

# PurpleTRAC Case Study: Gunvor Group



As governments increasingly use international economic sanctions as a tool in their policy regimes, corresponding enforcement has created new levels of complexity for compliance departments throughout affected industries. Stringent compliance programs are required to avoid sanctions breaches and the legal and reputational damage associated with them.

For global physical commodities traders, related risk mitigation has become central to business strategies. Checks to ensure that vessels -

including their respective ownership and management - are not on sanctions lists are essential to determining whether to undertake a charter or not. But it doesn't end there. As any transaction progresses, it remains important to monitor vessels' movements and sanctions status throughout a charter.

To assist with this process, beginning in 2015, international energy trader Gunvor Group implemented Pole Star's PurpleTRAC regulatory technology system to streamline its vessel vetting process and to assist in ensuring regulatory compliance via vessel screening.

## Global Energy Commodities Trading

Founded in 2000 as a merchant of crude oil and oil products in Europe, Gunvor Group ("Gunvor") is today one of the largest physical energy trading companies in the world. Gunvor is a top-5 independent crude oil trader and the largest independent trader of liquefied natural gas (LNG). In total, the company moved 185 million MT of crude oil, oil products, natural gas and LNG last year on more than US \$87 billion in revenue; and its chartering company, Clearlake Shipping, completed more than 1,600 voyages of dry, wet and gas/LPG cargo.

"Pole Star are an important partner as Gunvor works to continuously strengthen and refine our compliance controls amidst increasingly complex political realms."

Oliver Haynes  
Gunvor Group's Director of Compliance

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## Top-Tier Compliance Processes

Given the company's size and reach, trading commodities in more than 100 countries, Gunvor's teams work continuously to improve procedures to mitigate risks and anticipate others that exist within the commodities trading sector.

All of Gunvor's trading and operations systems are linked with the company's Compliance Counterparty Management System (CMS), which centralizes all counterparty due diligence within a controlled environment. CMS ensures uniformity of processes and oversight.

As an example, all payments for the company are checked against CMS prior to any transaction being made, and counterparties can be turned "on/off" by any member of the Gunvor compliance team, if they fail regular screening checks.

## Seamless PurpleTRAC Implementation

Gunvor works with Pole Star for vessel screening services. PurpleTRAC is fully integrated within Gunvor's CMS, leveraging its interface and escalation technology.

On any single day, approximately 15 vessels are screened by Gunvor's chartering teams. Compliance vessel screening is also integrated with the operational vessel vetting process, which ensures that comprehensive vessel screening is completed, as a mandatory step for vessel vetting to occur.

## How does Gunvor use PurpleTRAC?

When a member of the Gunvor compliance team uses PurpleTRAC, they begin by entering a vessel name or IMO number into the system. PurpleTRAC then automatically researches and screens its current and previous names, ownership and management companies, and country associations for sanctions, using more than 1,800 watch lists.

PurpleTRAC has the ability to monitor vessels' movements in real time, recording all ports visited and voyage activity, and can send alerts about events such as port entry/exit, arrival at final destination, and sanction zone entry, according to notification preferences.

The system also provides time-stamped and tamper-proof screening and trade records of the checks performed, alongside the findings and all voyage events.

Learn more about PurpleTRAC:  
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