



Sanctioned Securities Monitoring Service (SSMS)

# SSMS ETF

Expanding Your Reliable Source for Sanctions Monitoring to Indirect Investments



## Your Challenge

Effective sanctions compliance depends on accurate identification of in-scope entities and their issued securities.

Recently, regulators have mentioned that market offerings that include publicly traded securities issued by sanctioned entities need to be handled with the necessary compliance precautions.

Financial Institutions allowing investments into capture Exchange Traded Funds (ETFs) often have poor transparency into the components and individual weightings within the ETF. KYC processes might have shown that the ETF issuer is approved, however, this does not guarantee that the ETF itself is not heavily invested in sanctioned securities.

## Our Offer

Based on the Sanctioned Securities Monitoring Service, this new module is dedicated to capture ETFs invested in securities identified by SSMS as either sanctioned or bearing high compliance risks.

In addition to the compliance risk that arises through trading an ETF containing sanctioned components the profitability of the investment may get influenced negatively due to the fact that prices of sanctioned components often drop significantly due to their illiquidity.

SSMS ETF scans all components of an ETF for tainted instruments and outputs the affected ETF plus the weight of each sanctioned component in a simple, humanly readable, flat file.

Our service helps you avoid significant fines caused by missing data and allows you to trade ETFs with confidence. With the data from SIX, you have an up-to-date view on your potential sanctions risk exposure - now also available for indirect investments - enabling you to react quickly when the market changes:

- ✓ Identification of tainted ETFs that contain one or many sanctioned components
- ✓ Identification and output of investment weight per component
- ✓ Identification of components that are under sectoral sanctions and have been issued prior to the sanctions effective date (high compliance risk)
- ✓ Identification under what jurisdiction the ETF component is sanctioned
- ✓ Output of ordonnance / executive order under which the ETF is tainted

### Primary Audience

Financial Institutions, Wealth Managers, Insurance Companies.

### Common Use Cases

Asset servicing, settlement services, trade and transaction processing.

### Available Content

Based on the award winning Sanctioned Securities Monitoring Service SIX is leveraging the datasets from its ETF-expert subsidiary, [Ultumus](#), that covers over 97% of the worldwide ETF market. Over 10'000 ETF's originating out of the US, Canada, Europe, Asia and Israel are constantly scanned for sanctioned instruments. All tainted ETFs are sent to clients twice a day containing updates.



### Files available

- SSMS ETF Full file: includes all ETF's that contain sanctioned components
- SSMS ETF Delta file: includes the delta compared to the last delivery



### Core Reference Data

- 60+ core reference data fields containing Issuer Name, Instrument Name, Identifiers ISIN, CUSIP, SEDOL
- Detailed description under which sanctions directive the component of an ETF is sanctioned



**ULTUMUS**

a SIX company

Fullholding data covering >90% of all worldwide ETF's



Award winning SIX Sanctioned Securities Monitoring Data



### SSMS ETF add on main features:

- > Based on existing SSMS regime entitlement
- > Only ETFs that are tainted by regulators that a client is signed up are delivered
- > Additional reference data file with similar data fields like existing service
  - Full- and delta Files
  - ETF Name, Issuer Name , multi-Identifier
  - % weight of sanctioned Component(s) & Component name & Identifiers
  - Detailed information of sanctions ordonnance or executive order per sanctioned component etc.

### Features and Associated Benefits

- ✓ Covering sanctions form the following jurisdictions: AU, CA, CH, EU, HK, JP, SG, UK, UN, US OFAC.
- ✓ Identification of ETFs that are in-scope of sanctions regulation due to their investment into sanctioned components.
- ✓ Output under which legal basis a component taints an ETF.
- ✓ Ability to define a custom compliance policy based on the cumulated weight of tainted instruments per ETF.
- ✓ Capturing grandfathered securities under sectoral sanctions plus special purpose vehicles in ETFs.
- ✓ Integrate our Sanctions data into your database by using standard identifiers such as ISIN, FISN, CUSIP, SEDOL, etc.

Please contact: [www.six-group.com/contact](http://www.six-group.com/contact)

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