



ON THE RIGHT SIDE OF THE LAW

WITH DENIED PARTY SCREENING



DENIED PARTY SCREENING

REMAINING COMPLIANT WITH REGULATIONS

Understanding who you're doing business with is a critical component of maintaining regulatory compliance in international trade. This process, known as Denied Party Screening (DPS), ensures that companies adhere to compliance requirements. Denied parties can be individuals, corporate entities or even nation-states that governments have prohibited or restricted their citizens and companies from doing business with.

▶ Remaining compliant with all regulations in both the origin country and destination country is a critical part of smooth international trading. It's important to know who all the parties involved in an export transaction. This is where DPS comes in.

DPS is the process of checking potential individuals, customers, business partners, countries and regions against published lists of sanctioned and denied parties that governments have prohibited companies and individuals from doing business with. These companies and individuals are not permitted to a part of an export transaction, either directly or indirectly.

There may be a number of reasons for this, from corrupt business practices to matters of national security and ties to terrorist groups. Key lists include those maintained by the U.S. Bureau of Industry and Security (BIS), the EU's Financial Sanctions Unit and the United Nations.

The challenges of Denied Party Screening

One of the biggest issues for firms undertaking denied party screening is the scale of the challenge. There are many lists around the world detailing individuals and organizations that businesses should be wary of trading with, containing tens of thousands of sanctioned entities. What's more, they are frequently updated, with new names being added or removed constantly.

As such, it is not usually practical to run manual checks on potential business partners or buyers. At best, this can greatly increase the time taken to meet compliance rules, while it can be easy to miss sanctions if using these methods.

Best practices for Denied Party Screening

To ensure companies remain on the right side of the law, it pays to follow a few best practices when it comes to Denied Party Screening.

First, implementing automation is crucial for streamlining the process of checking sanction lists. Automation minimizes errors and demonstrates a thorough approach to due diligence. Next, ensure that every export or financial transaction is screened – ideally at the initial point of contact and again when orders are shipped. Since sanction lists are constantly updated, passing a DPS check once does not guarantee ongoing compliance.



MIC'S SOFTWARE SOLUTION FOR DENIED PARTY SCREENING



MIC's Export Control Management (MIC ECM) allows for central management of all company transactions under export control law and detailed checks of business transactions with respect to the relevant regulations. Clear status information and comprehensive check reports for each transaction ensure a complete and consistent audit trail. This includes screening of the persons and organizations involved in a given transaction against different sanctions lists (Denied Party Screening), checking of the goods in consideration of dispatch and destination country, and documentation of end use and end users.

DENIED PARTY SCREENING: MIC DPS

Screening against sanction lists based on a configurable screening algorithm and configurable screening profiles

Supports interactive, transactional real-time screening as well as batch and manual screening

Automation by "whitelists" and "positive lists"

Daily updated content by integration of MIC's Global Trade Content Service (GTCS) for EU, US, UN, JP, UK, CH and many other sanction lists

Screening against internal "blacklists" and keywords

Ultimate Beneficial Owner (UBO) screening for more than 200 million companies worldwide with automated interfaces to the Orbis database of Bureau van Dijk (BvD) as well as Dun & Bradstreet's (D&B) Bisnode database

Integration with MIC-CUST® and/or ERP systems (e.g. SAP) for automatic blocking shipments in the event of a positive screening result

Definition of stop words to be ignored for screening, e.g. GMBH, LTD, LIMITED, etc.

Comprehensive audit trail of screening results and decisions including individual documentation (file attachments and comments)

Overview and full transparency across the entire process (workflow & escalation management)



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