

Compliance Screening – Sanctions List Check

for SAP® ECC 6.0 or
S/4HANA®



marlin
excellence in data quality



Since February 2022, the issue of sanctions list review has taken on a new, global significance. The world is subject to constant change. Business relationships that are still legal today can be affected by a boycott tomorrow.

Many companies have underestimated the issue and have not defined processes and responsibilities for a sanctions list review. In some cases, not only do business partners have to be audited, but also the controlling parent company and the managing directors.

Various public reports have also shown that companies need to focus more on this issue. The company needs to know, "Is my business partner a politician, or does the company belong to the daughter of a head of government or government official?"

Impact on your business processes

In order to comply with applicable regulations, it is essential to have audit-proof documentation of sanctions list matches.

Marlin Compliance Screening (MCS) is an SAP® add-on for checking persons and companies against sanctions lists of all kinds – whether boycott/embargo, fraud, terrorists or PEP (politically exposed persons) lists. The application is based on the operational SAP process and monitors the creation and maintenance of master and master data for customers and vendors, personnel master data, business partner master data, and company bank master data. In addition, the sanctions list check is also performed on relevant transaction data in sales and purchasing. The check is also performed for manually entered, deviating goods recipients or CPD accounts. Systems not connected to MCS can be checked by uploading CSV files. The results are securely displayed in the Compliance Cockpit, also in SAP.

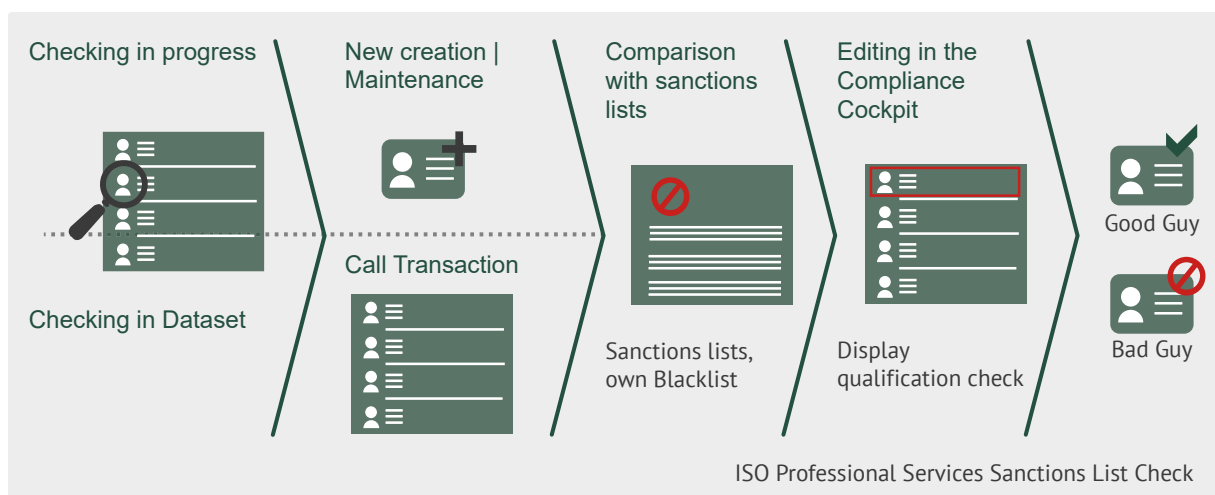
The Integrated Solution for Your SAP® Application

Marlin Compliance Screening (MCS) is an ABAP-programmed solution that integrates with your critical

business processes. An intelligent, future-proof screening technology checks business partner data against various providers. ISO provides standardized and structured data through its own data service via a web service connection. Alternatively, sanctions lists from other providers can be imported. The tool notifies the compliance officer by e-mail of any discrepancies with sanctioned persons or companies. With the help of Compliance Cockpit, they have the option of central processing. The hits are qualified (e.g. as "good guy" or "bad guy") and further processed in a monitor. The compliance officer can use the cockpit to confirm or remove the blocks on the master record. MCS also prevents an employee from removing compliance blocks from a master record or document. MCS documents all steps and records them in a verifiable manner. All necessary settings are made in the product's own SAP customizing.

Cross-regulatory Review

In order for a group to comply with the different legal requirements in different countries, these are mapped using legal areas. The legal area comprises one or more company codes that are subject to the same legal framework. The legal area can be defined differently for the USA, the EU, or China. The company codes, lists to be checked, responsible employees, objects (customer, vendor, bank, SD document, and so forth), and the blocks that apply to the object are assigned to the legal area.



Functions

- Customer, vendor, contact person for customer and vendor, business partner, bank master record, HR master record
- Individual check
- Dialog check during creation and modification
- Full and delta validation
- CSV file validation of external data
- Import of ISO sanctions lists via web service
- Standard interface for PEP and fraud lists
- Check definition via intelligent jurisdictions
- Country embargoes
- Language independent high performance screening technology
- Definition of automated blocks for master and transaction data
- Central monitor for displaying, qualifying and processing sanctions list hits
- Creation of compliance files (forwarding possible)
- Web service connection or import of lists from Reguvis, Sanktionslisten.de, intelliCompliance
- Interface for import of additional sanction lists

Improve Validation with Add-ons

The address can be checked and corrected by the ISO product Marlin Address Validation to improve the quality of the check. The improved address optimizes the verification compared to the checklists.

The Marlin Content add-on compares the master record to be checked with an international database. The user receives information on whether the business partner exists, whether it is the head office or a branch office, who the parent company is and, if applicable, which directors are registered. MCS then checks the master record as well as the parent company and directors.

Embargo-, PEP- and Fraud Lists

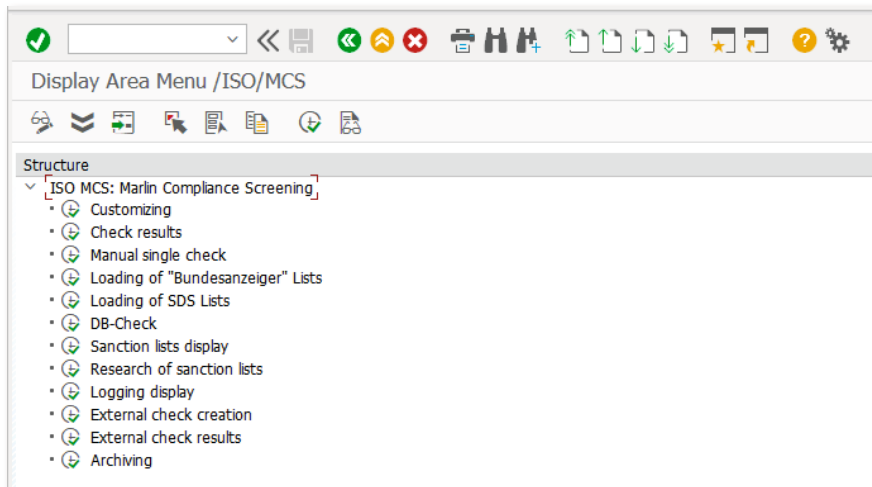
In addition to embargo (sanctions) lists, MCS can also import PEP and fraud lists. The process for PEP lists with the responsible employees and the approval process is defined in another legal area. The same can be done for fraud or counterfeit lists.

External systems like CRM or SRM

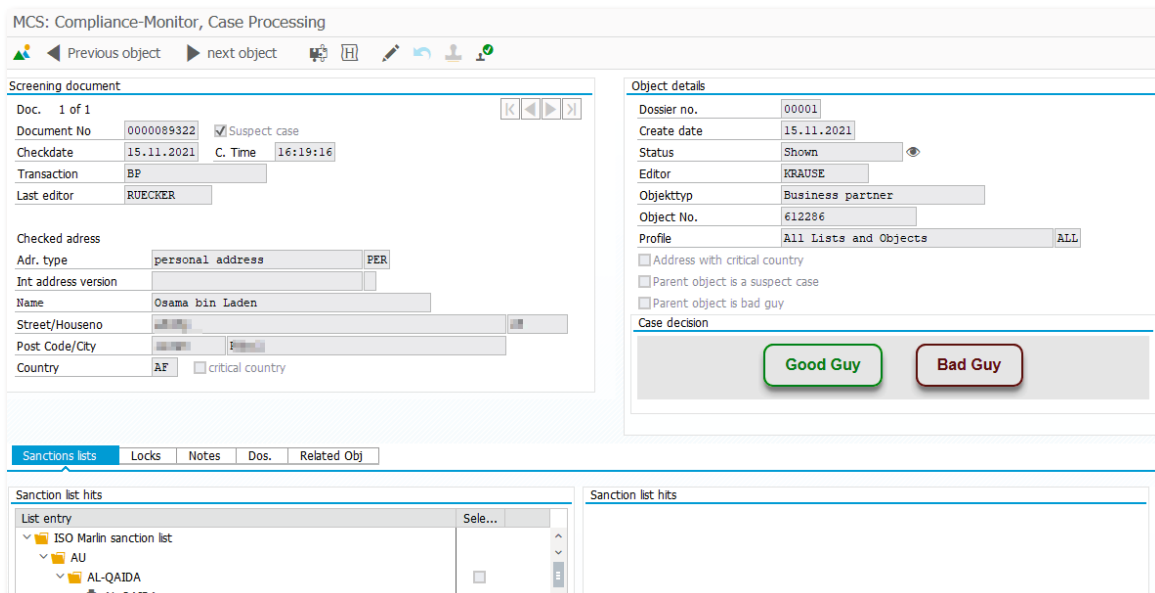
It is possible to connect other systems to the MCS via a web service. The interface transfers the data to be checked and MCS generates the documents in the SAP system. An external SRM system can be assigned to a different compliance officer via the legal areas. The tool displays the documents in its cockpit for processing. Alternatively, the user can check the data via a CSV upload.

Architecture

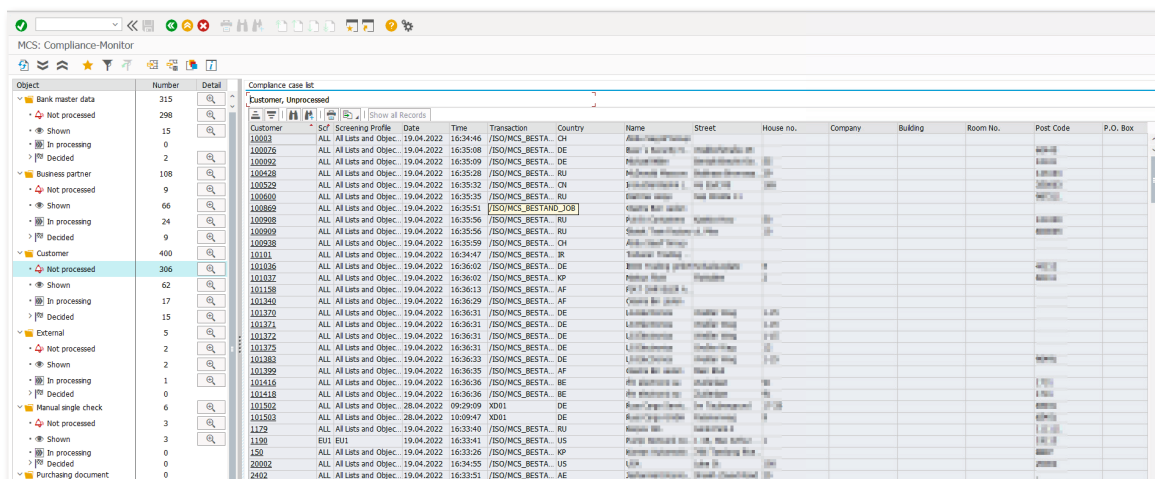
Marlin Compliance Screening is programmed in ABAP and installed in the SAP system (ERP release ECC6, S/4HANA) via SAP transports. ISO uses a high performance algorithm for the screening technology.



1. Cockpit



2. Compliance monitor



3. Monitor - Test results

Sanctions Lists / Embargo Lists / Boycott Lists

Description	Abbreviations	Details
Europäische Sanktionslisten	EU	List of persons, groups and entities subject to EU financial sanctions.
US-Sanktionslisten	SDN	Specially Designated Nationals and Blocked Persons List (OFAC). If a match is found, a license must be obtained from the U.S. government for the exchange of items subject to the Export Administration Regulations (EAR) with that trading partner. This applies to US persons and worldwide for all entries with the following designations: NPWMD, SDGT, SDT, FTO, IRAQ2, BURMA.
	DPL	Denied Persons List Companies that violate this prohibition are in violation of U.S. export regulations. They may be subject to penalties and may themselves be placed on the DPL. Therefore, do not do business with anyone listed on the DPL.
	ENT	Entity List Lists persons who may be involved in proliferation of weapons of mass destruction.
	UNV	Unverified List This list contains individuals about whom there are questions about their suitability to purchase U.S. products. It is a kind of warning list. It must be ensured that the goods will not be used for a prohibited end-use.
	LSDP	List of Statutorily Debarred Parties Requires a violation and conviction of the natural or legal person under arms export control law.
	LADP	List of Administratively Debarred Parties The Assistant Secretary of State for Political-Military Affairs may administratively debar certain individuals or entities from the arms trade.
	NPS	Nonproliferation Sanctions Treaty on the Non-Proliferation of Nuclear Weapons
Australian Sanctions Lists	DFAT AU-AUSTRALIA	Department of Foreign Affairs and Trade The consolidated list is a list of all persons and entities subject to targeted financial sanctions under Australian sanctions law. The persons listed may be Australian citizens, foreign nationals, or residents of Australia or overseas.
United Kingdom	HMT	Her Majesty's Treasury Consolidated list of financial sanctions targets in the U.K.
Switzerland	SEC	SECO State Secretariat for Economic Affairs Sanctions List of the State Secretariat for Economic Affairs SECO Sanctions
UN - United Nations	UNS	United Nations Security Council Consolidated List Sanctions list of the United Nations Security Council

Marlin Suite for SAP

- **Data Governance**
for customer, vendor, business partner, material master and other objects
- **Business Partner Identification**
Match input with an international corporate database
- **Data enrichment**
Update company name, address, tax number, marketing characteristics, parent company
- **Customer hierarchy** - view and create
- **Credit Check**
Connection to FCSM credit management system
- **Duplicate Check**
Material master dialog, fault-tolerant search
- **VAT-ID Check**
Dialog, inventory, FI, SD documents
- **Search technology**
Scarus Data Quality Server, thesaurus, transcription, business form recognition, conversion of measurement units
- **Duplicate Check for business partners**
Dialog, inventory, CSV, header duplicate detection
- **Copying of organizational views**
Company code, Purchasing organization, Sales organization
- **Address validation**
Standardization, correction, geodata
- **Sanctions List Check**
Dialog, inventory, transaction data
- **PEP Lists Check**
Dialog, inventory, transaction data

Sound advice and field-proven, robust products

ISO has created a holistic solution approach for data quality with the Marlin product suite. With over 500 SAP installations (ERP, CRM, IS, S/4HANA), we offer reliable project management and first-class expertise in the data quality and data governance environment. Depending on the requirements, we complement our spectrum by cooperating with other data quality experts who provide web services, content, or technologies.

Advantages

- SAP Integrated Solution
- for S/4HANA, SAP ERP
- ISO provides own lists via web service
- Language independent screening technology
- Web service to connect to other systems (portal, SRM, CRM)
- Validation of CSV lists

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