

Sanctions, what is the way forward, can regulators make a shift quickly?

With changing demography of Sanctions, historical changes have taken place in last few weeks and months, Cuba and Iran are now more closure to being part of World economy when compared to the past.

Countries which are sanctioned generally see greater impact on the economic conditions and the people of the country. We have few of the smaller countries that are under sanction and are seeing the impact, economic condition has gone down over a period of time. Even larger countries like Russia has seen impact on the economy, the market and growth has got hit post the sanctions. Many places sanctions have impacted the countries, however the world challenge on sanctions more at an individual level continues and activities of such nature are on the rise.

Sanctions has been in place for a while, however getting along all together and fighting a single battle had been a challenge, many banks paid millions in past many years and still review is ongoing to understand have banks completely complied. The challenge around controlling continues in the banking world, it is getting more difficult and costlier as days pass by with advent new way of passing on money using internet, with greater reach of net, the challenges will increase in days to come.

Where does sanction go from here?

It is also seen that in today's world, it is not easy for a country to go to war. With ever shrinking world and economy of the countries more closely tied to each other, an impact in one of the locations can be seen elsewhere. A threat to the war in one location immediately is seen in world market, prices of commodities, shares etc. the change hits a large number of countries and the population.

Even largest of the economy take time to defeat smaller of the nations and groups, a war costs millions if not billions of dollars and this would impact militarily and economically, more importantly the impact to environment. This makes us think, how much can a country be a threat to the world? A small threat can reduce billions from the economy, as per Watson Institute Intl and public welfare, around 4.4 billion dollars has been spent on the wars in Afghanistan, Iraq and Pakistan by US, this constitutes more than 10% of world economy, is costs a log. What will be the impact if we go to a World War?

Today and days to come, there has and will see an increase in trend in migrants and with it the challenge around supporting economically and also the challenge around safety lies. The challenge is only going to increase with time, as we see more of it in days to come, from 2000 to 2013, there has been an increase of 33%. Today around 232 million migrants are in other countries and this is more by 57 million when compared to 2000 (as per UNDP), to EU alone around 185K people have moved in 3 months as per BBC and the increase is tune of 86% over last year. The change in number is increasing with various kinds of challenges people are facing at their host countries, it can be due to fight within, from terror group,

economic hardship, climate challenges etc. All the challenges are on an increase, this is going to increase with time. There is no country in the world which is free of any of these challenges, either there is fighting within the society or coming from outside or change in ideology is causing gaps within society or sometimes just wanting power results in major rift in the society or due to environmental challenges or due to society mismatch.

Does today's sanction have answers to all of it, not sure it can identify the people coming and how it can control? Money is still available to citizens in the form of Cash, cash can be moved from people who have an account and can be handed over to non-account holders to help get hold of the money. Money movement is easier with advent of lot of local and global players who can move money more easily in buying and selling of goods. Identification of account holder is not robust, it is at the hands of the banks basis the documents provided by customers to identify, there is no check back with any known source of the country of origin or organization to help identify the customers.

What are the answers our regulators have to address and control the future challenges, are we always behind the curve, as we have seen in the past? Can regulators look at changing some of the aspects around controlling the flow of money by taking some radical action around?

1. Flow of currency notes
2. Control over the account opening process and account number
3. Looking at central units to handle sanctions instead leaving at the hands of individual corporations.
4. How flow of transaction flow can be controlled when conflict of thoughts and ideology arises, learning from past mistakes
5. Looking ahead and being proactive in using technology

It is time Government and Regulators be more directly involved and help handle situations then allowing or waiting for things to happen, controlling money is key for any sanction to be successful. With growing GDP of the world, advent of newer technology, players and imbalance coming between various nations both economically and environmentally controlling money is going to be more challenging.