White Paper

Denied Party Screening | A robust service to help enforce their compliance program

NMB SOLUTIONS

Any business or individual that exports goods, no matter how big or small must comply with export regulations. This means that you have to follow the rules and regulations set forth by the United States government. There are many rules and regulations to ensure the best interests of both parties and the nation's safety and interests as a whole. One of the most important rules is that entities cannot legally do business with any company or individual that has been identified as being a threat to the interests of the country. The use of Denied Party Screening is how businesses ensure that they do not engage with entities that are on restricted party lists. This is your ultimate guide to the importance of Denied Party Screening and how innovative web-based software can make the process simpler and much more accurate than manual processes.

What is a Restricted Party List?

A restricted party list is also known as a denied party list. It is lists of companies, organizations, institutions, and even individuals that governmental agencies have deemed to be parties that businesses cannot conduct business with. These lists are never set in stone. The fact that they are always changing can make it that much more difficult for a company to make sure that they are in compliance with export regulations and not unintentionally in business with an entity that is forbidden.

Reasons an Entity May be Placed on a Restricted Party List?

There are several different reasons that an entity made be placed on a restricted party list. A party must be accused of a serious offense if they end up on a Restricted Parties List. The main reasons include:

- The entity has been identified as a terrorist organization.
- The entity is affiliated with a terrorist organization.
- The entity is known for corrupt business practices.
- The entity poses a threat to national security.

In most cases, once an organization or an individual is placed on a Restricted Party List it is extremely hard for that entity to come off of the list.

Agencies That Generate and Manage Restricted Party Lists

There are multiple agencies and organizations that produce and maintain restricted party lists. In the United States, the three primary agencies that develop these lists are:

- [The Department of Commerce](#)
- The Department of State
- The Department of Treasury

This is by no means an all-inclusive list. However, these agencies recommend that businesses perform restricted party screening on a regular basis for products moving through the supply chain. Restricted Party Lists are used by businesses when conducting a Denied Party Screening.

What is Denied Party Screening?

[Denied Party Screening](#) is also known as Restricted Party Screening. It is the process by which businesses check to see if consumers or business partners are on any restricted party lists. The purpose of the screening is to make sure that your company is not conducting business with an entity that you aren't allowed to partner with professionally in any way, shape, or form. Conducting Denied Party Screening is a part of any business's protocols and processes that are involved in the export and trade of products and goods.

There are Substantial Consequences of Being Found in Violation

There are very serious consequences for engaging in business with a company, organization, or individual that is on a restricted party list. It is the responsibility of the exporter to make sure that products and goods do not end up in the possession of an entity that is on a restricted party list. For this reason, you should perform a Denied Party Screening on every single business transaction that is made with an entity that you haven't previously worked with. Fines and penalties include:

- Up to a 1 million dollar fine per violation in criminal cases
- A penalty of either $250,000 or twice the value of the transaction (whichever is greater) is imposed on administrative cases
- Those who are convicted of a criminal offense may serve a maximum 20-year sentence in prison.
- Those accused of administrative violations may have their export privileges revoked

If you do come across an entity that is on a restricted party list, it is strongly advised that you contact the agency that published the list so that you can bring it to their attention that the particular entity is attempting to conduct transactions with businesses that it isn't allowed too. If you are convicted of being in non-compliance with export rules and regulations, it can have devastating effects on your business and is something you want to avoid at all costs. The ability to be able to conduct screenings quickly, efficiently, and with 100% confidence has never been more important. This is where Denied Party Screening software comes into the picture.

Denied Party Screening Software is the Key to Preventing Compliance Issues

We live in a digital age. This means that manual processes are inefficient and often result in costly errors. A business that intends on succeeding in the long-run must change with the times and keep up with new technology. Gone are the days of running manual screenings and spending countless hours researching Restricted Party Lists. Denied Party Screening software makes it easier than ever for companies to ensure that they are only conducting business with approved parties. The backbone of Denied

Party Screening Software is the high-level of automation. It eliminates much of the manual labor involved in the screening process and therefore inherently reduces the chances of human error. This type of software is a web-based international export compliance software that offers maximum visibility and automation for exporters.

What Solutions Does Denied Party Screening Software Offer?

Denied Party Screening software offers a host of solutions that solve the pain points that all exporters know they have and even the ones they don't realize exist. Solutions include:

- Tracks and manages not only your compliance with trading entities but also the risk involved in each transaction.
- The software pulls from any and every restricted party list available. You do not have to worry about whether you've missed a list that might have said you can't do business with an intended party.
- The use of Smart Screening thoroughly screens all potential business partners every single time for every transaction without the risk of false-positive results.
- High levels of automation help to make sure that all processes and protocols in your compliance program are abided by. Customize your company's compliance goals to meet your specific situation and needs.
- The software automatically defaults to industry-recognized best practices of Denied Party Screening.
- Complete visibility of your compliance program is ensured with email alerts and automated screening responses so that you can make timely and informed decisions.
- A complete history of your Denied Party Screening activity is stored so that if you are ever audited or your practices brought into question, you can easily provide hard-to-dispute proof of the measures you've taken to make sure you are in full compliance.
- The software is easy to begin using web-based integration. There is no need to worry about any type of install.

What are the Key Features of Denied Party Screening Software?

Denied Party Screening software offers an abundance of features that are invaluable to exporters. These include:

- The software has the ability to automatically update the system with the most recent restricted partly lists, which provides you with maximum visibility to potential compliance issues.
- The system will automatically keep track of and update licenses obtained.
- Have peace of mind with the ability to proactively manage your transaction risks.
- There will not be a shipment that leaves without having passed all compliance checks first. This eliminates any transaction from slipping through the cracks.
- The software features automatic reverse denied party screening. This feature is utilized when Restricted Party Lists are updated so that potential risks are caught before you actually engage in a transaction that ends up being very costly.
- It features export license determination.
- Customize for your compliance program with web-based screening options.
- Choose "one-off" screening for circumstances in which automation is not practical.
- Rest assured that all documentation is saved for potential audits.

Take the Risk Out of Export Transactions!

Exports and trade are constantly changing. Manual processes are no longer a reliable way to effectively screen for those who might be on the Restricted Parties List. Error is just a part of human life and it is only a matter of time before a mistake is made. Unfortunately, even one mishap has the potential to destroy your business and for you to lose your privileges to export products and goods.

In an innovative collaboration, NMB Solutions and BluJay Solutions produced the ultimate product! Parcel for D365 FO is a multi-carrier shipping and management system. It supports high-volume, complex, and even multiple-location international and domestic shipping. Our software includes a state-of-the-art Denied Party Screening feature that gives you complete control over all aspects of your compliance program. Get in touch for more information!

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