

19 January 2023

PROTECTED CELL COMPANIES (PCC)

On 18 January, Mourant published a thorough explanation of PCC.

<https://www.mourant.com/media---guides/mourant---protected-cell-companies.pdf>

2023 PREDICTIONS: WHAT'S ON THE HORIZON FOR US BUSINESSES OPERATING IN EUROPE?

On 17 January, Osborne Clarke asked what are the most important areas of focus that US businesses should be looking out for in 2023? Its US-based experts give their insights into 10 crucial business sectors and their emerging themes for the new year, including: global compliance; data privacy; international expansion; cross-border M&A; fintech; international HR; environmental, social and governance (ESG); life sciences and healthcare; patents and intellectual property (IP); and retail and consumer.

<https://www.osborneclarke.com/insights/2023-predictions-whats-horizon-us-businesses-operating-europe>

UK: UK BUSINESS LAW PREDICTIONS FOR 2023

Meanwhile, on 18 January, Osborne Clarke outlined some of the developments in UK business law which its expert team expects in 2023.

<https://www.mondaq.com/uk/economic-analysis/1272480/uk-business-law-predictions-for-2023>

LIBYAN COURT SUSPENDS MARITIME DEAL WITH TÜRKIYE

On 16 January, Dryad Global reported that the agreement had included scope for oil and gas exploitation in waters that Turkey and Libya have declared as their own, but which are also in part claimed by Egypt and Greece – part of the turmoil and disputes over such reserves in the Eastern Mediterranean.

<http://channel16.dryadglobal.com/libyan-court-suspends-maritime-deal-with-t%C3%BCrkiye>

LITTLE-KNOWN SURVEILLANCE PROGRAM CAPTURES MONEY TRANSFERS BETWEEN US AND MORE THAN 20 COUNTRIES

On 18 January, the Wall Street Journal carried an article about TRAC. This is a database, housed at the Transaction Record Analysis Center, which was set up by the Arizona state attorney general's

office in 2014 as part of a settlement reached with Western Union to combat cross-border trafficking of drugs and people from Mexico. It has since expanded to allow officials of more than 600 law-enforcement entities to monitor the flow of funds through money services between the US and countries around the world. The data includes the full names of the sender and recipient as well as the transaction amount.

<https://www.wsj.com/articles/little-known-surveillance-program-captures-money-transfers-between-u-s-and-more-than-20-countries-11674019904>

3 SCOTTISH LAWYERS JAILED FOR MONEY LAUNDERING

On 19 January, Scottish Legal News reported that 3 former lawyers and 2 other men who masterminded a £1.48 million bank and property money laundering operation have been jailed. The case was triggered by a Law Society of Scotland investigation into the Paisley legal firm Robertson & Ross.

<https://www.scottishlegal.com/articles/three-scots-lawyers-jailed-for-money-laundering>

GLOBAL AML FINES SURGE 50%

On 19 January, the Irish Times reported that global fines for failing to prevent money laundering and other financial crime surged more than 50% last year, fuelling warnings that such penalties are not curbing the behaviour and systems flaws. It notes that fines typically come several years after infractions, so the latest figures do not capture financial institutions caught offside by the glut of sanctions introduced in the wake of Russia's assault on Ukraine last year.

<https://www.irishtimes.com/business/2023/01/19/global-anti-money-laundering-fines-surge-50/>

PODCAST: THE GREEK WIRETAPPING SCANDAL

On 19 January, a podcast from EurActiv considers the latest developments on the Greek spyware scandal, and the response – or lack of – from the European Commission and the European Council. Guests explain the impact of this scandal, and what could be done to control the use of spyware for political reasons.

<https://www.euractiv.com/section/politics/podcast/greek-wiretapping-scandal-eu-rule-of-law-under-threat/>

SAKHALIN: THE RUSSIAN ENERGY JAPAN CAN'T QUIT

On 19 January, EurActiv published an article saying that Sakhalin-1 and 2 in Russia's far east are an anomaly in Japan's otherwise lockstep efforts with allies to reduce reliance on Moscow's hydrocarbons. Last year, Japan pledged to phase out Russian coal imports and gradually decrease its energy dependence on Russia. However, Sakhalin-1 produces oil, while Sakhalin-2 produces both crude and LNG, and experts say access to Russian gas is what Japan is most concerned about protecting.

<https://www.euractiv.com/section/energy/news/sakhalin-exception-the-russian-energy-japan-cant-quit/>

BULGARIA: GRECO REPORT ON CORRUPTION PREVENTION AND INTEGRITY CONCERNING TOP EXECUTIVE FUNCTIONS AND THE POLICE

On 19 January, the Council of Europe announced a report from its GRECO body evaluating the situation concerning bribery and corruption in Bulgaria. GRECO notes that top officials of the government are not subject to a proper integrity framework: no code of ethics is applicable to them, no awareness-raising on integrity matters is provided and no mechanism for confidential counselling on ethical issues is in place. GRECO calls for more transparency concerning the conditions of government officials. Another issue of concern is the lack of effectiveness of the criminal justice response to corruption offences involving top government officials, and independence of the police should be enhanced.

https://search.coe.int/directorate_of_communications/Pages/result_details.aspx?ObjectId=0900001680a9c7d7

<https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a9cab7>

PRIVACY SHIELD 2.0 WHAT'S NEXT FOR INTERNATIONAL DATA TRANSFERS?

On 18 January, an article from Snell & Wilner asked this question about personal data transfers between the US and Europe.

<https://www.idsupra.com/legalnews/privacy-shield-2-0-what-s-next-for-3022551/>

UK: HOW TO CHECK IF A CITES ITEM IS LISTED AS HAVING AN IMPORT SUSPENSION DUE TO ITS TRADE BEING CONSIDERED UNSUSTAINABLE

On 19 January, DEFRA published updated information on how to check if a CITES item that you want to import is listed as having an import suspension due to its trade being considered unsustainable.

<https://www.gov.uk/government/publications/cites-uk-import-suspensions-negative-opinions>

REVENUE IMPACT OF INTERNATIONAL TAX REFORM BETTER THAN EXPECTED: OECD

On 18 January, a news release from the OECD concerned with BEPS says that revenue gains from the implementation of the historic agreement to reform the international tax system will be higher than previously expected, according to new OECD analysis. The proposed global minimum tax is now expected to result in annual global revenue gains of around \$220 billion, or 9% of global corporate income tax revenues. This is a significant increase over the OECD's previous estimate of \$150 billion in additional annual tax revenues attributed to the minimum tax component. It also says that Pillar One, designed to ensure a fairer distribution of taxing rights among jurisdictions over the largest and most profitable multinational enterprises (MNE) is now expected to allocate taxing rights on about \$200 billion in profits to market jurisdictions annually. This is expected to lead to annual global tax revenue gains of between \$13-36 billion, based on 2021 data. The analysis finds that low and middle-income countries are expected to gain the most as a share of existing corporate income tax revenues.

<https://www.oecd.org/newsroom/revenue-impact-of-international-tax-reform-better-than-expected.htm>

HONG KONG CUSTOMS OFFICERS SEIZE BLACK MARKET CIGARETTES IN SECOND-LARGEST SMUGGLING BUST

On 19 January, the South China Morning Post reported that Customs found 69 million cigarettes found hidden in 7 cargo containers on board barge, and arrested 49 people for being involved in storage, distribution and peddling of contraband cigarettes during a 2-week operation. Part of the haul was to replenish the stock in the city and the rest was waiting for delivery instructions while illegal tobacco traders were trying to find buyers in Hong Kong and abroad.

<https://www.scmp.com/news/hong-kong/law-and-crime/article/3207372/hong-kong-customs-officers-seize-hk190-million-worth-black-market-cigarettes-second-largest>

JAMAICA LAUNCHES FRAUD PROBE AFTER BOLT REPORTS MILLIONS MISSING

On 14 January, Al Jazeera reported that financial authorities have launched an investigation into a company holding investments for 8-time Olympic gold medallist after reports that he may have lost millions to large-scale fraud. Stocks & Securities Ltd, a private wealth management company based in the capital of Kingston, was placed under “enhanced oversight” while the Financial Services Commission (FSC) conducts the inquiry.

<https://www.aljazeera.com/news/2023/1/14/jamaica-probes-fraud-as-usain-bolts-millions-feared-missing>

3 MORE COUNTRIES HAVE ANNOUNCED REVIEWS OF HONORARY CONSULS AFTER AN INVESTIGATION BY ICIJ AND PROPUBLICA

On 17 January, ICIJ reported that Jordan, Latvia and Israel have either terminated the status of honorary consuls operating in their countries or ordered reviews of those currently serving. Shortly before publication of the report detailing abuses, and after questions from reporters, Germany and Austria announced the dismissal of an honorary consul in Brazil. After publication, Finland, Brazil and Paraguay promptly announced reforms to their systems of appointing and vetting the volunteer diplomats.

<https://www.icij.org/investigations/shadow-diplomats/jordan-latvia-and-israel-shake-up-diplomatic-corps-after-shadow-diplomats-investigation/>

INVESTIGATING BUSINESS-LIKE BEHAVIOUR IN MONEY LAUNDERING NETWORKS IN THE NETHERLANDS

On 16 January, Springer reported on a study which examines the extent to which financial facilitators in the Netherlands exhibit business-like characteristics and the extent to which they organise themselves in money laundering networks. It further examines the relationship between business-like behaviour and individual money launderers’ position in the social network. Based on social network analysis, this research shows that financial facilitators in the Netherlands can be linked in extensive money laundering networks. Based on the facilitators’ area of expertise, roughly 2 main types of professional money laundering networks can be discerned.

<https://link.springer.com/article/10.1007/s12117-022-09475-w>

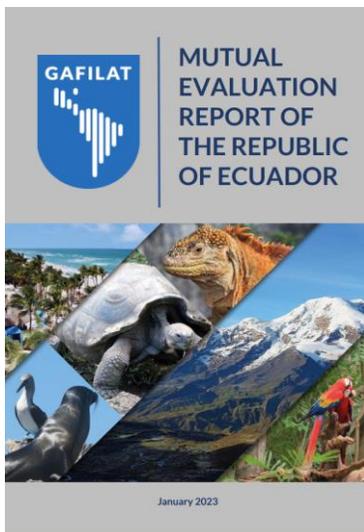
SINGAPORE'S 2022 PIRACY INCIDENTS HIT 7-YEAR HIGH

On 19 January, Hellenic Shipping News reported that sea robbery and piracy-related incidents in the Singapore Strait rose to a 7-year high in 2022 but in contrast, the possibility of attacks by the Abu Sayyaf Group has declined considerably in the Sulu-Celebes Seas.

<https://www.hellenicshippingnews.com/singapores-2022-piracy-incident-hit-7-year-high-watchdog/>

ECUADOR: AML/CFT MUTUAL EVALUATION REPORT

On 19 January, FATF-style regional body GAFILAT released this report following the on-site visit, which took place between 28 March and 8 April last year. The mutual evaluation concluded that the country had complied with 1 FATF Recommendation; mostly complied with 12 Recommendations; partially complied with 23 Recommendations; and not complied with 4 Recommendations. Ecuador was rated PC/NC on 5 of the 6 Key Recommendations.



<https://www.gafilat.org/index.php/es/biblioteca-virtual/gafilat/documentos-de-interes-17/iem-del-gafilat/4474-mer-ecuador-iv-round/file>

<https://www.gafilat.org/index.php/es/biblioteca-virtual/gafilat/documentos-de-interes-17/iem-del-gafilat/4473-iem-ecuador-iv-ronda/file> (Spanish)

Effectiveness & Technical Compliance Ratings

Effectiveness ratings

IO. 1 Risk, policy and co-ordination	IO. 2 International co-operation	IO. 3 Supervision	IO. 4 Preventive measures	IO. 5 Legal persons and arrangements	IO. 6 Financial intelligence
Moderate	Substantial	Moderate	Moderate	Moderate	Moderate
IO. 7 ML investigation and prosecution	IO. 8 Confiscation	IO. 9 TF investigation and prosecution	IO. 10 TF preventive measures and financial sanctions	IO. 11 Financial sanctions for FP	
Moderate	Moderate	Moderate	Moderate	Moderate	

Technical compliance ratings

AML/CFT National Policies and co-ordination

R. 1	R. 2
LC	LC

Money laundering and confiscation

R. 3	R. 4
C	C

Terrorist financing and financing of proliferation

R. 5	R. 6	R. 7	R. 8
LC	PC	PC	LC

Preventive measures

R. 9	R. 10	R. 11	R. 12	R. 13	R. 14
LC	LC	PC	LC	PC	LC
R. 15	R. 16	R. 17	R. 18	R. 19	R. 20
PC	LC	NC	PC	LC	C
R. 21	R. 22	R. 23			
PC	PC	LC			

Transparency and beneficial ownership of legal persons and arrangements

R. 24	R. 25
LC	LC

Powers and responsibilities of competent authorities, and other institutional measures

R. 26	R. 27	R. 28	R. 29	R. 30	R. 31
LC	C	PC	C	C	C
R. 32	R. 33	R. 34	R. 35		
PC	C	C	PC		

International co-operation

R. 36	R. 37	R. 38	R. 39	R. 40
C	LC	LC	LC	LC

BATTERY MANUFACTURING CAPACITY BY COUNTRY

Global lithium-ion battery production capacity is **projected to increase eightfold by 2027**.

Here's a look at the top countries for battery manufacturing in 2022 and 2027, based on BloombergNEF's lithium-ion supply chain rankings.

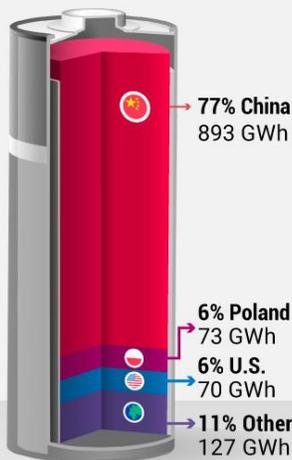
 Six of the top 10 battery manufacturing companies are headquartered in China.

 U.S. battery production capacity is projected to grow over 10x by 2027.

 China's dominance is supported by its control over cathode, anode, and refined battery materials production.

2027P

2022



Total Capacity
1,163 GWh
(GIGAWATT-HOURS)



Total Capacity
8,945 GWh
(GIGAWATT-HOURS)

TEXAS BIOLOGIST SENTENCED FOR WILDLIFE TRAFFICKING

On 14 January, Homeland Security Today reported that a court has sentenced Dr. Richard Kazmaier, 55, to 6 months in prison, 3 years of post-release supervision, and a \$5,000 fine. Kazmaier pleaded guilty to a Lacey Act felony for importing protected wildlife into the US without declaring it or obtaining the required permits. Kazmaier was an associate professor of biology at West Texas A&M University before resigning in October 2022. Kazmaier admitted he purchased and imported approximately 358 wildlife items with a total market value of \$14,423 from eBay and other online sales websites. He did not import any live animals and instead purchased mostly skulls, skeletons, and taxidermy mounts.

<https://www.hstoday.us/subject-matter-areas/border-security/texas-biologist-sentenced-for-wildlife-trafficking/>

FRENCH RIVIERA REAL ESTATE FIRMS IGNORING RUSSIA SANCTIONS

On 12 January, Politico reported that an official investigation in some municipalities in France's Alpes-Maritimes department, where several Russian oligarchs own luxury villas, probe found that around 60% of real estate agencies were not cooperating with authorities, for instance by checking whether their clients' names appeared on the EU's sanctions list and, if they were listed, then freezing their assets.

<https://www.politico.eu/article/french-riviera-estate-agencies-neglect-russia-sanctions>

VENEZUELA'S PDVSA FREEZES MOST OIL EXPORTS FOR CONTRACT REVIEWS

On 17 January, Reuters reported that PDVSA has suspended most oil export contracts while his team reviews them in a move to avoid payment defaults. The freeze order is leading to port delays, as vessels that were loading have been sent away and are waiting for new directions. The suspension so far has affected little known companies that act as middlemen in sales to Asian refiners. Cargoes chartered by Chevron and Cuba's Cubametales have not been affected by the contract revision, according to separate documents and sources.

<https://www.reuters.com/business/energy/venezuelas-pdvsa-freezes-most-oil-exports-contract-reviews-2023-01-17>

DUTCH TECH INDUSTRY URGES EU TO TAKE A STAND ON CHINA COMPUTER CHIP EXPORTS

On 17 January, Reuters reported that Dutch tech industry group FME called for the European Commission to draft a position on whether and how to restrict computer chip technology exports to China, saying "more unified and powerful action" was needed from Europe. The Netherlands is home to ASML Holding NV, a key maker of semiconductor manufacturing equipment. It had 15% of its sales to China in 2021.

<https://www.reuters.com/technology/dutch-tech-industry-urges-eu-take-stand-china-chip-exports-2023-01-17>

INDIA DESIGNATES ARSHDEEP SINGH GILL AS TERRORIST AN ASSOCIATE OF KTF

On 9 January, The Statesman reported that the Ministry of Home Affairs (MHA) had declared Khalistan Tiger Force (KTF) associate Arshdeep Singh Gill alias 'Arsh Dalla' a terrorist under the Unlawful Activities (Prevention) Act 1967. Gill, who is a resident of Jagraon in Punjab's Ludhiana, is presently based in Canada.

<https://www.thestatesman.com/india/mha-designates-arshdeep-singh-gill-as-terrorist-an-associate-of-ktf-1503145181.html>

OFAC REMOVES 3 ENTRIES FROM TERRORISM SANCTIONS LIST

On 19 January, OFAC advised that its SDN List had been revised and 3 existing entries had been removed, being those referring to KHALIFEH, Hanna Elias; KHALIFAH, Hanna; and KHALIFE, Hanna, being apparent multiples of the same person.

<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20230119>

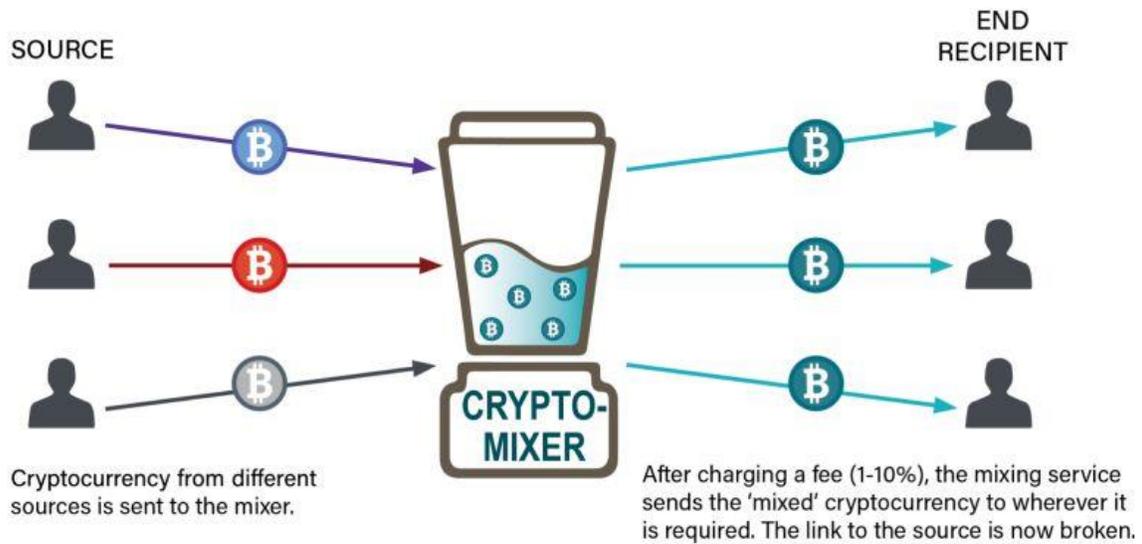
EUROJUST SUPPORTS COORDINATED JUDICIAL ACTION IN ROMANIA AND MOLDOVA AGAINST BORDER BRIBERY

On 19 January, a news release from Eurojust advised that judicial and law enforcement authorities have taken coordinated action against border officials who allegedly demanded and accepted bribery to facilitate the illegal passage of vehicles transporting passengers or parcels. Eurojust provided assistance to the Romanian and Moldovan judicial authorities in setting up and funding a joint investigation team (JIT).

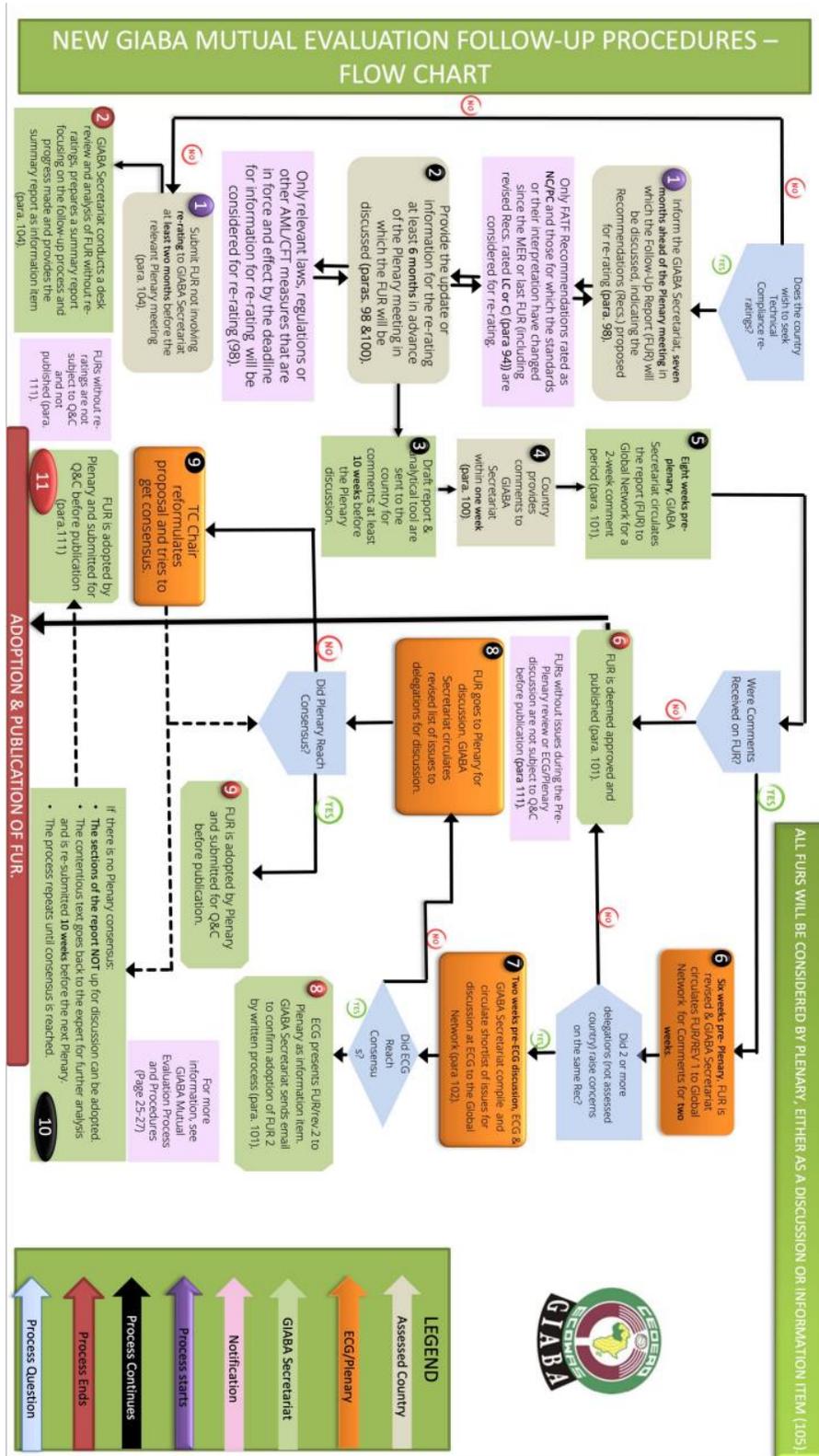
<https://www.eurojust.europa.eu/news/eurojust-coordinated-judicial-action-romania-and-republic-moldova-against-border-bribery>

Crypto-mixers

Crypto-mixers: services that take in identifiable cryptocurrency tokens from one wallet and output unidentifiable 'clean' tokens to a different wallet (or wallets). Crypto-mixing is similar to money laundering. However, due to the distributed nature of cryptocurrencies, creating unidentifiable tokens is almost impossible.



https://www.linkedin.com/posts/pietro-odoriso-30ab009a_moneylaundering-cryptocurrencies-cryptomixer-activity-7021808482609713152-9U-T



[https://www.giaba.org/media/f/1188 New Mutual Evaluation Follow Up Procedures Flowchart.pdf](https://www.giaba.org/media/f/1188_New_Mutual_Evaluation_Follow_Up_Procedures_Flowchart.pdf)