IGUAKO CAPITAL · Group policy

Sanctions and Embargoes

Sanctions compliance is absolute and is not risk-weighted. This policy sets how the group screens clients, counterparties, payments and portfolio companies against the restrictive measures that bind it in each of its 28 jurisdictions, how a match is handled, and how an asset freeze is executed. It applies to all 36 offices and to every vehicle the group manages or advises.

CODE	CATEGORY	VERSION
IGC-FC-003	Financial crime	4.0
EFFECTIVE	**REVIEW**	**OWNER**
2026-02-09	Annual, and immediately on any change to a designation that binds a group entity	Group Head of Sanctions and Screening

1. Purpose and scope

Sanctions obligations differ by jurisdiction and the group is subject to several regimes at once. A payment routed through three jurisdictions attracts the requirements of all three. The strictest applicable requirement is applied to the whole transaction rather than tested leg by leg.

Scope covers clients, beneficial owners, authorised signatories, counterparties, correspondent institutions, portfolio companies, suppliers to portfolio companies under group control, and vessels and cargo where the group finances trade. It reaches all 47 positions and every facility, drawn or undrawn.

The policy governs designations by name, by ownership, by control and by sector, and it governs territorial restrictions. Where the group cannot determine whether a restriction applies, the transaction does not proceed until the question is answered in writing by the sanctions team.

- Screening applies before onboarding, before payment and continuously thereafter.
- The ownership test is applied at 50 per cent aggregated across designated persons.
- The control test is applied on the facts, without a percentage threshold.

2. Definitions

A designated person is any individual, entity, vessel or aircraft named under a restrictive measure that binds a group entity. A measure may prohibit dealing, may require the freezing of funds and economic resources, or may limit a defined sector, service or class of goods.

A true match is a screening hit confirmed against the underlying designation record. A false positive is a hit discounted on documented evidence of a different identity. A potential match is any hit not yet resolved, and a potential match blocks the transaction until it is cleared.

Economic resources include assets of every kind, tangible or intangible, movable or immovable, that are not funds but can be used to obtain funds, goods or services. A shareholding, a vessel, a warehouse receipt and a manufacturing licence are all economic resources for this purpose.

3. Principles

There is no risk appetite for a sanctions breach. Commercial considerations do not enter the decision. A transaction that cannot be cleared is refused, and the group accepts the loss of the transaction and, where necessary, of the relationship. The decision is not negotiable by a division head.

Screening quality is measured rather than assumed. Matching thresholds are tested twice a year against a seeded population of 200 names covering transliteration variants, reversed name order and date of birth mismatch. Results are recorded and any degradation is corrected before the next payment run.

Speed decides the outcome after a true match. Funds and economic resources are frozen before any report is drafted. Freezing first and reporting second is the fixed order of operations, and no approval is needed to freeze. Approval is needed only to release.

4. Screening requirements

Requirement 4.1. Every prospective client, beneficial owner and authorised signatory is screened before onboarding. Screening covers the measures applicable in the jurisdiction of the client, of the booking entity and of the payment route, together with adverse information sources.

Requirement 4.2. The client population is rescreened in full each night against refreshed data. Designation changes are loaded within 24 hours of publication. The loading time is logged automatically and the log is available to Internal Audit without notice.

Requirement 4.3. All outbound payments are screened before release, without exception and without a de minimis threshold. Inbound receipts are screened on the day of receipt. A payment producing a potential match is held rather than returned until the match is resolved.

Requirement 4.4. Portfolio companies under group control screen their own customer and supplier populations to this standard. Compliance with that obligation is tested annually by the sanctions team and the result is reported to the Investment Committee with the position review.

5. Payments, trades and asset freezes

A true match triggers an immediate freeze of the relevant funds and economic resources. The freeze is applied within 4 hours of confirmation. The Group Head of Sanctions and Screening, the Chief Risk Officer and the General Counsel and Group Head of Compliance are notified at the same time.

Frozen assets are recorded in a register naming the asset, the measure relied on, the date and time of the freeze and the person who applied it. The register is reconciled monthly against the general ledger and against custody statements.

Applications for a licence or authorisation are made only through the General Counsel and Group Head of Compliance. No division approaches an authority directly. Where a licence is granted, its terms are loaded into the payment system as a hard control rather than issued as guidance.

6. Roles and responsibilities

The Group Head of Sanctions and Screening owns this policy, the list configuration and the match thresholds. The role sits inside the financial crime function and reports directly to the General Counsel and Group Head of Compliance on any true match, without an intervening approval.

Every office names a deputy for sanctions matters so that a freeze can be applied in any time zone within the 4 hour standard. The Chief Risk Officer maintains the group view of frozen exposure and reports it to the Risk & Valuation Committee each month.

- Payment operations release no payment carrying an unresolved match.
- Relationship owners provide the identity evidence needed to discount a false positive.
- The Chief Risk Officer reports frozen exposure to the Risk & Valuation Committee monthly.

7. Escalation and breaches

A suspected breach reaches the Group Head of Sanctions and Screening immediately and the Board within 24 hours. The account concerned is frozen while the facts are established. No remediation is attempted, and no client contact is made, before that escalation.

Circumvention of a screening control, including manual release of a held payment without documented resolution, is treated as gross misconduct. The group reports itself where an obligation arises, and the decision to report rests with the General Counsel and Group Head of Compliance alone.

8. Monitoring and review

Screening performance is reported monthly: hits generated, hits discounted, average resolution time, payments held and payments released. The Compliance & Conduct Committee reviews the report quarterly alongside the results of the twice-yearly threshold test and the frozen asset register.

This policy is reviewed annually and immediately on any change to a measure that touches the group. Version 4.0 took effect on 9 February 2026 and introduced full nightly rescreening in place of weekly rescreening. Screening records and freeze files are retained for 10 years.

Key controls

- Every client, beneficial owner and signatory is screened before onboarding against all applicable measures.
- The full client population is rescreened nightly and designation changes load within 24 hours.
- All outbound payments are screened before release with no de minimis threshold.
- A confirmed match is frozen within 4 hours and reported to three named executives at once.
- Match thresholds are tested twice a year against a seeded population of 200 names.
- The frozen asset register is reconciled monthly against the ledger and custody statements.
- Licence terms are loaded into the payment system as hard controls rather than written guidance.
- Portfolio companies under group control are tested annually against the same screening standard.

Related policies

- Anti-Money Laundering and Counter-Terrorist Financing (IGC-FC-001)
- Know Your Client and Client Due Diligence (IGC-FC-002)
- Cross-Border Services and Perimeter (IGC-CC-008)