

Bloomberg Sanctions Data Solution

Regulatory compliance landscape

Ever-evolving international relations are creating constant change in the imposition of financial sanctions. Sanctions can be comprehensive, where all commercial activity is prohibited, or targeted, where only certain types of activity is prohibited. Identifying entities and securities subject to sanctions and knowing the type of sanction can be a complex process. To comply with KYC, AML and pre-trade counterparty risk obligations, financial firms need to identify entities and securities subject to sanctions: ensuring they are not doing business with fully sanctioned entities, or holding sanctioned securities in all the jurisdictions where they have operations. Identifying entities and securities subject to sanctions has become a complex, manual and time-consuming process, which can now be simplified with the Bloomberg Sanctions Data solution.

Bloomberg Sanctions Data solution

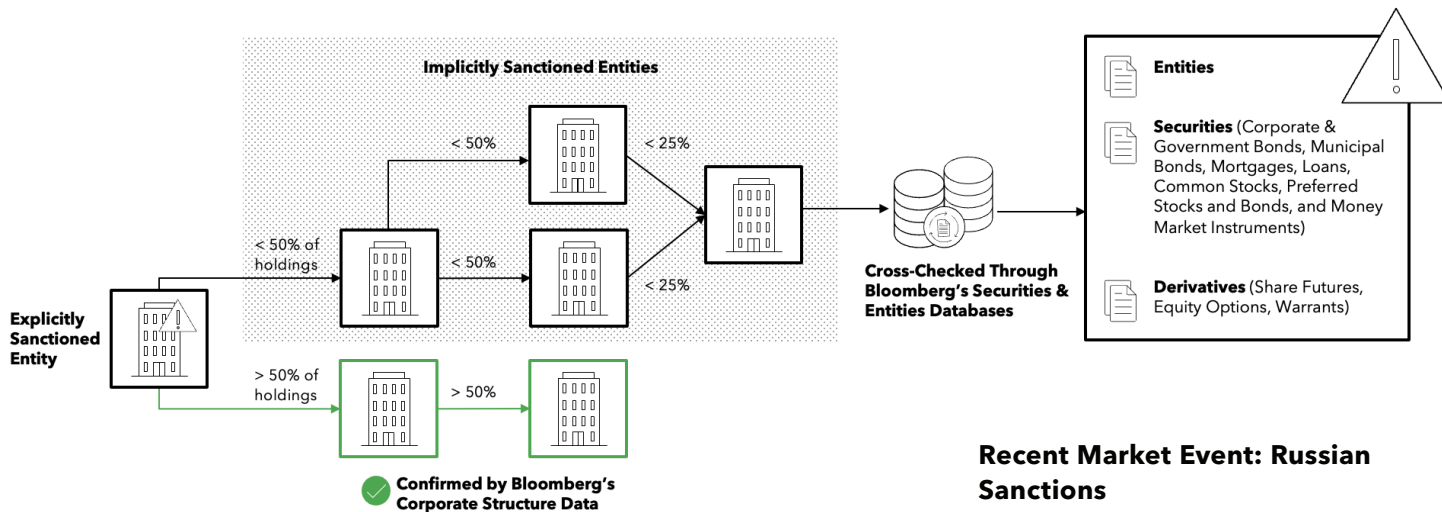
Bloomberg provides high-quality, sanction data through the daily monitoring of sanctions in 11 global jurisdictions, including: the U.S. (OFAC, E.O. 13959, E.O. 14071), E.U., U.N., Canada, U.K., Switzerland, Japan, Australia, Hong Kong, Singapore and China. Our dedicated team of experts ensures, often by working with local counsel, that legislation is interpreted correctly and data is promptly updated. The solution provides comprehensive coverage of entities and securities subject to sanctions, including corporate & government bonds, municipal bonds, mortgages, loans, common stocks, preferred stocks and bonds and money market instruments as well as share futures, equity options and warrants.

To comply with sanctions, the 50 Percent Rule should generally be applied to subsidiaries. They must also be in scope when an entity is announced in order to be subject to a sanction, despite this, only a fraction of entities subject to sanctions are listed by official sources. Bloomberg leverages its extensive corporate hierarchy database to identify not just explicitly stated sanctions, but implicitly sanctioned entities and securities based on ownership.

Bloomberg also offers Funds Exposure to sanctions covering mutual funds and ETFs impacted by U.S. (OFAC, E.O. 13959, E.O. 14071), U.K., E.U. and Canadian sanctions. The solution leverages Bloomberg's proprietary fund portfolio holdings data to look through to the fund's constituents and identify constituent level exposure to sanctions. Newly identified funds that have exposures to impacted constituents are analyzed and added on a daily basis. Also, Bloomberg offers Index Exposure to sanctions providing index member level exposure to sanctions data for indices impacted by U.S. (OFAC, E.O. 13959, E.O. 14071), U.K., E.U., and Canadian sanctions. Sanctions data is also available through Bloomberg Data License Plus (DL+) that aggregates, organizes, and links sanctions data to help reduce a firm's total cost of ownership and create more value from the licensed data.

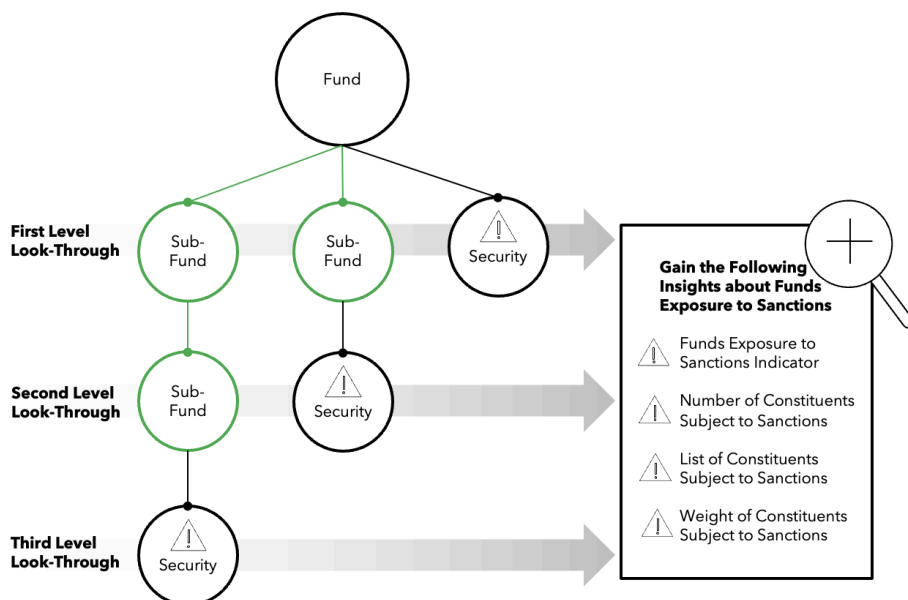
Key Benefits

- Daily monitoring – Bloomberg's dedicated sanctions team with subjectmatter experts diligently monitors more than 50 government websites daily.
- Comprehensive coverage – The solution provides data for legal entities and securities of all impacted entities by leveraging Bloomberg's Corporate structure data.
- Robust client notification – Targeted client notices are delivered when there is a significant sanction event or changes in sanction status due to M&A events.
- Fund & index lookthrough – The solution identifies fund constituent level and index member level exposure to sanctions, by leveraging Bloomberg's extensive fund portfolio holdings and index member data.
- SOC 2 certification – The solution received SOC 2 Certification for Suitability of the Design and Operating Effectiveness of Controls.



Recent Market Event: Russian Sanctions

Consider OFAC lists Russian entities on its SDN list. While the entities are explicitly listed, their subsidiaries are not listed. Leveraging Bloomberg's extensive corporate structure data, we can identify subsidiaries impacted by the 50 Percent Rule and their securities including derivatives having them as the underlying. Bloomberg's Funds and Index Exposure to Sanctions solutions also identify funds or indices having exposures to these entities as fund constituents or index members thereby providing a complete picture of the sanctions impact on the entity. Also, if an entity divests its ownership of the subsidiary subject to a sanction, Bloomberg's extensive corporate actions data can capture the latest ownership information and our sanctions solution will reflect the latest sanction status of all entities impacted by this event. Bloomberg's sanctions solution delivers accurate, most up-to-date and comprehensive sanctions data to clients to help them assess and react to sanctions quickly and precisely.



Take the next step.

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