrorists, narcotics traffickers, and human rights abusers. Sanctions targets, also known as Specially Designated Nationals (SDN), are published through OFAC's SDN List, which includes more than 13,700 names of companies and individuals and imposes the following prohibitions:



Properties and Interests

Anything of financial value including money, checks, notes, drafts, contracts, negotiable instruments, even debts – basically anything that a bank handles.



Trade, Import and Export

Related to the exchange or trade of products or services (e.g. crude oil, diamonds, charcoal, etc.), whether as import or export, and may include banning of certain business transactions or even cargoes, aircrafts or vessels.



Donations, Contributions or Support

Includes, but are not limited to, provision or contribution of funds, goods, and services.



Technology, Data and Infrastructure

Includes, but are not limited to provision of data information, or technology, such as downloading software or programs or even accessing a platform.



Financial Services or Issuance of Securities

Prohibitions from US financial institutions to provide loans or credit, foreign exchange transfer of credit or payments, purchasing equities and investing on securities.



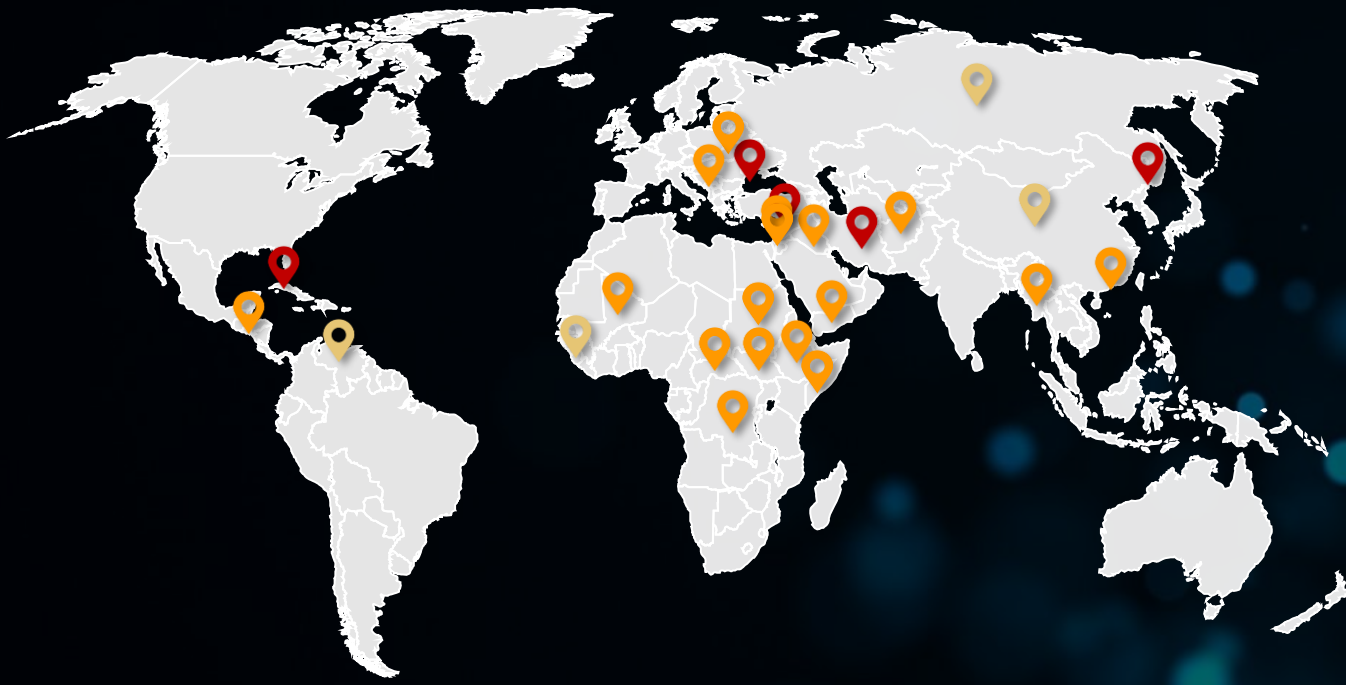
Travel, Immigration, or Visa

Involves suspension of entry to the US, whether as an immigrant or a non-immigrant. This also includes revoking an existing visa or travel permit in the US, where applicable.



Types of OFAC Sanctions Programs

Sanctions programs vary in scope and may encompass prohibitions at a country level, which is why OFAC does not maintain an actual list of countries that U.S. persons cannot do business with. Instead, OFAC maintains a number of Sanctions Programs, which can be comprehensive, selective, geographically-oriented or individuals or entities-focused. These sanctions are very dynamic, but all utilizing the blocking of assets and imposing trade restrictions to accomplish foreign policy and national security goals. There are currently 39 Sanctions Programs, which can be categorized into three (3) categories:



Targeted Sanctions

Targeted sanctions involve blocking of property, freezing of assets, certain trade restrictions and other prohibitions on specific individuals or entities listed on OFAC's SDN List.

Additionally, targeted sanctions also consider the 50% Rule, which implies that entities which are 50% owned by sanctioned parties, whether directly or indirectly, are also subject to sanctions regardless if they appear on the SDN List or not.

This may be applicable to a country or a theme, such as narcotics or terrorism, cyber, foreign interference to US elections, human rights abuse, and transnational crimes.

Comprehensive Sanctions

Comprehensive sanctions impose broad restrictions, which prohibit almost all transactions and business activities associated to regions or countries.

Sectoral Sanctions

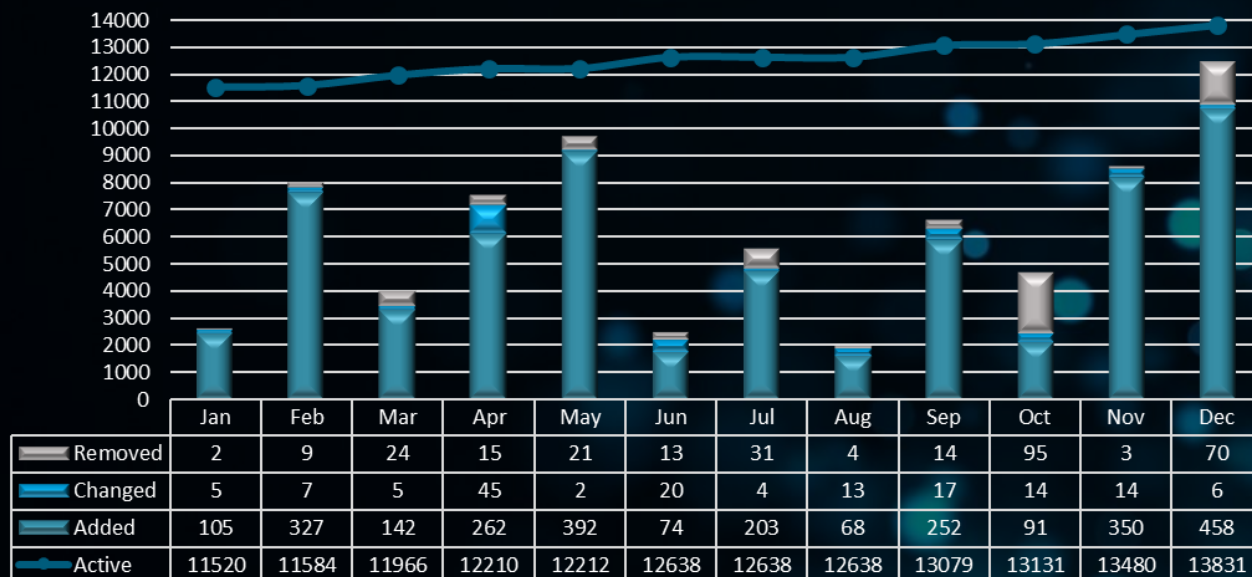
Sectoral sanctions are not subject to blanket prohibitions and are imposed only to specific sectors of a sanctioned country or regime.



2023 SDN List Progression

OFAC publishes a list containing individuals, groups or entities designated under sanctions programs, called the SDN List. This list also includes companies controlled or owned by, or acting for or on behalf of, sanctioned parties or targeted countries. There is no predetermined schedule for updates to the list and entries are added, changed or removed, as necessary.

2023 stood out to be another record-breaking year for US sanctions as OFAC and the US government continued to impose additional and significant sanctions on Russia. Keeping the momentum on the sanctions framework developed in 2022 as a response to Russia's invasion of Ukraine, almost 1,700 new designations out of the more than 2,700 total for the year, were Russia program-specific. Apart from the Russia-related designations, OFAC remained consistent with 2022's volume of actions, with the top drivers for SDN additions related to counter terrorism, counter narcotics trafficking, Iran-related, non-proliferation, and the Global Magnitsky programs:



2023 Key Sanctions Developments

The US undertook the same significant sanctions against Russia in 2023, identifying additional activities, sectors and services to be targeted under the sanctions framework developed in 2022. Although the response to Russo-Ukrainian war remained the highlight of the year, there were other sanctions developments brought about by emerging events in the US and abroad:



Authorization of New Russia-Related Secondary Sanctions

President Biden issued Executive Order (EO) 14114 in December, amending and expanding the impositions initially rolled out with Executive Order 14024, and authorizing OFAC to enforce secondary sanctions on foreign financial institutions (FFIs) found to have been involved with Russia's military-industrial base. The EO also expanded and clarified the importation and entry ban of certain Russian-originating products such as seafood, alcoholic beverages, gold and non-industrial diamonds, to name a few.

In alignment with EO 14114, OFAC also published a sanctions advisory, which provided guidance and information to companies and FFIs on how to identify sanctions risks and implement controls to prevent such risks. Heightened customer due diligence is expected from FFIs to ensure avoidance of sanctions impositions on themselves.



Counter-Terrorism Sanctions Against the Hamas in Israel

With Hamas' coordinated attacks on Israel along the Gaza Strip in October, OFAC imposed several rounds of sanctions on Hamas leaders, operatives, financial facilitators and representatives, assets from their investment portfolios and even individuals who have engaged with Hamas-affiliated companies.

Hamas has been a designated foreign terrorist organization (FTO) since 1997, FTOs are foreign organizations designated by the Secretary of State if they engage or intend to engage in terrorist activity.



Increase in Sanctions Under the Counter-Narcotics Program

Originally imposed in 1995 under the Clinton administration mainly targeting foreign narcotics traffickers in Colombia, the counter-narcotics and illicit drug trade program was revamped in 2021 to expand its scope to transnational criminal organizations and to specify the inclusion of fentanyl and synthetic opioids under EO 14059.

Significant designations were made in 2023 with a major focus on operators from Mexico and China who were identified to be contributors to the growing US opioid crisis and the illegal trade of fentanyl. The opioid crisis may primarily be a public health issue, causing deaths to thousands of Americans annually, but it also presents complex challenges to border security, foreign policy, and criminal justice.



2023 SDN List Top Hits by First and Last Name

One of the key pieces of identifying information included on the SDN List are the names or aliases of sanctioned individuals, entities, as well as maritime vessels and aircrafts. Below are the top names on the SDN List by Last Name and, separately, by First Name:

Last Names			
1	Wang	26	Rahme
2	Zamudio Lerma	27	Vasileiadis
3	Morgan Huerta	28	Novikov
4	Okroyan	29	Paez Lopez
5	Zakharov	30	Salah
6	Choe	31	Petrov
7	Ahmad	32	Salame
8	Wu	33	Piedrahita Castillo
9	Volfovich	34	Shen
10	Rauf	35	Zimenkov
11	Kozlov	36	Nachar
12	Min	37	Grajales Lemos
13	Guo	38	Makled
14	Nasser Arana	39	Haji
15	Cazares Perez	40	Moretti
16	Al-balawi	41	Hu
17	Pan	42	Li
18	Urdinola Grajales	43	Ibrahim
19	Skoch	44	Mejia Munera
20	Piflaks	45	Ismailova
21	Osipov	46	Mohammadi
22	Potapov	47	Narzieva
23	Zakriev	48	Guerrero Covarrubias
24	Quintero Marin	49	Kang
25	Temin	50	Garcia Corrales

First Names			
1	Ali	26	Hassan
2	Alexander	27	Hamid
3	Mohammad	28	Hasan
4	Muhammad	29	Aleksei
5	Aleksandr	30	Ivan
6	Vladimirovich	31	Jesus
7	Ahmad	32	Borisovich
8	Mohamed	33	Alberto
9	Ahmed	34	Viktorovich
10	Aleksandrovich	35	Nikolayevich
11	Reza	36	Mehdi
12	Igor	37	Maksim
13	Alexey	38	Hussein
14	Andrey	39	Mohamad
15	Sergey	40	Mikhail
16	Aleksey	41	Mikhailovich
17	Mohammed	42	Maria
18	Jose	43	Carlos
19	Abu	44	Valerevich
20	Andrei	45	Mikhaylovich
21	Vladimir	46	Khalid
22	Sergeevich	47	Khaled
23	Sergei	48	Luis
24	Nikolaevich	49	Hossein
25	Sergeyevich	50	Hassan



2023 SDN List Top Hits by Last Known Country

Apart from names and aliases, personal information about designated individuals are also included in the SDN List, such as date of birth, address, identification numbers such as passport or social security information, as well as the last known country address. Below is a heatmap of the last known country where designated individuals are believed to be located, with Russia topping the list:



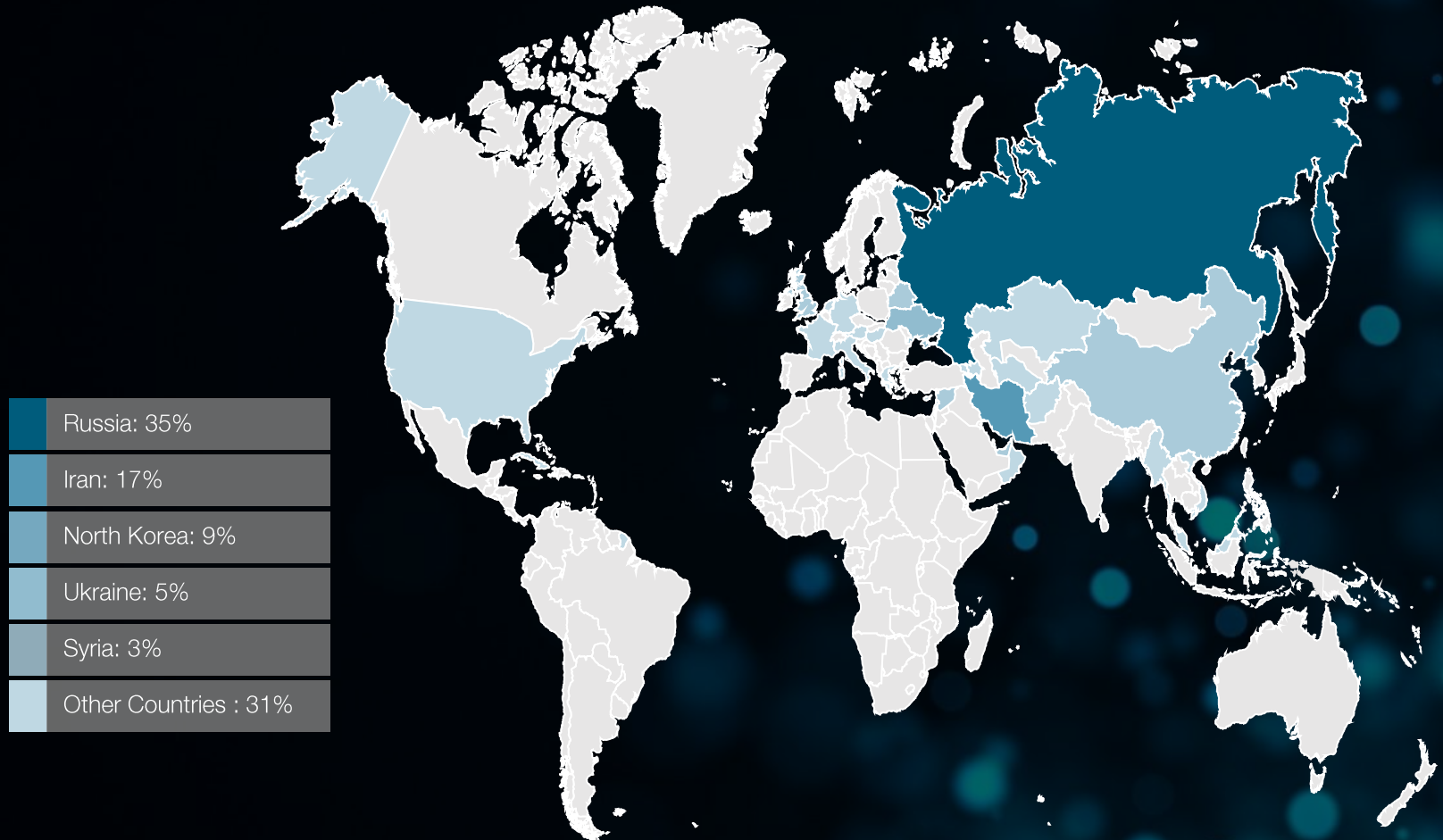
Top 20 Countries

- | | |
|----|----------------------|
| 1 | Russia |
| 2 | Iran |
| 3 | China |
| 4 | Mexico |
| 5 | United Arab Emirates |
| 6 | Unidentified by OFAC |
| 7 | Turkey |
| 8 | Lebanon |
| 9 | Belarus |
| 10 | Cyprus |
| 11 | Syria |
| 12 | Maldives |
| 13 | Burma |
| 14 | Somalia |
| 15 | Ukraine |
| 16 | North Korea |
| 17 | United Kingdom |
| 18 | Germany |
| 19 | Sudan |
| 20 | Switzerland |



2023 Sanctioned Banks List

OFAC casted a wider net to combat Russian sanctions evasion by actively designating Russian banks beginning in 2022. By 2023, more than 80% of Russia's banking sector assets were under US sanctions. Overall, 208 banks remain sanctioned under OFAC, which are listed in the following tables in alphabetical order, 40% of which are based in Russia:



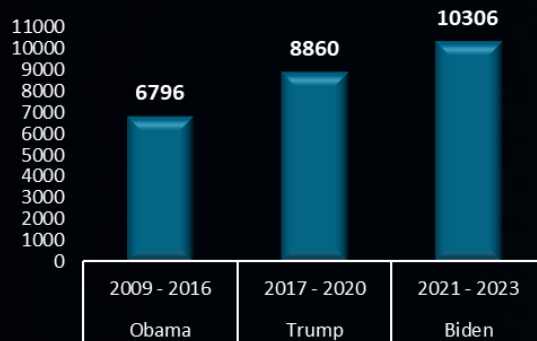
Sanctions Issued by US Presidential Administration

A review of sanctions under the Bush, Obama, Trump, and Biden Administrations

Sanctions under the Obama, Trump, and Biden Administrations

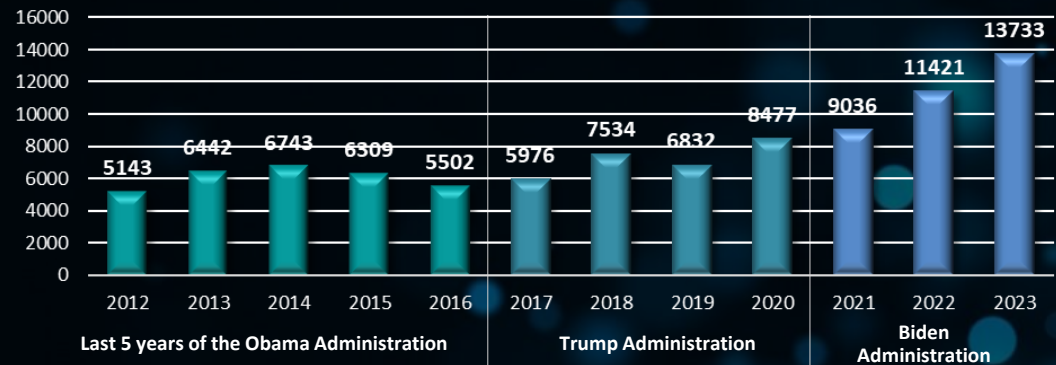
Each OFAC sanctions program is based on different national security and foreign policy goals and may originate either from the executive or the legislative branch. The President launches the process by the issuance of an executive order (EO) that declares a national emergency to extraordinary or unusual threats to national security or foreign policy. EOs allow the President special powers to regulate commerce related to such threats for a period of a year, unless extended or terminated by a joint resolution of Congress or amend sanctions programs. Below are highlights of the Obama, Trump, and Biden administrations:

Sanctioned Entities by US President



**2012 to 2019 data are only indicative due to the difference in OFAC data output.*

Active and Unique SDN Entries



Last 5 years of the Obama Administration

Trump Administration

Biden Administration

Obama

- **Imposed or Amended Sanctions Programs:** Cyber, Counter Terrorism, Transnational Crimes, Global Magnitsky, Iran, Ukraine, North Korea, Venezuela, Libya, Central African Republic, South Sudan, Yemen, Burundi and Syria.
- **Top 5 Sanctions Programs with the highest additions to designations:** Counter Terrorism, Non-proliferation, Counter Narcotics Trafficking, Ukraine, and Iran.

Trump

- **Imposed or Amended Sanctions Programs:** Global Magnitsky, Interference to US Elections, International Crimes Court, Iran, Venezuela, North Korea, Syria, Countering America's Adversaries, Hong Kong, Nicaragua, Mali, and Ethiopia.
- **Top 5 Sanctions Programs with the highest additions to designations:** Iran, Counter Terrorism, Syria, Non-proliferation, Global Magnitsky, and North Korea.

Biden

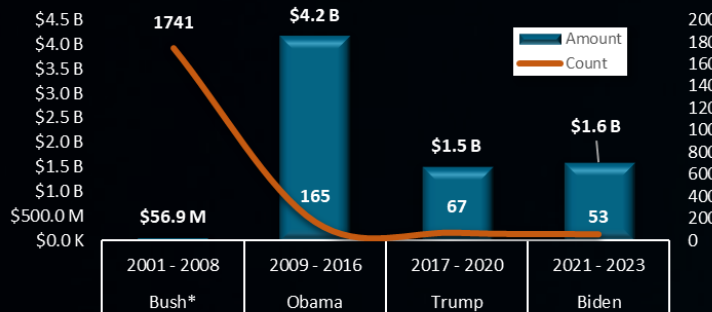
- **Imposed or Amended Sanctions Programs:** Russia, Belarus, Burma, Counter Narcotics Trafficking, Ukraine, Western Balkans, and Syria.
- **Top 5 Sanctions Programs with the highest additions to designations:** Russia, Counter Narcotics Trafficking, Belarus, Burma, and Western Balkans.



Enforcement under the Bush, Obama, Trump, and Biden Administrations

Apart from being responsible for civil investigation and enforcement of economic and trade sanctions, OFAC also administers and enforces sanctions programs pursuant to Presidential and statutory authorities. Enforcement has changed through the years, but has remained key in sanctions compliance.

OFAC Enforcements by US President

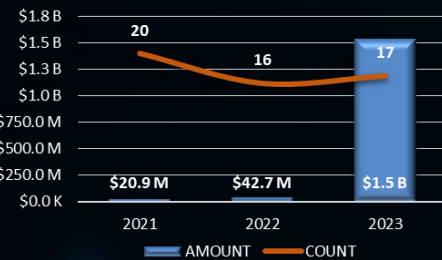


*OFAC data only available starting 2003.

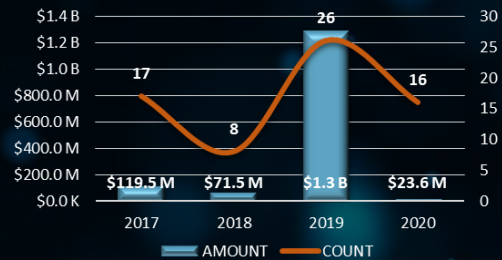
OFAC Enforcement Guidance Updates

- **2021** – OFAC issued guidance targeted to promote sanctions compliance in the virtual currency industry due to the growth and prevalence of virtual currency globally, resulting to higher risk of malign activity in the field. The guidance still reinforced the regulatory requirements and sanctions compliance framework, but with specific recommendations and best practices applicable to virtual currency such as geolocation and the inclusion of internet protocol (IP) address screening in Know Your Customer (KYC) procedures.
- **2022** – OFAC published another targeted guidance for instant payment systems companies that emphasized on taking a risk-based approach in managing and mitigating sanctions risk for new payment technologies.
- **2023** – The US Department of Justice (DOJ), the US Department of Commerce's Bureau of Industry and Security (BIS), and OFAC issued a Tri-Seal Compliance Note, which summarized the procedures for self-disclosing potential violations of US sanctions and export control laws.

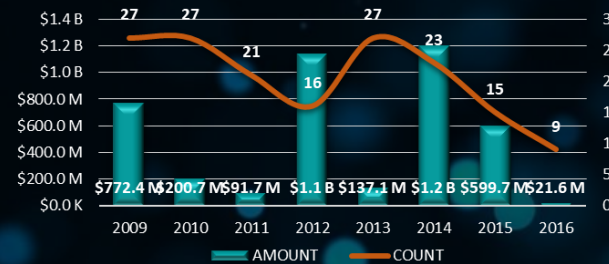
Biden Administration (Current)



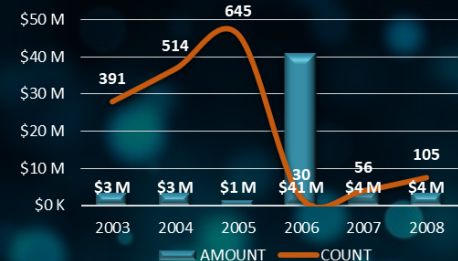
Trump Administration



Obama Administration



Bush Administration

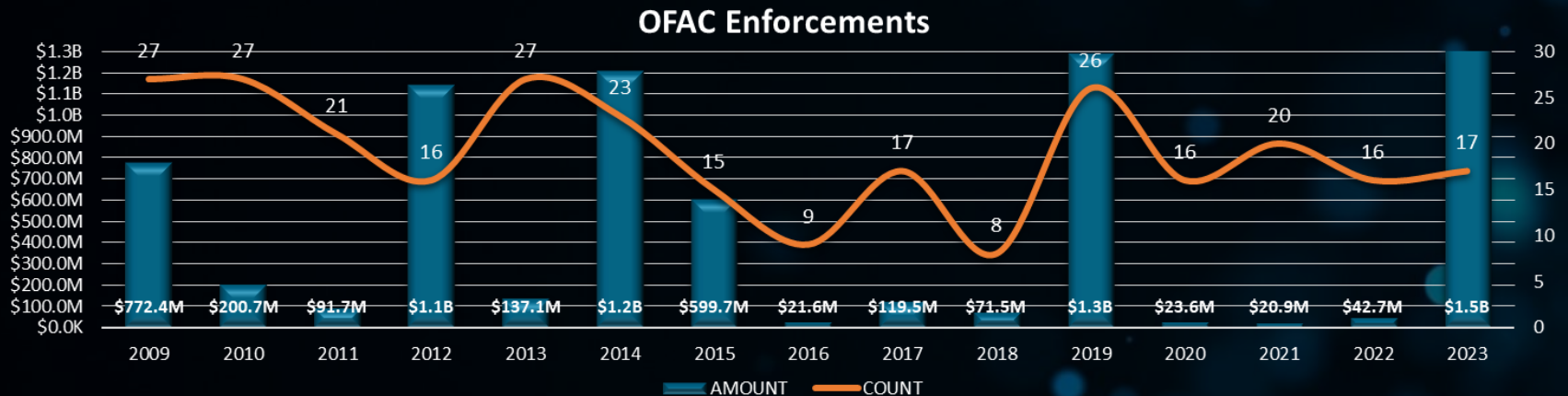


Enforcement Actions for OFAC Sanctions Violations

An analysis of all 2023 enforcement
actions issued by OFAC

Civil Penalties, Fines, and Enforcement Actions

OFAC administers and enforces US sanctions programs against designated foreign individuals, entities, groups or even governments in the best interest of national security and foreign policy goals of the US. OFAC may coordinate with federal, state, local and even foreign regulators and law enforcement agencies related to these investigative and enforcement activities where appropriate. Below you will find the civil monetary penalties imposed broken down by year since 2009:



2023 Enforcement in a Nutshell

- 2023 remained consistent with 2022 volume, ending the year with 17 public enforcement actions with an all-time high in imposed total monetary penalties and settlements of over \$1.5B. This was mainly driven by OFAC's fines on Binance Holdings, Ltd. (Binance) and British American Tobacco (BAT), the highest ever settlement for financial and non-financial institutions at almost \$969M and \$509M.
- The enforcement actions included 17 penalties involving apparent violations to 7 different sanctions programs, with over 40% associated with Russia-related sanctions violations. Four (4) enforcement actions were aimed at virtual currency companies, due to exportation of US goods and services, as well as processing transactions for customers in heavily sanctioned jurisdictions.
- OFAC increased its civil monetary penalty by 7.7% in 2023 in accordance to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, requiring US government agencies to make inflation adjustments to civil monetary penalties within their jurisdiction by January 15th every year. Aside from this change, OFAC also underwent organizational changes early in 2023, where all investigations and potential violations enforcement consolidating under the Enforcement Division.



Top 2023 Enforcement Actions, Penalties and Themes

BINANCE \$968.6M



Culture of Compliance Starts from the Top

Industry Type: Virtual Currency Exchange

Key Deficiency: Binance and its management intentionally took steps to undermine and downplay its own compliance program, encouraged users to work around their platform controls and continued to allow virtual currency exchange trading with blocked persons and users in sanctioned jurisdictions such as Iran, North Korea, Syria and Russia. Binance did not self-disclose and had to settle a historic penalty amount and not just with OFAC, but also with the DOJ, the Financial Crimes Enforcement Network (FinCEN), and the Commodity Futures Trading Commission (CFTC).

Compliance Considerations: Establishes that management commitment to invest, support and execute an effective program starting “Day One” as the first and most crucial pillar of sanctions compliance. Such culture of compliance must be paired with compliance controls that are incorporated with its platforms and systems.



\$508.6M



Continued Vigilance Against Efforts from Bad Actors

Industry Type: Tobacco and Cigarette Manufacturing

Key Deficiency: BAT headquartered in London, through its Singapore subsidiary and a North Korean company’s joint venture, continued to supply tobacco, equipment and machines and other materials to produce cigarettes, and settle payments using a foreign branch of a US Bank and sanctioned banks, even after the eventual divestment of the joint venture due to concerns over its association with said North Korea company and the difficulty of remitting profits out of the country. BAT did not self-disclose and intentionally obscured ownership and control of the joint venture after “selling” its stakes and was found to have violated sanctions against DPRK and weapons of mass destruction proliferators by exporting financial services and tobacco.

Compliance Considerations: Demonstrates that foreign firms participating in conspiracies, which effectively leads to US persons engaging in prohibited transactions expose their companies to strict enforcement and penalties. This also reinforces that even if the parent company and the subsidiary did not deal with the sanctioned banks directly, they were exposed to civil liability upon scheming against the US financial system for profit.



Top 2023 Enforcement Actions, Penalties and Themes (continued)

WELLS FARGO \$30M



Increased
Sanctions Risk
Posed by M&As

Industry Type: Bank

Key Deficiency: Wells Fargo acquired Wachovia in 2008 and inherited one of its trading relationships with a certain European bank, as well as its legacy trade insourcing platform and software, which allowed transactions with US sanctioned jurisdictions and individuals. This risk was not identified early on and there was a clear lack of communication and deficiency to periodically review OFAC compliance from the European bank. Allegedly, this went on for seven (7) years despite identification from smaller business groups within Wells Fargo. And while there was eventually a plan to remediate the system gap, it was never implemented since the recommendations rolled up into a larger project.

Compliance Considerations: Highlights the sanctions risk associated with acquiring an entity and the need for comprehensive due diligence. This also emphasizes the risks that a company may face when employees lack proper oversight, which may result to misguided preservation of existing business relationships.

3M

\$9.6M



Proper and
Sufficient
Oversight of Non-
US Subsidiaries

Industry Type: Global Manufacturing Company

Key Deficiency: 3M Company and its subsidiary in Dubai, UAE, 3M Gulf, worked on a deal to sell reflective license plate sheeting (RLPS) to a German company, which intended to manufacture blank license plates from the RLPS for export to Iran. Shortly after, OFAC released General License H, which authorized certain transactions with Iran, but explicitly excluded transactions involving the Iranian military, intelligence, and law enforcement agencies. 3M distributed internal guidance and performed staff training about procedures of doing business with Iran. Despite internal activities to keep staff and subsidiaries updated of sanctions developments, the German company was mistaken as the “end-user” due to omission of parties involved and the product’s end use in trade documentation. To make matters worse, the German company eventually made changes to the trade agreement, and internal proponents from 3M continued to misrepresent and obfuscate details of the transaction, which was eventually discovered as unauthorized sales. 3M self-disclosed and implemented remediation to address the violation.

Compliance Considerations: Demonstrates the importance of the parent company’s responsibility to oversee and enforce compliance with US sanctions laws enterprise-wide, including their subsidiaries, as well as the need for a culture of compliance to encourage employees to adhere to sanctions laws and trade compliance procedures.

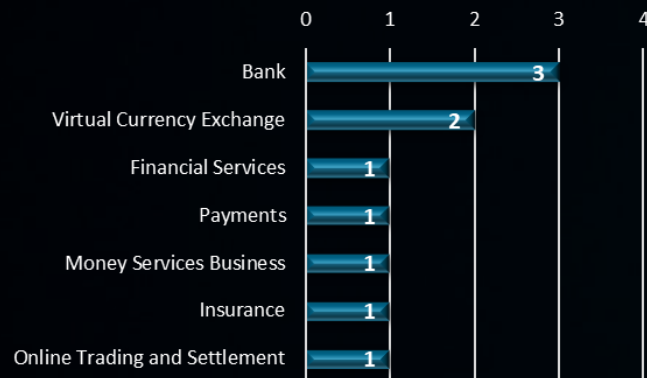


Sanctions by Industry and Root Causes Contributing to Penalties

OFAC encourages organizations within its scope to employ a risk-based SCP, which corresponds to variable factors of size, sophistication, services, counterparties and geographical locations. In 2019, OFAC issued a compliance framework outlining the essential components of an SCP and causes that have led to apparent violations of sanctions programs. Highlights of the 2023 enforcement actions are as follows:

Industries of Sanctioned Entities

Financial Entities

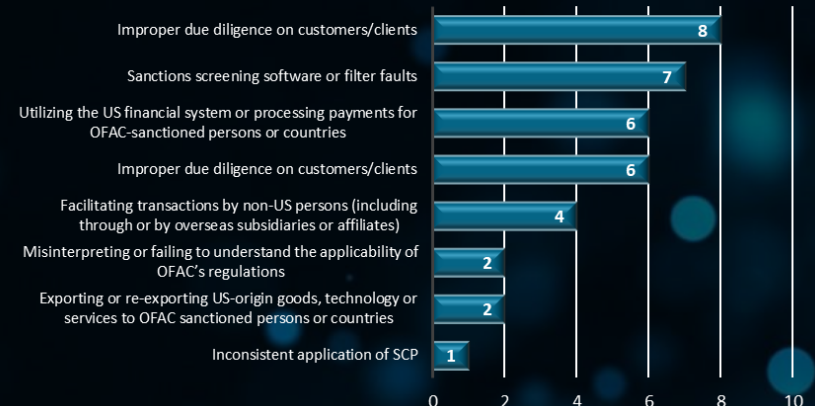


Non-Financial Entities

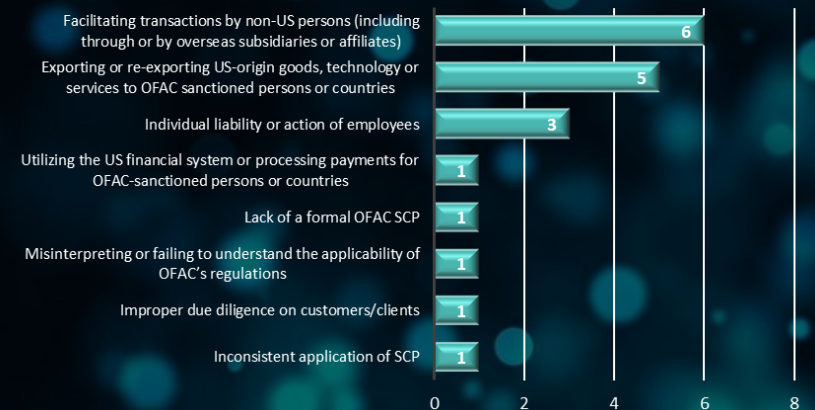


Root Causes of Deficiencies

Financial Entities



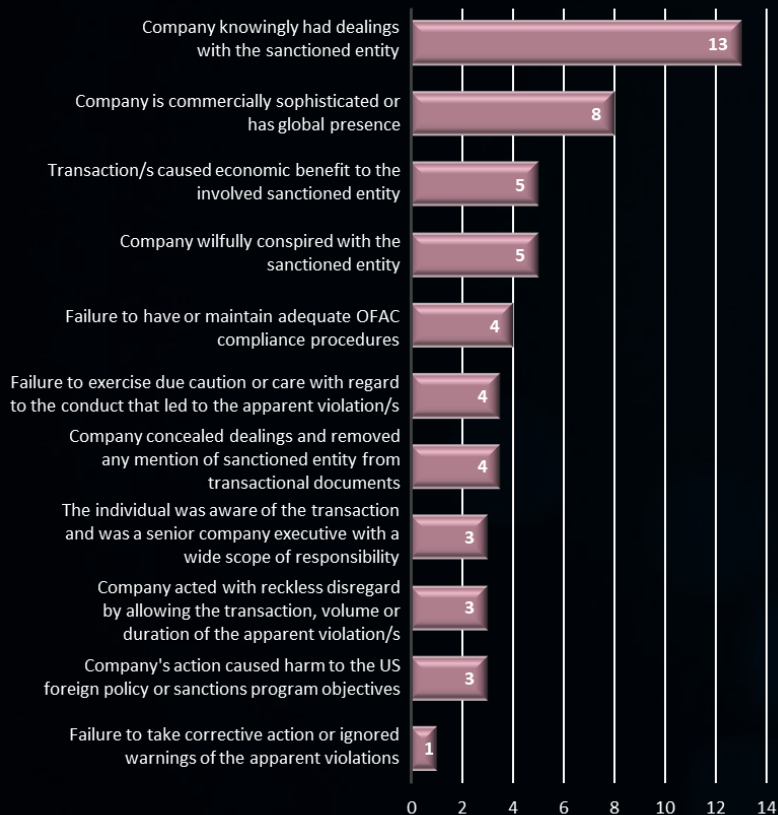
Non-Financial Entities



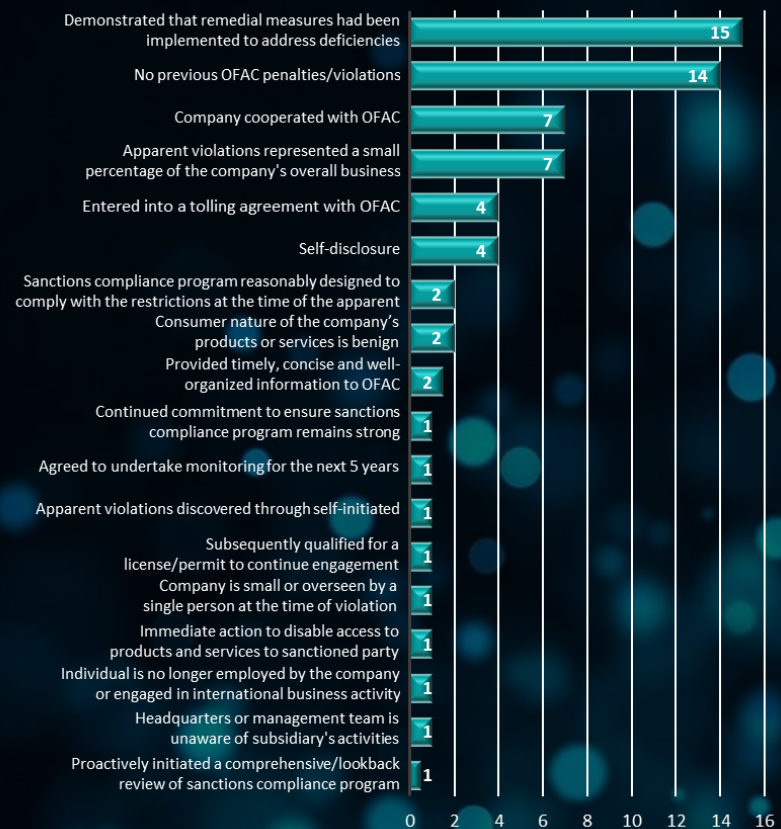
Aggravating and Mitigating Factors in Determining Penalties

OFAC utilizes a complex approach when calculating final settlement amounts, considering factors that either aggravate and mitigate penalties. This methodology aims to employ a balanced assessment reflecting the severity of the apparent violation, while also considering proactive measures taken by an organization to comply with sanctions regulations. Below are the aggravating and mitigating factors identified by OFAC for the year 2023:

Aggravating Factors



Mitigating Factors



Building a Better Sanctions Program

2023 enforcement themes to enhance
sanctions programs, screening, risk
assessments, and training

Proactively Building a Defense using 2023 Enforcement Themes

Enforcement actions may not be directly related to sanctions impositions on Russia's invasion of Ukraine in 2022, but 2023 showed an increase in Russia-related sanctions violations, including heightened cross-border and interagency cooperation to combat sanctions evasion. Following 2023's enforcement actions, below are some key themes and compliance considerations that organizations can implement and integrate into their sanctions compliance programs to enhance risk mitigation and seek to avoid apparent violations:



Culture of Compliance Starts from the Top

The commitment from senior management is the first pillar of an effective SCP. A strong culture of compliance must both drive and support internal adherence and behavior.

Enforcement Actions: *Binance, BAT and Murad*



Continuous Evaluation of Risks as Regulatory Updates Occur

OFAC sanctions updates are very dynamic so companies must ensure that exposure and risks are reevaluated whenever regulatory developments occur.

Enforcement Actions: *BAT*



Increased Sanctions Risk Posed by Mergers and Acquisitions (M&A)

M&A of companies here and abroad require comprehensive pre and post-acquisition due diligence and an assessment to identify and remediate sanctions risks and compliance deficiencies.

Enforcement Actions: *Wells Fargo, Murad and Nasdaq*



Integration and Screening of All Available Information from Customers

Cross-border transactions have soared with the emergence of virtual currency companies and the evolution of new technologies. And other than geolocation and IP blocking tools being critical in doing business, companies must leverage on all available data and technology integration during customer screening.

Enforcement Actions: *Uphold HQ, Poloniex, CoinList, Emigrant Bank, Swedbank, DaVinci Payments*



Proper and Sufficient Oversight of Non-US Subsidiaries

Parent companies in the US must routinely audit and ensure that their overseas subsidiaries or affiliates implement a sufficient SCP and access to end user information to mitigate non-compliance to US sanctions.

Enforcement Actions: *Microsoft, Construction Specialties, 3M and Nasdaq*



Continued Vigilance Against Efforts from Bad Actors

Companies should remain vigilant of suspicious conduct, as some sanctioned countries employ efforts to evade sanctions through conspiracies and deceptive practices to continue acquiring goods, services, and technology from the US.

Enforcement Actions: *Godfrey Phillips, Microsoft, BAT and Murad*



Holistic Approach when Applying New Controls

Compliance controls will only be effective when applied to new customers, but also to existing ones. At the same time, new sanctions must be incorporated into existing compliance controls to allow for timely and appropriate KYC.

Enforcement Actions: *Microsoft and Poloniex*



Discover
what
Stratis
Advisory
can do
for you



Sanctions Program Development

An effective sanctions program has proven to identify and strengthen preventive measures against violating sanctions laws and regulations. Stratis can help you develop a sanctions program proportionate to your business model, scale, and risk profile.



Sanctions Risk Assessment

The foundation of an effective sanctions program starts with understanding your organization's sanctions risks and how to mitigate them. Stratis can execute a dedicated global sanctions risk assessment that allows you to evaluate your potential high-risk areas, screening mitigation strategies, and vulnerabilities to sanctions-related risks.



Screening Systems Integration and Validation

Sanctions screening is crucial to any institution to maintain compliance with sanctions laws and regulations. An often-overlooked element with screening systems is ensuring all onboarding and transactions are screened with sufficient and accurate data. Stratis can help you implement, test, and validate customer onboarding and transaction data to ensure your sanctions screening systems and processes are functioning properly across all data sets.



IPO and M&A Due Diligence

Gearing up for an initial public offering (IPO)? Or acquiring a company? For an IPO, you will want to know your sanctions risk exposure before registering with the Securities and Exchange Commission (SEC). For an acquisition, understanding your targets business operations, customers, and the next level down of their customers, can unearth possible sanctions violations during the deal that will become the acquirer's issue once the deal closes. Stratis can execute the operational sanctions due diligence that can provide you with the actionable insight prior to filing for your IPO or acquiring your target.



About Stratis Advisory

Stratis Advisory was founded in 2013 by seasoned risk executives, consultants, and serial entrepreneurs who believe in the transformative power of innovation and technology. Headquartered in San Francisco, CA with a globally situated team, we offer clients unmatched, highly specialized experience in strategy, risk, and cyber compliance management. Stratis serves a global portfolio of clients, including fintech clients that have collectively raised more than \$20 billion through Fortune 500 companies. We operate across six continents and advise clients on launching, scaling, and optimizing risk management operations in APAC, EMEA, LATAM, and NA.

Stratis connects the dots between companies, investors and banks by integrating deep regulatory risk domain expertise into the broad context of business strategy, risk management, and compliance operations at the appropriate size for their growth stage and business scale. Stratis provides the expertise, flexibility and critical industry knowledge—from traditional deposit services to new financial technology driven solutions—to help identify, mitigate, and govern risk. Our tailored solutions deliver the market insight, risk-based strategy, governance, licensing execution and operational compliance advisory to reduce risks and maximize success.

From Sydney to Hong Kong and New York to London, Stratis has helped global companies to open new markets by providing the expertise to manage and cost-effectively comply with regulatory requirements, secure strategic partnerships, and achieve various licenses. This end-to-end knowledge of the legal, practical, technology, and conceptual aspects of AML, sanctions, fraud, cyber, risk, and licensee management paired with the mindset of appropriately matching these aspects to the scale and scope of the business, give Stratis an unparalleled ability to support multi-jurisdictional companies.

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