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Evaluating Government Sanctions in the Payments Industry

Payments Pros – The Payments Law Podcast

SPEAKERS

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In this episode of *Payments Pros*, Keith Barnett welcomes his colleagues Rich Zack and Christy Tuttle to discuss how U.S. government sanction programs impact payment processors, banks, and the payments industry in general.

Keith, Rich, and Christy discuss the current atmosphere of sanctions in the payments industry and the recent joint guidance issued to banks by the OCC, the Fed, and FDIC. The guidance instructs banks on the regulators' expectations during bank examinations concerning third-party relationships, including payment processors, card issuers, blockchain, and anyone who has a form of bank partnership. The guidance covers initial due diligence, risk assessment, monitoring, ongoing due diligence, and termination of the relationship. Noncompliance with these requirements has led to sanctions against banks, payment processors, card issuers, and money transmitters.

Keith, Rich, and Christy also discuss the role of the Office of Foreign Asset Control (OFAC) in enforcing sanctions, particularly in light of the war in Ukraine, as well as the other agencies that enforce sanctions. Lastly, they also discuss what companies in the payments space can do to avoid violating sanctions, and what they should do if a violation is discovered.

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