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SUPPORTING EU SMEs AND PARTNERS
WITH SANCTIONS COMPLIANCE

Navigating Sanctions: Due Diligence in Practice

Who: *Counterparty due diligence*

15 May 2026

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All attendee microphones will be muted throughout

Materials and a recording will be shared

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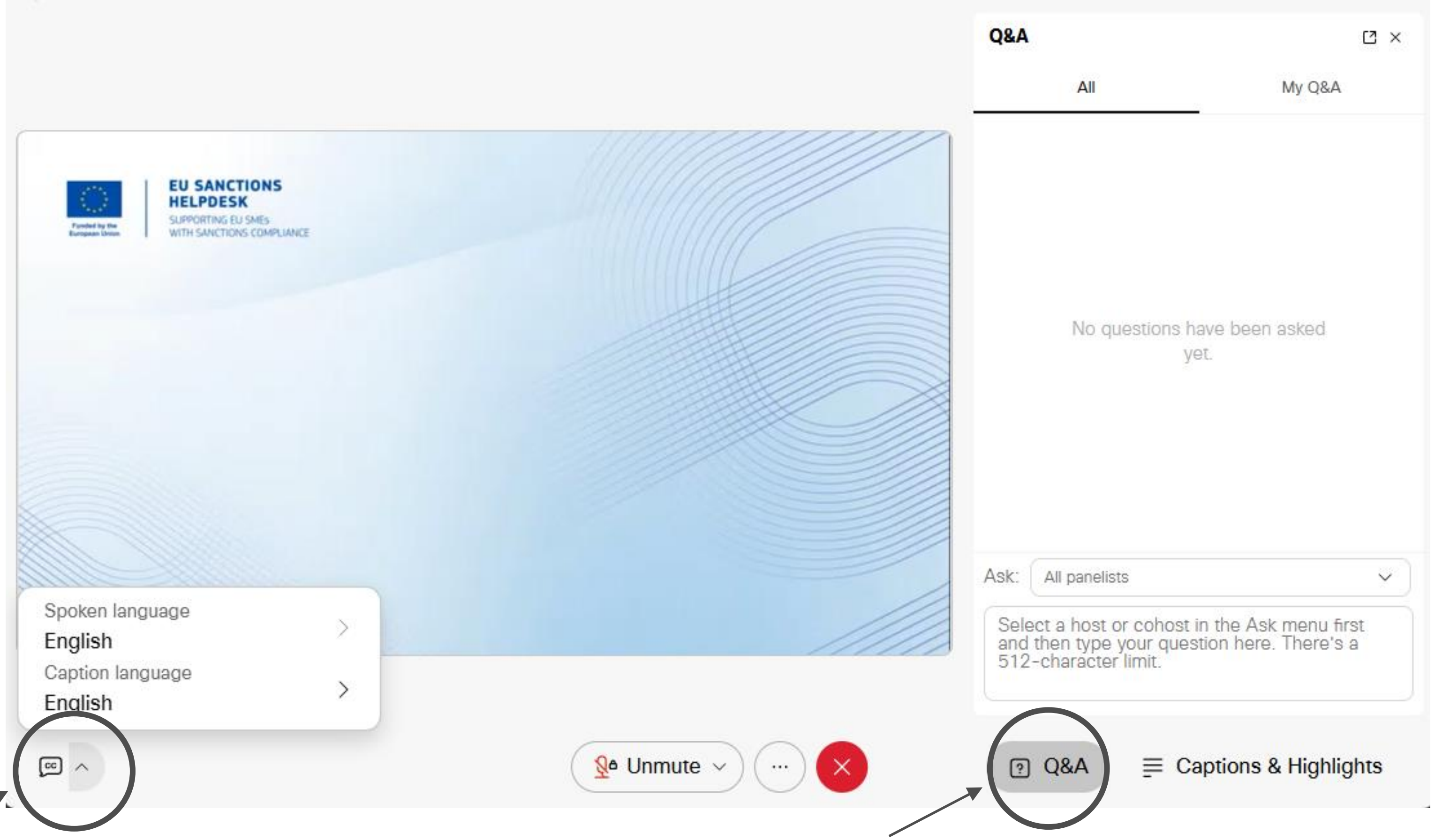

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Unijny Punkt Wsparcia ds. Sankcji (EU Sanctions Helpdesk)

Wsparcie dla MŚP w Polsce

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Senior Expert on EU Restrictive Measures

Who: Counterparty due diligence

Training module 1 | 15 May 2026

Trainer

Trainer

Eline Mooring
Attorney at law
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Attorney at law
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The Four Keys to Compliance

Navigating Sanctions: Due Diligence in Practice

Module 1: Who?
Counterparty due diligence

Module 2: What?
Restricted products and services

Module 3: Where?
High-risk countries and circumvention

Module 4: What for?
End-use and end-user risks

What we will cover

- Why counterparty due diligence matters
- Identifying the real parties involved
- Essential information to collect
- Screening tools and techniques
- Reading results: match, false positive, unclear?
- Enhanced due diligence: when and how
- Case studies
- Key lessons and pitfalls

Audience poll

Which parties should typically be screened before entering into a transaction?

Select all that apply:

- ❑ The direct contracting party (customer or supplier)
- ❑ The ultimate beneficial owner of the counterparty
- ❑ End-user
- ❑ Directors and senior management
- ❑ Banks involved
- ❑ Agents, distributors, or freight forwarders involved
- ❑ None of the above

Why counterparty due diligence matters

EU sanctions prohibit dealing with designated persons – directly or indirectly.

What this means in practice:

- Direct prohibition relating to listed person or entity
- Indirect prohibition relating to company **owned or controlled** by a listed person or entity
- Ignorance is not a defence
- Publicly or readily available information must be taken into account

Who are you truly dealing with?

You must identify and screen all relevant parties in a transaction – not just the direct contracting party.

- Shareholders and UBOs
- Directors and senior management
- Agents and distributors
- Freight forwarders and logistics providers
- Banks
- End-customer(s)

What information to collect

- Company details
- Ownership structure
- Management
- Contact persons
- Associated entities
- Bank details
- End-customer

Audience poll

You receive an order from a company in Turkey. The company looks legitimate. What do you do next?

- I check the company name against the EU Consolidated Financial Sanctions List and, if it is not listed, I proceed
- I check the company and its UBOs/directors against the EU Consolidated Financial Sanctions List
- I check the company, its UBOs/directors, and also consider whether the destination presents additional risk
- I am not sure what to do

How to screen: tools and techniques

- **Tool 1** – EU Consolidated Financial Sanctions List
- **Tool 2** – EU Sanctions Map (eusanctionsmap.eu)
- **Tool 3** – National sanctions lists
- **Tool 4** – Third-country sanctions lists (where relevant)
- **Tool 5** – Open-source research
- **Tool 6** – EU Sanctions Helpdesk
- **Tool 7** – third party screening tools

Interpreting screening results

- **Positive match:** The name and other identifiers match a listed person or entity
- **False positive:** The name is similar to a listed person, but the identifiers (date of birth, nationality, address, registration number) do not match.
- **Inconclusive:** You cannot determine whether the match is positive or false positive – insufficient information

Enhanced due diligence – when and how

Required when:

- High-risk jurisdiction (e.g. Russia, Belarus, Iran) or circumvention hub
- Complex or opaque ownership structure
- Sensitive goods or services (dual-use, CHP items, military goods)
- Red flags
- Unusual transactions

What does it involve?

- Full UBO documentation
- Open-source research
- End-user declaration or end-use certificate
- Independent legal opinion or company search
- EU Sanctions Helpdesk
- Documenting all steps taken and conclusions reached

Counterparty Due Diligence Red Flags

The presence of the following should trigger enhanced due diligence or refusal to proceed:

- Ownership red flags
- Transactional red flags
- Behavioural red flags

Red flags: Mastering the indicators of sanctions risk - EU Sanctions Helpdesk

Case studies

Case study: name match ambiguity

Case:

A Belgian manufacturer of industrial pumps receives an order from "Dmitry Petrov“, the director of a machinery trading company incorporated in Kazakhstan.

Relevant sanctions?

✓ A “Dmitry Petrov” is listed on the EU Consolidated Financial Sanctions List.

Questions:

✓ Is this a match?
✓ What should the Belgian manufacturer do?
✓ What documentation should it retain?

Case study: intermediary risk

Case:
A German manufacturer of machine tools receives an order from a well-known German trading company.

Risks:
- ✓ End-customer in India, but:
- ✓ Order specifies delivery to freight forwarder in Serbia
- ✓ Payment through bank in Cyprus

Questions:
- ✓ Does the long-standing relationship with the trading company mean that due diligence can be reduced?
- ✓ What red flags are present?
- ✓ What should the manufacturer do?

Key lessons and pitfalls

Key lessons:

- Screen all relevant parties
- Collect sufficient information
- Mitigate ambiguity
- Enhanced due diligence in case of high-risk counterparties
- Document your analysis

Common pitfalls?

Questions & answers

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