

The background of the entire image is a wide-angle photograph of the Singapore skyline at dusk. The sky is a mix of soft blues and greys, with some light clouds. The city's skyscrapers are illuminated with various lights, and their reflections are clearly visible in the dark water of the harbor in the foreground. A bridge is visible on the right side of the image.

Welcome to Our SIX Sanctions Forum



Building Smart Sanctions Strategies for Financial Institutions Active in the APAC Market

Agenda:

SIX Sanctions
Forum Singapore

- 1) Welcome & Introductions (5 minutes)
- 2) Who is SIX? (5 minutes)
- 3) Presentation (30 minutes)
 - a) KYC/AML & Pre-Trade Securities Screening
 - b) Indirect Sanctions Exposure
 - c) Regulatory & Data Challenges
 - d) SIX offering
- 4) Q&A / Open Discussion (30 minutes)
- 5) Wrap up / Lunch

Who Is SIX

SIX operates the infrastructure for the Swiss financial center, thus ensuring access to the capital market and the flow of information and money between financial market players.

Our services and innovations enable our clients to excel in their core business, reduce costs and create more value.

Four Areas of Activity. One Company.



Exchanges

Third-largest stock exchange group in Europe

- SIX Swiss Exchange, BME Exchange, BME Derivatives Exchange, SIX Digital Exchange
- Listing
- Trading
- Market Data



Securities Services

Unbeatable post-trade services from A to Z and more

- Clearing
- Settlement and Custody
- Securities Finance
- Tax Services
- Trade Repositories



Financial Information

Data You Trust

- Reference, Corporate Actions and Market Data
- Tax and Regulatory Services
- Indices
- ESG Data
- Display and Data Feed



Banking Services

Smooth payment transactions

- Cash
- Connectivity (Open Banking)
- Debit and Mobile Solutions
- Billing and Payments

Global Coverage: >37m Instruments, 5000 sources

Financial Data

Reference Data

Corporate Actions

Pricing and Market Data

Historical Data

Indices

Thematic and Customized
Indices (e.g. ESG)

Swiss Indices

Nordic Indices

Spanish Indices

Regulatory Services

Investor Protection Services

Tax & Compliance

Sanctions

Regulatory Reporting

Alternative Data and Insights

ESG

ETF's & Funds

Cloud

DRM & iScanner



We Stay Close to Our Clients

**Our over 4'000 employees
are present in 20 countries
on 5 continents.**

KYC/AML & Pre-Trade Securities Screening

KYC, AML & Pre-Trade Sanctions Compliance

Classic KYC/AML/Sanction Processes Focus On:

- › Existing business relationships with individuals and legal entities.
- › Incoming and outgoing domestic and foreign exchange transaction.

Classic
KYC/AML/
Sanction
Processes

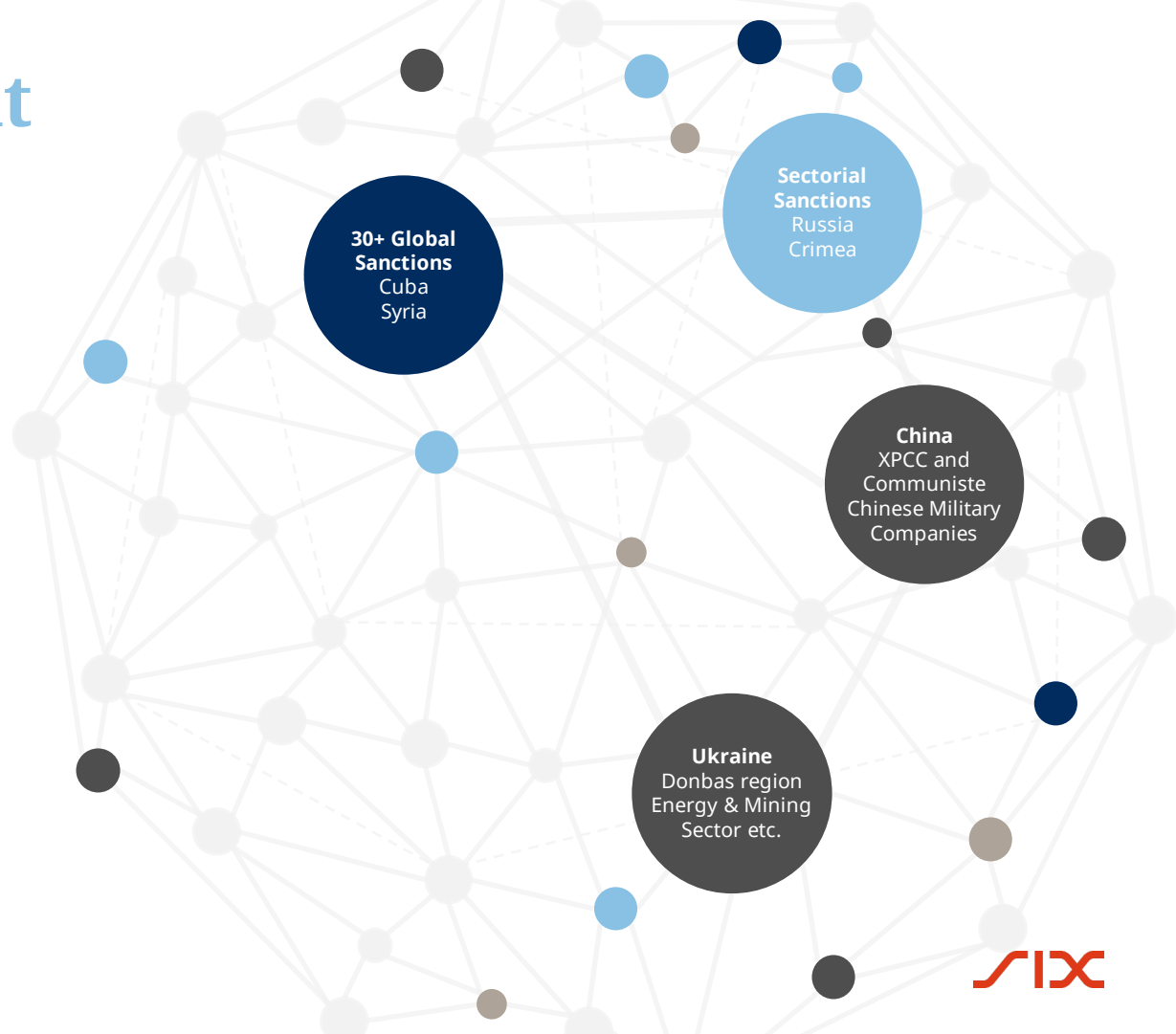
Pre-trade
& Portfolio
Monitoring

Pre-trade and portfolio monitoring are gaining in importance as:

- › Sectoral sanctions on financial instruments considering lifetime (EU 833/2014).
- › OFAC 50% rule active since 14. Feb. 2008 (fined as of 2016, Barclays, Cobham Holdings, Standard Chartered).

Is More Difficult Than Ever

Successful Navigation of
the Sanctions Landscape

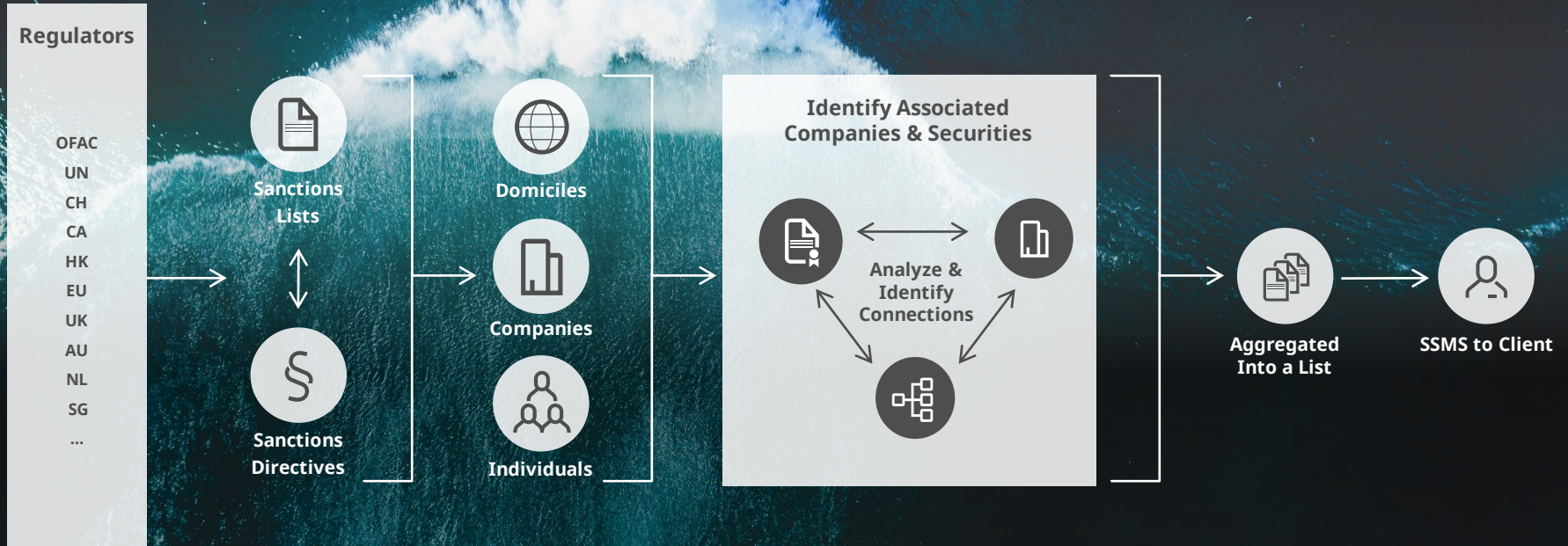


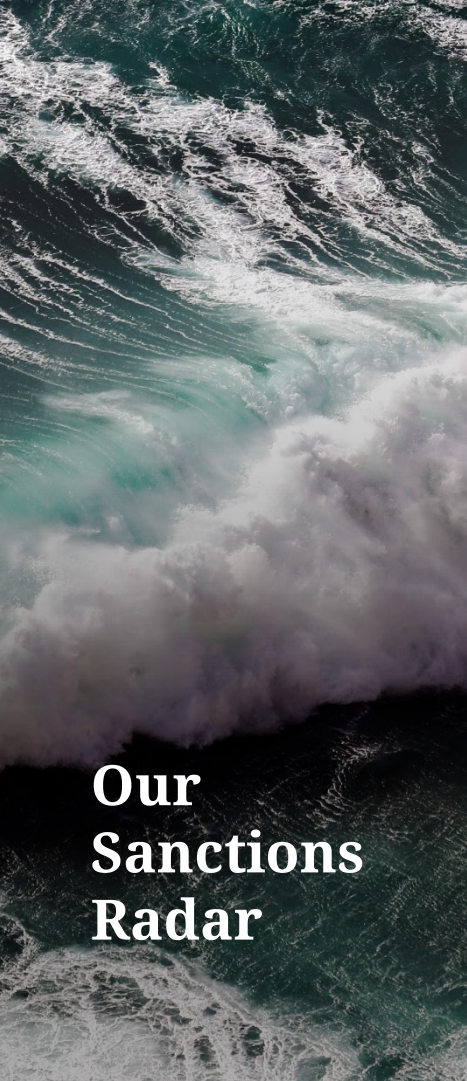
Sanction Matrix

Added complexity due to regulators targeting different sanction regimes visualized in a "sanction matrix" ...

	AU	CA	CH	EU	OFAC	UK	NL	UN	HK	SG	JP
AFGHANISTAN				■		■	■				
AL-QAIDA	■	■	■	■		■	■	■	■	■	
BALKANS					■						
BELARUS			■	■	■	■	■				
BURMA					■						
BURUNDI			■	■	■	■	■				
CENTRAL AFRICAN REPUBLIC	■	■	■	■	■	■	■	■	■	■	
CUBA					■						
CHINA					■						
DARFUR					■						■
DR CONGO	■	■	■	■	■	■	■	■	■	■	■
EGYPT				■		■	■				
IRAN	■	■	■	■	■	■	■	■	■	■	■
IRAQ	■	■	■	■	■	■	■	■	■	■	■
IVORY COAST			■	■	■	■	■	■	■	■	
LEBANON					■						
LIBERIA			■								
LIBYA	■	■	■	■	■	■	■	■	■	■	■
NORTH KOREA	■	■	■	■	■	■	■	■	■	■	■
PALESTINE					■						
REPUBLIC OF GUINEA			■	■		■	■				
REPUBLIC OF GUINEA-BISSAU			■	■		■	■	■	■	■	
SOMALIA	■	■	■	■	■	■	■	■	■	■	■
SOUTH SUDAN	■	■	■	■	■	■	■	■	■	■	
SUDAN	■	■	■	■	■	■	■	■	■	■	■
SYRIA	■		■	■	■	■	■				■
TALIBAN	■	■						■	■	■	■
TUNISIA				■		■	■				
UKRAINE	■			■			■				■
UKRAINE/RUSSIA	■	■	■	■	■		■				
VENEZUELA			■		■						
YEMEN	■	■	■	■	■	■	■	■	■	■	
ZIMBABWE	■		■	■	■	■	■				

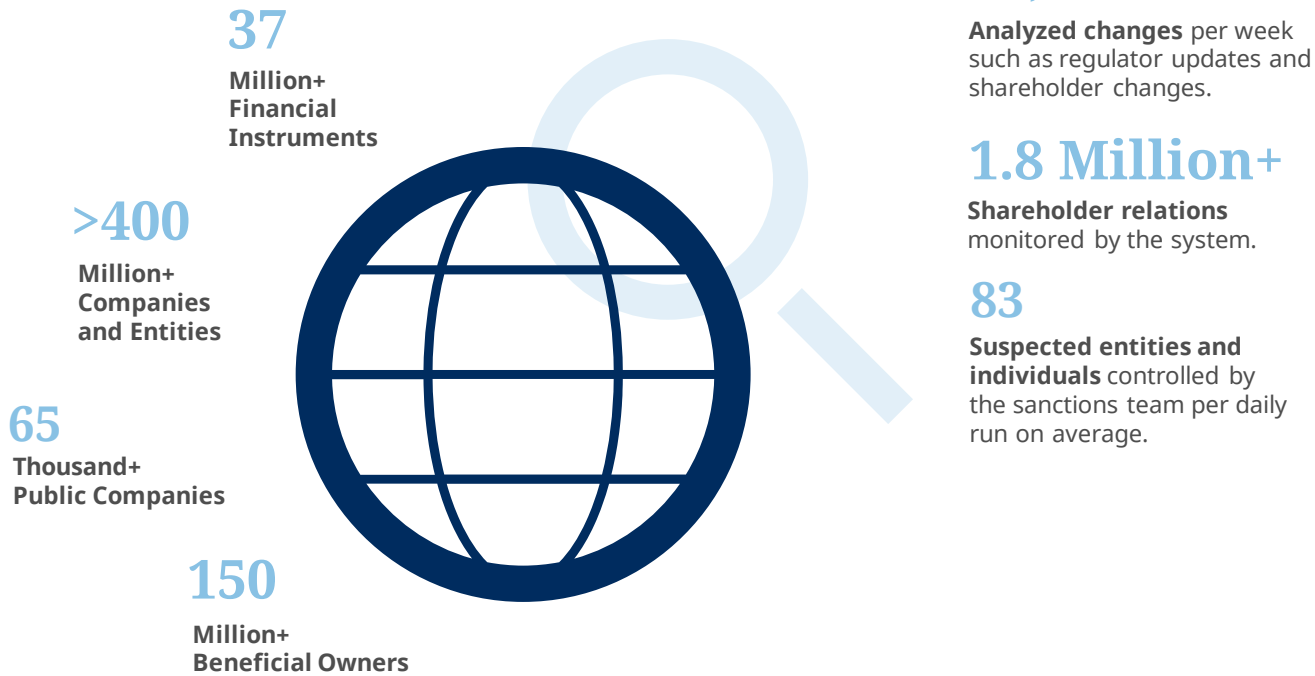
Sanctioned Securities Monitoring Service (SSMS) Process





Our Sanctions Radar

One of the most comprehensive coverage checks on the market. Our service monitors:



37
Million+
Financial
Instruments

>400
Million+
Companies
and Entities

65
Thousand+
Public Companies

150
Million+
Beneficial Owners

26,250

Analyzed changes per week such as regulator updates and shareholder changes.

1.8 Million+

Shareholder relations monitored by the system.

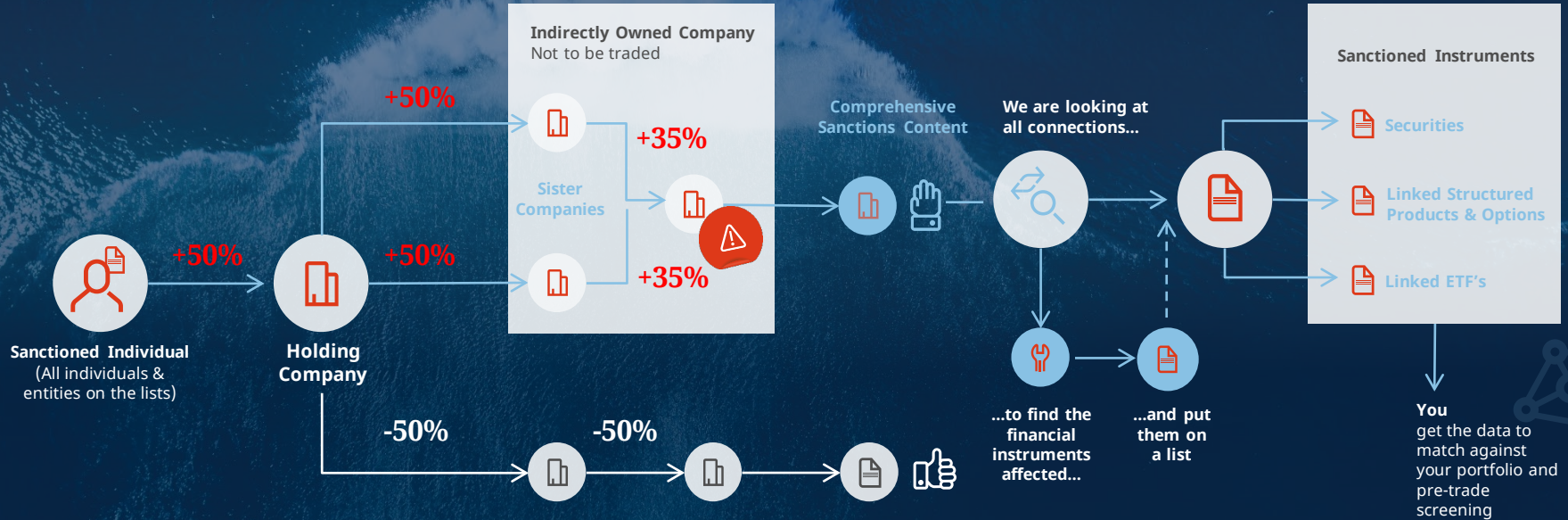
83

Suspected entities and individuals controlled by the sanctions team per daily run on average.

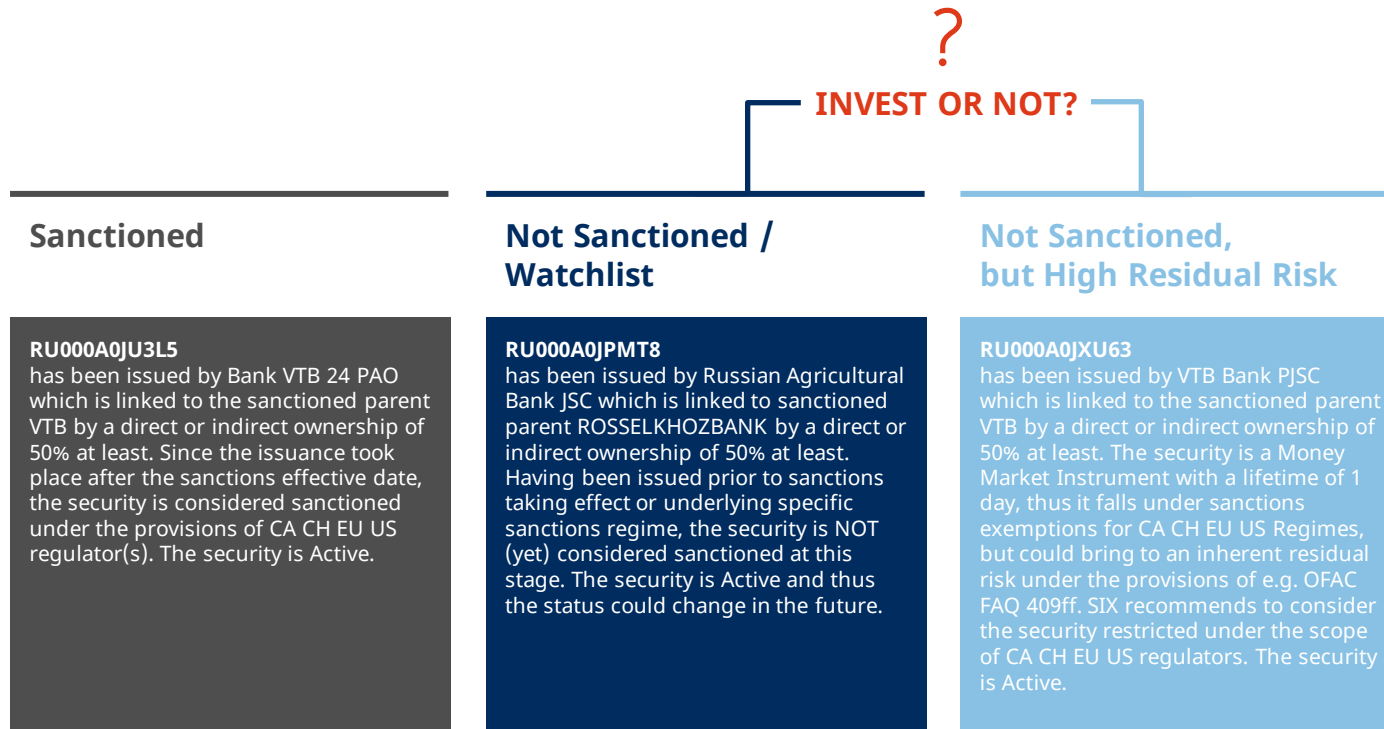
Linking a Wealth of Information into One All-Encompassing Service



No Instrument Can Escape Your Scrutiny



Narrative Statements for Optimal Decision Making



Indirect Sanctions Exposure

Investment vehicles in scope per Executive Orders

- 2020 CMIC names indirect investments for 1st time

Executive Order 13959 of November 12, 2020

Addressing the Threat From Securities Investments That Finance Communist Chinese Military Companies

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3, United States Code,

I, DONALD J. TRUMP, President of the United States of America, find

At the same time, those companies raise capital by selling securities to United States investors that trade on public exchanges both here and abroad, lobbying United States **index providers** and **funds** to include these securities in market offerings, and engaging in other acts to ensure access to United States capital. In that way, the PRC exploits United States investors to finance the development and modernization of its military.

Section 1. (a) The following actions are prohibited:

- (i) beginning 9:30 a.m. eastern standard time on January 11, 2021, any transaction in **publicly traded securities**, or any securities that are **derivative** of, or are **designed to provide investment** exposure to such securities, of any Communist Chinese military company as defined in section 4(a)(i) of this order, by any United States person; and

- 2023 OFAC FAQ 982 on Russia related indirect exposure

RUSSIAN HARMFUL FOREIGN ACTIVITIES SANCTIONS

982. Are U.S. funds allowed to buy or sell debt or equity of blocked Russian financial institutions? Are U.S. investors allowed to invest in a fund that holds debt or equity of a blocked Russian financial institution?

🔍 Search FAQs

Search FAQs

Unless otherwise authorized, U.S. persons may not buy or sell debt or equity of the Russian financial institutions blocked pursuant to [Executive Order \(E.O.\) 14024](#). Accordingly, a U.S. fund may not buy, sell, or otherwise engage in transactions related to debt or equity of such blocked Russian financial institutions, and must block such holdings, unless exempt or otherwise authorized by the Office of Foreign Assets Control (OFAC). A U.S. fund that contains such blocked holdings generally is not itself considered a blocked entity unless such blocked holdings represent **a 50 percent or more share by value of the fund.** If such blocked holdings do not represent a 50 percent or more share by value of the fund, U.S. persons may continue to invest in it, and the fund is not considered blocked. The fund may divest itself of blocked holdings to the extent authorized by OFAC.

Date Updated: January 17, 2023



What to search for in ETF's



Fullholding data covering >90% of all worldwide ETF's



Award winning SIX Sanctioned Securities Monitoring Data



SSMS ETF add on main features:

- > Based on existing SSMS regime entitlement
- > Only ETFs that are tainted by regulators that a client is signed up are delivered
- > Additional reference data file with similar data fields like existing service
 - Full- and delta Files
 - ETF Name, Issuer Name , multi-Identifier
 - % weight of sanctioned Component(s) & Component name & Identifiers
 - Detailed information of sanctions ordonnance or executive order per sanctioned component etc.



Indirect Exposure in ETF's

HOST_CH	HOST_ISIN	HOST_GK	HOST_ISSUER_SHO	DESCRIPTION	FISN	DATE_OP	INCEPTION	DENOMIN	COMPONENT_RECORD	ORIGIN	COMPONI	COMPONI	COMPONENT_ENTITY_NAME	COMPONENT_WEIGHT
10749307	HK0000057395	494352	IS Core CSI 300	iShares Core CSI300 Shs	ISCORECSI	20091117	20091112	HKD	COMPONENT DIRECT ISSUER		25769271	CNE10000	Dawning Information Industry Co Ltd	0.0016890361
10749307	HK0000057395	494352	IS Core CSI 300	iShares Core CSI300 Shs	ISCORECSI	20091117	20091112	HKD	COMPONENT DIRECT ISSUER		48425890	CNE10000	China Satellite Communications Corp	0.0003384944
10749307	HK0000057395	494352	IS Core CSI 300	iShares Core CSI300 Shs	ISCORECSI	20091117	20091112	HKD	COMPONENT DIRECT ISSUER		55776872	CNE10000	Semiconductor Manufacturing International C	0.0041655678
10749307	HK0000057395	494352	IS Core CSI 300	iShares Core CSI300 Shs	ISCORECSI	20091117	20091112	HKD	COMPONENT DIRECT ISSUER		112965324	CNE10000	China Telecom Corp Ltd	0.0010874925

- ETF linked to CMIC sanctions (Executive Order 13959).
- 5 components of the ETF are tainted in total.

HOST_CH	HOST_ISIN	HOST_GK	HOST_ISSUER_SHO	DESCRIPTION	FISN	DATE_OP	INCEPTION	DENOMIN	COMPONENT_RECORD	ORIGIN	COMPONI	COMPONI	COMPONENT_ENTITY_NAME	COMPONENT_SANCTIONED
12353488	IE00085ZR2157	540353	PIMCO Eur Sh Mt	PIMCO Eur Sh Mt EUR Sh	PIMCO FX	20110118	20110111	EUR	COMPONENT DIRECT ISSUER		34613144	XS152103	Gaz Capital SA	Yes
13180497	IE0006225G73	556859	PIMCO Sterl	PIMCO Sterl GBP Shs	GBP PIMCO FX	20110609	20110610	GBP	COMPONENT DIRECT ISSUER		34613144	XS152103	Gaz Capital SA	No
13180497	IE0006225G73	556859	PIMCO Sterl	PIMCO Sterl GBP Shs	GBP PIMCO FX	20110609	20110610	GBP	COMPONENT DIRECT ISSUER		34613144	XS152103	Gaz Capital SA	Yes
13180497	IE0006225G73	556859	PIMCO Sterl	PIMCO Sterl GBP Shs	GBP PIMCO FX	20110609	20110610	GBP	COMPONENT DIRECT ISSUER		34613144	XS152103	Gaz Capital SA	Yes
13180497	IE0006225G73	556859	PIMCO Sterl	PIMCO Sterl GBP Shs	GBP PIMCO FX	20110609	20110610	GBP	COMPONENT ULTIMATE BORROWER		34613144	XS152103	Gaz Capital SA	Yes
13180497	IE0006225G73	556859	PIMCO Sterl	PIMCO Sterl GBP Shs	GBP PIMCO FX	20110609	20110610	GBP	COMPONENT ULTIMATE BORROWER		34613144	XS152103	Gaz Capital SA	Yes
13180497	IE0006225G73	556859	PIMCO Sterl	PIMCO Sterl GBP Shs	GBP PIMCO FX	20110609	20110610	GBP	COMPONENT ULTIMATE BORROWER		34613144	XS152103	Gaz Capital SA	No
13180497	IE0006225G73	556859	PIMCO Sterl	PIMCO Sterl GBP Shs	GBP PIMCO FX	20110609	20110610	GBP	COMPONENT ULTIMATE BORROWER		34613144	XS152103	Gaz Capital SA	Yes
13180497	IE0006225G73	556859	PIMCO Sterl	PIMCO Sterl GBP Shs	GBP PIMCO FX	20110609	20110610	GBP	COMPONENT ULTIMATE BORROWER		34613144	XS152103	Gaz Capital SA	Yes

- ETF linked to Special Purpose Vehicle ("SPV") linking unsanctioned issuer to sanctioned Ultimate Borrower.

HOST_CH	HOST_ISIN	HOST_GK	HOST_ISSUER_SHO	DESCRIPTION	FISN	DATE_OP	INCEPTION	DENOMIN	COMPONENT_RECORD	ORIGIN	COMPONI	COMPONI	COMPONENT_ENTITY_NAME	COMPONI	COMPONI	COMPONI
43148460	IE00BDDRH417	421924	iShs JPMorg EM	iShs EM Bd MXN-Acc Accu	ISHS II/SH	20180807	20180903	MXN	COMPONENT DIRECT ISSUER		12520445	USP7807H	Petroleos De Venezuela SA PDVSA	To Block-VENEZUELA-EO13850		
43148460	IE00BDDRH417	421924	iShs JPMorg EM	iShs EM Bd MXN-Acc Accu	ISHS II/SH	20180807	20180903	MXN	COMPONENT DIRECT ISSUER		14358085	USP7807H	Petroleos De Venezuela SA PDVSA	To Block-VENEZUELA-EO13850		
43148460	IE00BDDRH417	421924	iShs JPMorg EM	iShs EM Bd MXN-Acc Accu	ISHS II/SH	20180807	20180903	MXN	COMPONENT DIRECT ISSUER		18971074	USP7807H	Petroleos De Venezuela SA PDVSA	To Block-VENEZUELA-EO13850		
43148460	IE00BDDRH417	421924	iShs JPMorg EM	iShs EM Bd MXN-Acc Accu	ISHS II/SH	20180807	20180903	MXN	COMPONENT DIRECT ISSUER		23128638	USP7807H	Petroleos De Venezuela SA PDVSA	To Block-VENEZUELA-EO13850		
43148460	IE00BDDRH417	421924	iShs JPMorg EM	iShs EM Bd MXN-Acc Accu	ISHS II/SH	20180807	20180903	MXN	COMPONENT DIRECT ISSUER		24582328	USP7807H	Petroleos De Venezuela SA PDVSA	To Block-VENEZUELA-EO13850		
43148460	IE00BDDRH417	421924	iShs JPMorg EM	iShs EM Bd MXN-Acc Accu	ISHS II/SH	20180807	20180903	MXN	COMPONENT DIRECT ISSUER		30228953	XS029436	Petroleos De Venezuela SA PDVSA	To Block-VENEZUELA-EO13850		
43148460	IE00BDDRH417	421924	iShs JPMorg EM	iShs EM Bd MXN-Acc Accu	ISHS II/SH	20180807	20180903	MXN	COMPONENT DIRECT ISSUER		30289908	XS029436	Petroleos De Venezuela SA PDVSA	To Block-VENEZUELA-EO13850		

- Venezuela sanction linked ETF.

Regulatory & Data Challenges

Financial Market Sanctions Challenges

➤ **Russia 2022: Different application dates per regulator**

- The Central Bank, National Wealth Fund, Ministry of finance of the Russian Federation
 - US: Russia EO14024, Directive 1a, Securities issued after March 1
 - EU: Article 5a, Securities issued after March 9
 - UK 2019/855, Securities issued after March 1
 - CH 946.231.176.72 - Article 18-4, Securities after March 14
 - SG: = SNR-N01-5 - 14/03/2022, Securities issued after March 14

How to handle different application dates?

➤ **US OFAC's FAQ 1055 / UK Russia sanctions 18B: Data challenge**

- Following US (United States) OFAC (Office for Foreign Assets Control) Executive Order (E.O.) E.O.14066, E.O.14068 and E.O.14071 [collectively, the respective E.O.s] and in conjunction with OFAC FAQ 1055, U.S. persons are prohibited from lending funds to, or purchasing an equity interest in, entities located outside of the Russian Federation when their revenues are predominantly derived from their investments in the Russian Federation.

How to approach: All Entities outside Russia that have solely subs in Russia are in scope?



Update EU

[Home](#) > [Press](#) > [Press releases](#)

Council of the EU Press release 25 February 2023 11:45

One year of Russia's full-scale invasion and war of aggression against Ukraine, EU adopts its 10th package of economic and individual sanctions

This document is available in non-EU languages: [Russian](#)

On the sad commemoration of one year since Russia's full-scale invasion of Ukraine, the Council adopted today a tenth package of additional restrictive measures giving another turn of the screw to the government of the Russian Federation and those responsible for Russia's continuing war of aggression.



Putin is escalating this illegal aggression, weaponising winter, food and hunger. Russia continues to show its inhuman face with brutal missile terror against civilian targets. Today's 10th package of sanctions targets those who are instrumental in the continuation of this brutal war. We are taking more measures, tackling the banking sector, access to dual-use technology and advanced technologies. We will continue to increase pressure on Russia - and we will do it for as long as needed, until Ukraine is liberated from the brutal Russian aggression.

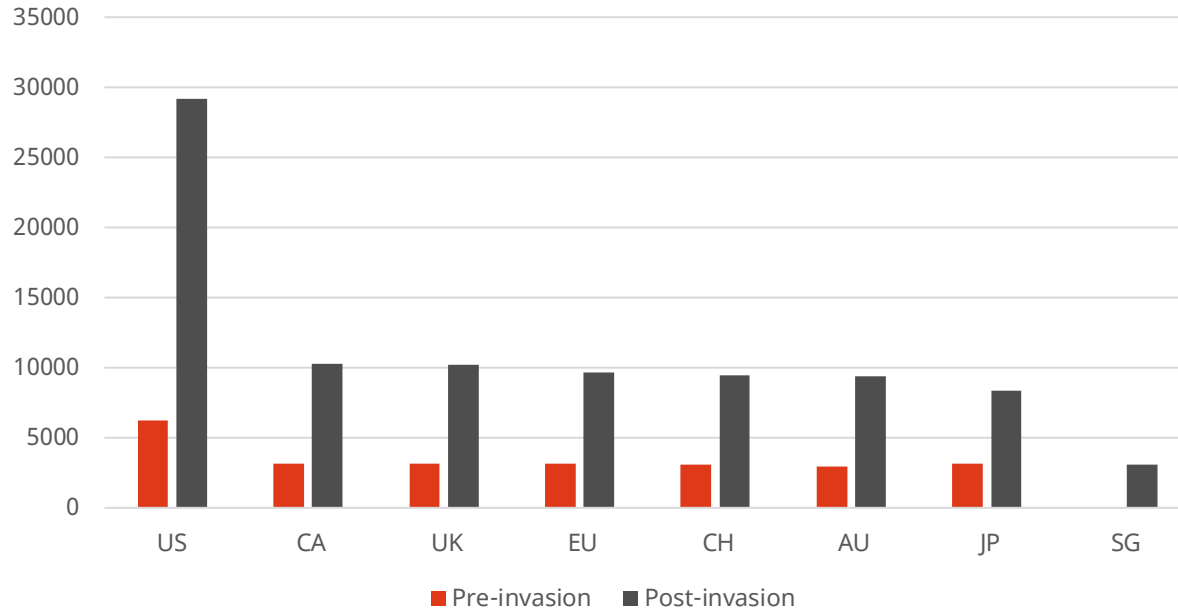
— Josep Borrell, High Representative for Foreign Affairs and Security Policy

<https://www.consilium.europa.eu/en/press/press-releases/2023/02/25/one-year-of-russia-s-full-scale-invasion-and-war-of-aggression-against-ukraine-eu-adopts-its-10th-package-of-economic-and-individual-sanctions/>

Reporting obligations

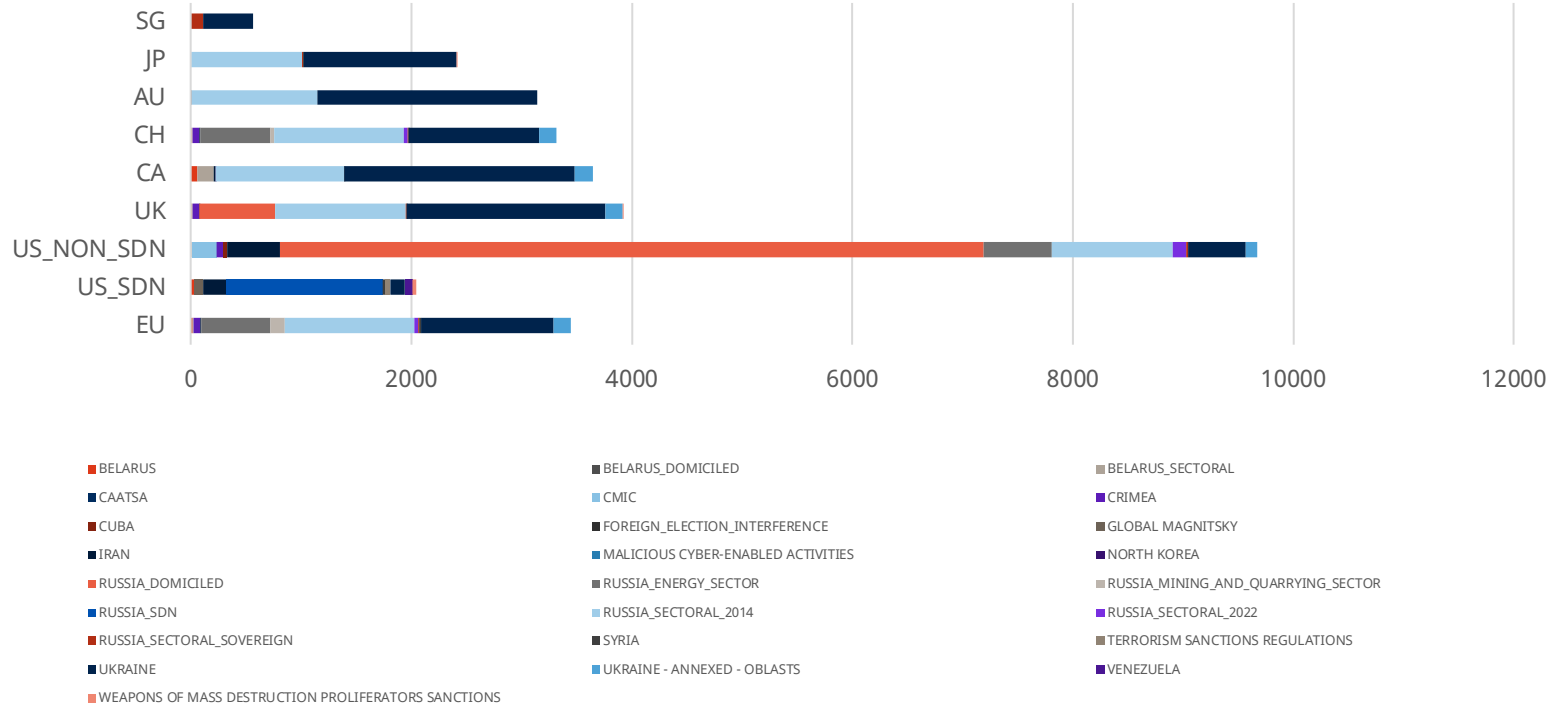
In order to ensure the effectiveness of the asset freeze prohibitions, the Council decided to introduce more detailed **reporting obligations on funds and economic resources belonging to listed individuals and entities** which have been frozen or were subject to any move shortly before the listing. The Council also introduced new reporting obligations to the Member States and to the Commission on **immobilized reserves and assets of the Central Bank of Russia**. Moreover, aircraft operators will have to notify **non-scheduled flights** to their national competent authorities, which will then inform other member states.

Sanctioned Securities: Pre & Post Ukraine Invasion



- Number of securities in scope grew from 24k to 89k which is 262% growth
- USA grew over 300%
- Europe 200%

Sanctioned Securities per Program



Q & A

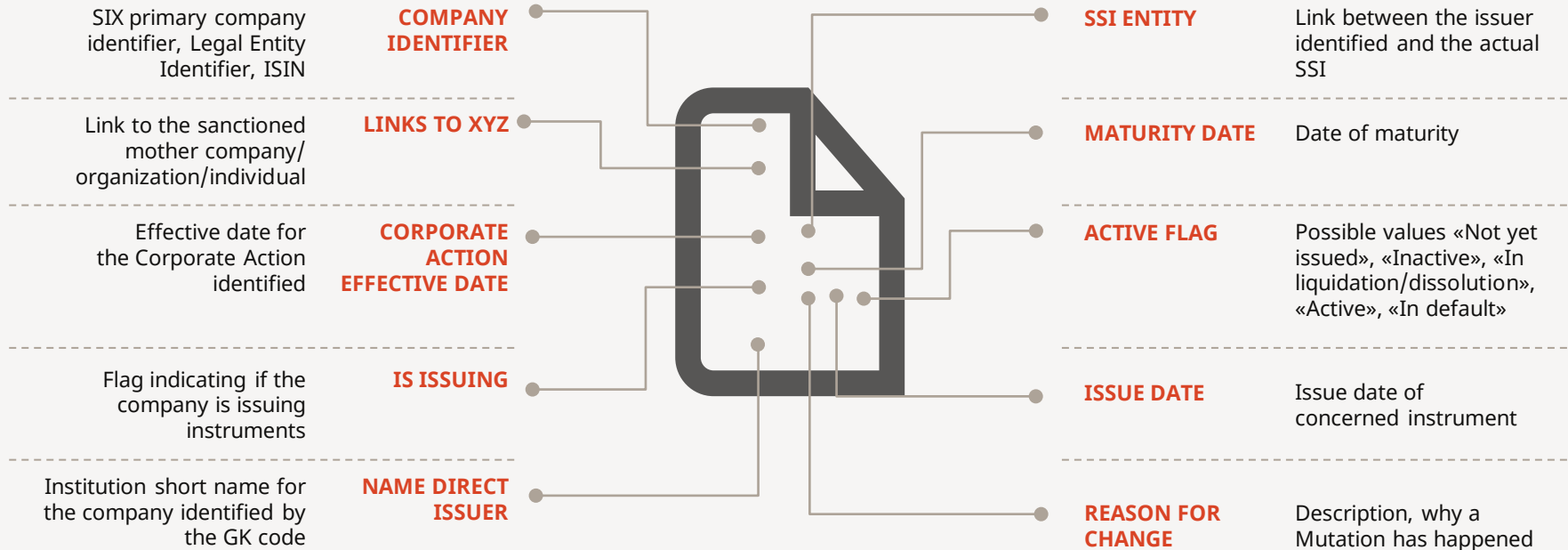
SIX Offering



How is SIX Delivering SSMS

- 6 days per week.
- 2 times per day.
- 4 Lists, full and delta files:
 - Institutions
 - Financial Instruments.
 - Structured Products.
 - Options.
 - Optional: ETF's.
- CSV, XLS and XML.
- E-Mail and SFTP.

Granular Structured Data Delivered Twice-Daily





Time to Market:

Flashmail
feature

+++ SSM Service: Ukraine/Russia Situation +++

Dear SSM Service customer,

Since our last official communication, sent as of Friday the 7th of April, the sanction landscape has continued to evolve. We would like to keep you informed about the latest status.

1*) SECO (CH) – Sanctions regulation update “Luhansk and Donezk Region”:

While the original ordonnance 946.231.176.72 in 2014 provided in Article 7 with the prohibitions in the region of Crimea and Sevastopol, the latest revision moved this article to No. 25 and extended its application to the region of Luhansk and Donezk. This consequently brings to the following changes in the result files:

- 1) records with TARGET = ‘CRIMEA’ will change the content in the CH-column from “946.231.176.72 Art. 7” to “946.231.176.72 Art. 25”.
- 2) records with TARGET = ‘DNR/LNR’ will receive as content in the CH-column “946.231.176.72 Art. 25”.

The boarding of this regulation is foreseen to happen in the course of the next week without further announcement.

2*) The United States of America [US] – OFAC update:

We are currently still assessing impacts of the Executive Order as of the 6th of April 2022:

https://home.treasury.gov/system/files/126/russia_eo_20220406.pdf

Especially, we are currently analysing:

- A) Impacts of this sanction program over the data volume to be delivered by the SSM service
- B) Any guidance which might be published by OFAC, to confirm (respectively amend) our current interpretation about this sanction program (please refer to the flash mail as of the 8th of April 2022)

We confirm that this sanction program will be mapped as follows by the SSM service:

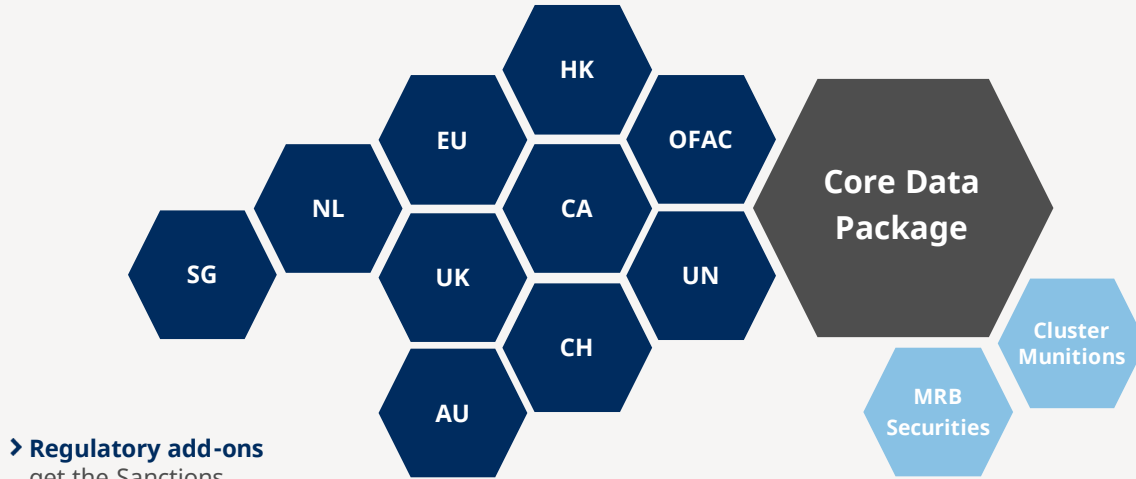
- TARGET = RUSSIA_DOMICILED
- SANCTIONED_PARENT_ENTITY = RUSSIA_CONNECTED
- US_NON_SDN = EO-20220406
- SANCTIONED = YES



SIX

Build Your Package to Suit Your Business Needs

Sanctioned Securities Monitoring Service



› **Regulatory add-ons**
get the Sanctions jurisdiction that is relevant to your business operational needs.

› **Core Data Package**
provides you with the granular structured data needed for your sanctions monitoring.

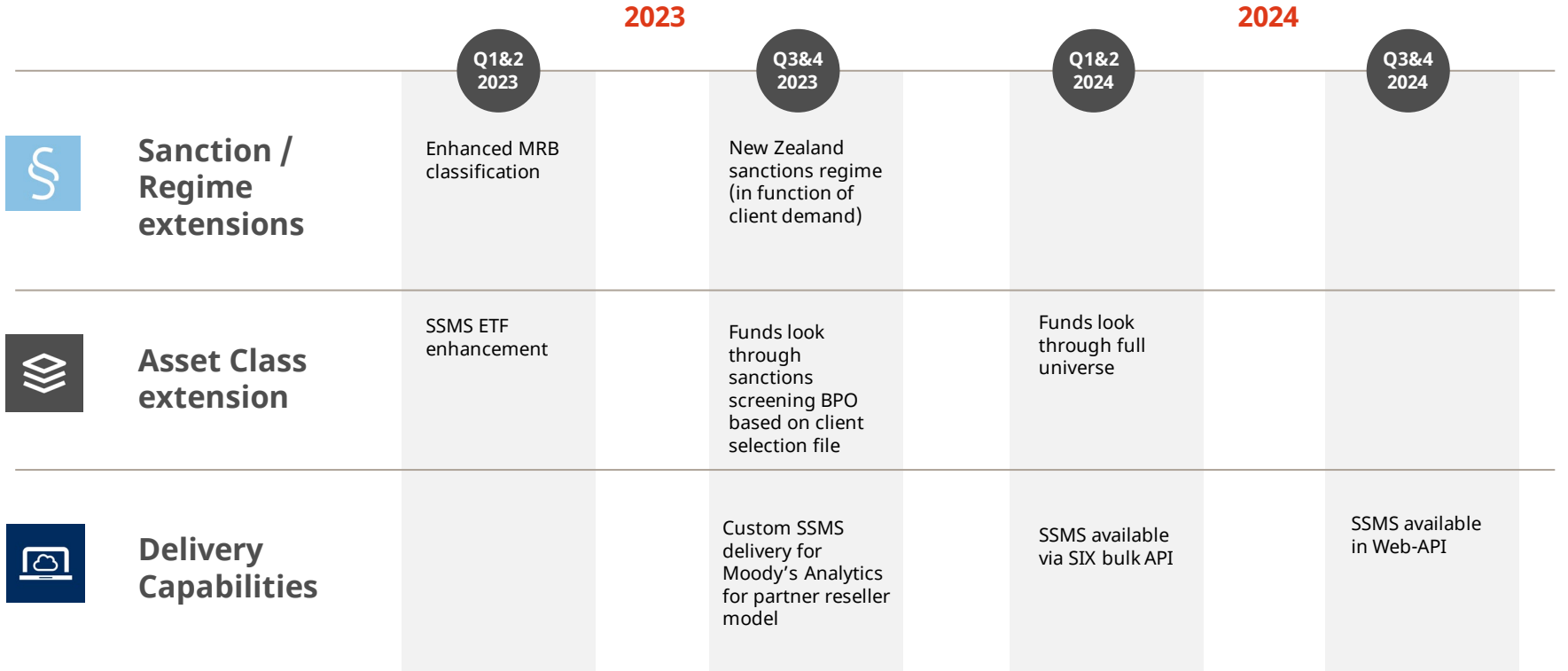
› **SSMS ETF**
SSMS ETF scans Exchange Traded Funds for sanction breaches and outputs ETF's that invest into sanctioned securities.

› **Cluster Munitions**
provides you with securities linked to prohibitive war material restrictions.

› **Marijuana Related Business (MRB)**
provides you with securities linked to production, transportation and retail of marijuana products.

SSMS V2.0: Product Roadmap

Supporting Growth



Sanctioned Securities Monitoring Service by SIX Rewarded for Innovation & Excellence



A-Team RegTech Insight

› Best Solution for
financial crime 2021



Buy-Side/Sell- Side Technology

› Best Buy-Side
Compliance Product 2020

› Best Sell-Side Compliance
Product 2019, 2020



Waters Asia

› Best KYC AML Service
2021, 2022



FTF News

› Best Compliance Product
2021



A-Team Innovation

› Best AML Financial
Crime initiative 2022

The SIX logo is rendered in a white, stylized, sans-serif font. The 'S' is a simple horizontal line, the 'I' is a vertical line, and the 'X' is formed by two intersecting diagonal lines. The background is a dark, textured teal with a subtle pattern of small white dots, resembling a starry sky or a digital data field.

SIX

Thank you!

The Future of Finance Is Now

Disclaimer

This material has been prepared by SIX Group Ltd, its subsidiaries, affiliates and/or their branches (together, "SIX") for the exclusive use of the persons to whom SIX delivers this material. This material or any of its content is not to be construed as a binding agreement, recommendation, investment advice, solicitation, invitation or offer to buy or sell financial information, products, solutions or services. It is solely for information purposes and is subject to change without notice at any time. SIX is under no obligation to update, revise or keep current the content of this material. No representation, warranty, guarantee or undertaking – express or implied – is or will be given by SIX as to the accuracy, completeness, sufficiency, suitability or reliability of the content of this material. Neither SIX nor any of its directors, officers, employees, representatives or agents accept any liability for any loss, damage or injury arising out of or in relation to this material. This material is property of SIX and may not be printed, copied, reproduced, published, passed on, disclosed or distributed in any form without the express prior written consent of SIX.

© 2023 SIX Group Ltd. All rights reserved.

