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Unlawful Diversion Risk Checklist

Customer Due Diligence

- [ ] Verify company registration and ownership structure
- [ ] Check against denied party lists and sanctions databases
- [ ] Confirm physical address and contact details
- [ ] Assess the customer’s industry and typical product use

Documentation Consistency

- [ ] Ensure invoice, shipping documents, and end-use certificates match
- [ ] Confirm declared destination aligns with routing and delivery address
- [ ] Review any third-party involvement (freight forwarders, brokers)

Shipping & Routing Red Flags

- [ ] Unusual transhipment points or indirect routing
- [ ] Frequent changes to delivery instructions or destinations
- [ ] Use of free trade zones or jurisdictions with weak controls

End-Use & End-User Verification

- [ ] Request and review end-use statements
- [ ] Confirm legitimacy of end-user (especially in sensitive sectors)
- [ ] Watch for vague or generic product applications

Customer Behaviour

- [ ] Evasive or inconsistent responses to compliance questions
- [ ] Reluctance to provide documentation or certifications
- [ ] Pressure to expedite shipment without proper checks

Internal Safeguards

- [ ] Include diversion control clauses in contracts
- [ ] Maintain records of all due diligence steps
- [ ] Train staff on diversion risks and reporting protocols
- [ ] Flag and escalate suspicious activity to legal/compliance team