

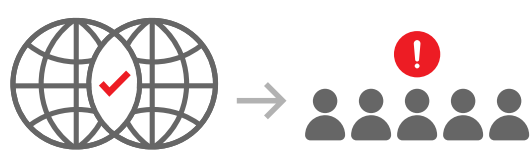
What is a PEP?

Confidently identify PEPs up-front and streamline compliance



1

Managing PEP¹ screening requirements is more complex in today's accelerated, always-connected global economy



Multiple, and often overlapping, international compliance mandates cover politically exposed persons

- FinCEN regulations
- Bank Secrecy Act
- USA PATRIOT ACT
- EU 6th Anti-Money Laundering Directive
- Foreign Corrupt Practices Act
- UK Bribery Act
- OFAC sanctions regulations
- Global sanctions regulations (UN, HMT and EU)²
- FATF³ Guidance

The U.S. Department of the Treasury updated its sanctions list over

140 times in 2021⁴



Conducting business with a PEP can have costly consequences

- Significant, multi-jurisdictional regulatory enforcements
- Exorbitant fines
- Long-term reputational damage
- Diminished shareholder value
- Lost market opportunities and erosion of existing client relationships
- Added operational cost impacts
- Potential personal liability

Global penalties for non-compliance exceeded

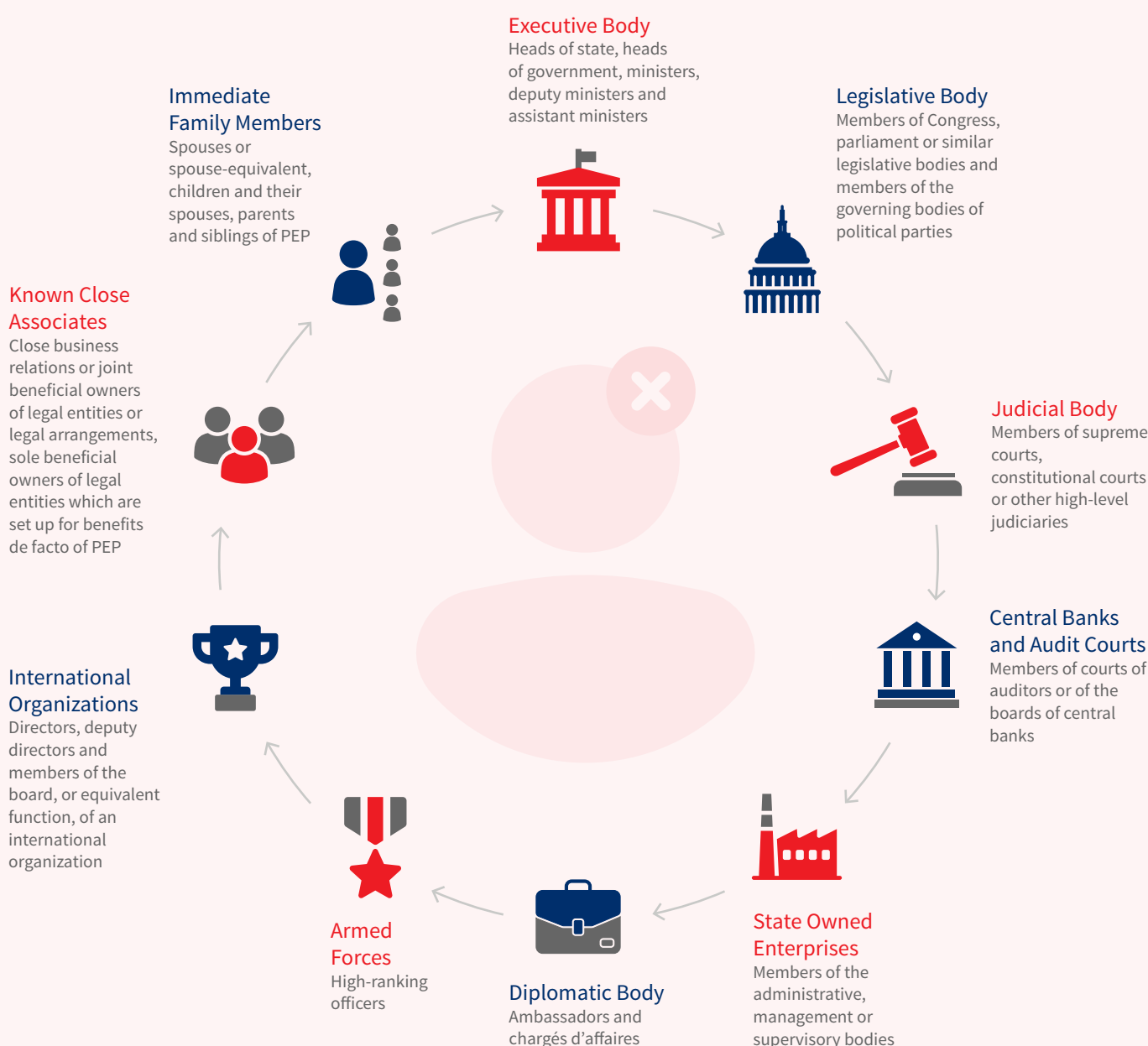
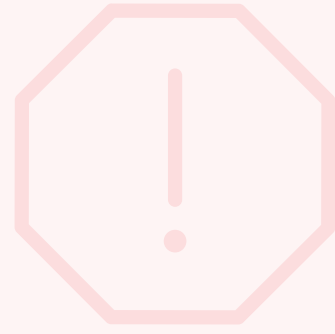
\$10 billion in 2020⁵



2

PEPs cover several categories

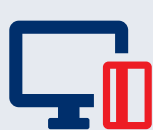
The FATF defines a PEP as an individual who has been entrusted with a prominent public function. The position and influence held by a PEP could expose your business to heightened potential for AML⁶, CTF⁷, sanctions and anti-bribery and corruption compliance risks.



3

Identifying PEP risk takes a dynamic, risk-based approach

Controlling PEP risk starts with understanding the network of relationships that customers, vendors, third-party suppliers and their second-tier business connections bring into a transaction. Risk-based due diligence enables businesses to effectively reduce compliance risks and increase transaction efficiency.



Assess PEP risk at the front-end of a relationship, financial transaction or trade activity



Identify when enhanced due diligence is required



Establish the source of wealth and source of funds involved in transactions with a PEP



Automate enhanced, ongoing monitoring on specific profiles



Maintain a robust, easily demonstrable audit trail

Reduce PEP risk and automate compliance screening

Accelerate the assessment of cumulative PEP risks across entities, individuals and their relationships by seamlessly connecting to current and extensive financial crime compliance risk intelligence.

Automate customer, transaction and trade compliance screening requirements. Contact us at risk.lexisnexis.com/FCC-en or 800 658 5638 to learn more.



Sources

1. Politically Exposed Person (PEP)
2. United Nations (UN), Her Majesty Treasury (HMT) and European Union (EU)
3. Financial Action Task Force (FATF)
4. www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/OFAC-Recent-Actions.aspx
5. www.jdsupra.com/legalnews/aml-enforcement-continues-to-trend-in-1338700
6. Anti-Money Laundering
7. Counter-Terrorist Financing