

# BI's Commitment to Sanctions Compliance

*December 2024*



## **BII's Commitment to Sanctions Compliance**

Sanctions are restrictive measures that can be implemented to fulfil a range of purposes, including supporting foreign policy and national security objectives, maintaining international peace and security, and preventing terrorism.

British International Investment (BII) is committed to complying with applicable legal and regulatory obligations related to sanctions regimes in all its operating jurisdictions. This includes adhering to UK sanctions regimes<sup>1</sup> and applicable prohibitions and restrictions imposed by international bodies, including the United Nations Security Council, the European Union and the US Treasury's Office of Foreign Assets Control. As a financial services firm regulated by the UK financial services regulator, the Financial Conduct Authority (FCA), BII has a regulatory obligation to establish and maintain systems and controls to mitigate financial crime risk, including the risk of breaching applicable sanctions or financial sanctions evasion.

BII ensures its services are not used to facilitate (directly or indirectly) activity that would violate applicable economic or trade sanctions through BII's Financial Crime Compliance programme, which outlines a rigorous framework of systems and controls, including defining applicable laws and regulations, initial and continuous business relationship and transactional screening, escalation processes and contractual safeguards, to ensure compliance with all applicable sanctions regulations.

BII has put in place controls to assist with sanctions compliance. Key internal group-wide controls include, but are not limited to:

- A Three Lines of Defence risk management model with First Line teams documenting procedures to ensure appropriate collection and assessment of information as part of risk-based due diligence measures.
- Maintenance of a group-wide Sanctions policy outlining requirements, prohibitions and restrictions. BII's Global Sanctions Compliance policy prohibits BII's Group entities from forming relationships or undertaking transactions involving exposure to sanctioned individuals and entities that would breach applicable sanctions.
- The application of risk-based due diligence measures (including screening) to relevant parties.
- BII staff receive regular training on Sanctions matters, enabling them to protect BII from potential direct and indirect Sanctions risks and provide the skill to recognise and report on matters that require escalation to Compliance.
- In line with requirements stipulated in BII's [Policy on Responsible Investing](#), if improvements to an investee's sanctions systems and controls are identified, BII will

---

<sup>1</sup> As per Sanctions and Anti-Money Laundering Act 2018

develop a time-bound fit-for-purpose Business Integrity action plan tailored to the institution's requirements and risk profile.

In meeting its regulatory obligations, BII will disclose to the Office of Financial Sanctions Implementation and Office of Trade Sanctions Implementation information that provides the firm with knowledge or a reasonable suspicion that a sanctions violation has occurred or that a person is a designated party, including through ownership or control.

Under regulatory requirements, additional reporting may be required to applicable bodies such as the FCA and the National Crime Agency. Specific reporting obligations may also arise under the Proceeds of Crime Act 2002, Terrorism Act 2000, or statutory requirements relevant to particular sanction regimes. Due to BII's overseas investment activities and use of foreign currencies, other reporting obligations to sanctions bodies outside the UK may also apply.