

Sanctions Regulator - Performance Framework

Key Performance Indicators	Relevance to Sanctions Administration	Metrics for Self-Assessment
KPI 1: Regulators do not unnecessarily impede the efficient operation of regulated entities.	Varied relevance. Sanctions are often designed to impede business and trade relationships with certain countries. Within this context we aim to clearly and efficiently respond to applications and inquiries through the Online Sanctions Administration System (OSAS) and to administer Australian sanction laws diligently, but also in a way that facilitates trade wherever possible.	<ul style="list-style-type: none"> • Responses to formal applications and inquiries in the OSAS system (other than Iran Financial Transaction Authorisations) are provided, whenever reasonably possible, within 10 business days of receiving all relevant information from the client and relevant government departments. • Iran FTAs are processed in accordance with statutory requirements (maximum 56 days) and steps taken to reduce the regulatory burden imposed by these authorisations.
KPI 2: Communication with regulated entities is clear, targeted and effective.	Relevant. Engagement with the business community and general public is essential to the effective administration of Australian sanctions laws.	<ul style="list-style-type: none"> • DFAT Sanctions website is current and changes made within one business day of any regulatory change. • Outreach tours of state capitals are undertaken at least twice a year. • Sanctions applications and inquiries are managed effectively through the OSAS system.
KPI 3: Actions undertaken by regulators are proportionate to the regulatory risk being managed.	Varied relevance. Sanctions are not necessarily designed to manage a regulatory risk, but are a tool of UN policy and Australian foreign policy. However, steps can be taken to ensure that the penalties for breaching sanctions laws is tailored to the offence, and that the level of decision making when administering laws is at the appropriate administrative level.	<ul style="list-style-type: none"> • Steps taken to introduce legislation creating tiered offences for sanctions laws • Requests for supplementary information when considering applications and inquiries is reasonable and appropriate to the transaction concerned.
KPI 4: Compliance and monitoring approaches are streamlined and coordinated.	A company does not commit an offence under a sanctions law if the company can show that it took reasonable precautions and exercised due diligence. Accordingly, monitoring and compliance already rests with those best placed to assess risk – namely businesses.	<ul style="list-style-type: none"> • Where there has not been full compliance – work with the business to inform, advise and guide on sanctions requirements.
KPI 5: Regulators are open and transparent in their dealings with regulated entities.	Relevant. As businesses are required to take reasonable precautions and exercise due diligence in relation to sanctions laws, the sanctions administrator needs to be transparent in its dealings so that businesses can establish appropriate risk management strategies and due diligence frameworks.	<ul style="list-style-type: none"> • Administrative decisions and responses to formal applications and inquiries clearly outline the legal basis for such decisions. • Ongoing review of DFAT sanctions website and consider including further guidance as appropriate.
KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks.	Relevant. One key challenge reported by business is the use of the Online Sanctions Administration System (OSAS). The OSAS system is often viewed as time consuming and difficult to use.	<ul style="list-style-type: none"> • DFAT has earmarked funding to improve the technical specifications of the OSAS system. The improved system is scheduled to be launched in the first quarter of 2016.