

16 March 2023

CREDIT SUISSE: WHAT WENT WRONG?

On 15 March, Bloomberg published an article seeking to explain the background to the crisis at Credit Suisse. It says that the Swiss bank's failings or problems included a criminal conviction for allowing drug dealers to launder money in Bulgaria, entanglement in a Mozambique corruption case, a spying scandal involving a former employee and an executive and a massive leak of client data to the media, and its association with disgraced financier Lex Greensill and failed New York-based investment firm Archegos Capital Management. All of this helping to lead to unprecedented client outflows in late 2022.

<https://www.bloomberg.com/news/articles/2023-03-15/credit-suisse-what-s-going-on-and-why-is-cs-stock-falling>

CHINESE STANDARD CONTRACTUAL CLAUSES (SCC) AND THE CHINESE SCC REGULATIONS FINALLY RELEASED BY THE CYBERSPACE ADMINISTRATION OF CHINA (CAC)

On 7 March, Reed Smith reported that the "long awaited" SCC and regulations were released on 24 February, and come into effect from 1 June, for transferring China-collected or generated personal data abroad.

<https://www.reedsmith.com/en/perspectives/2023/03/chinese-sccs-are-out-are-you-ready>

AUSTRALIA: ASIC'S ILLUMINATING REPORT ON GOOD PRACTICES RE WHISTLEBLOWERS

On 14 March, Cornwalls reported that the Australian Securities and Investments Commission had published a report which aims to help entities improve their arrangements for handling whistleblowers and ensure people are encouraged to speak up if and when they identify misconduct or an improper state of affairs. ASIC identifies a number of practices regulated entities should adopt when dealing with whistleblower disclosures.

<https://www.cornwalls.com.au/whistleblowing-culture-asics-illuminating-report-on-good-practices/>
<https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-046mr-asic-publishes-report-on-good-practices-for-handling-whistleblower-disclosures/>

WHAT IS THE REVISED SCOPE OF JERSEY'S AML/CFT/CPF REGIME AND WHAT ARE THE OPTIONS FOR THOSE NOW IN SCOPE?

On 14 March, Mourant published an article about changes to the regime from 30 January. The detailed article includes the important note that existing entities that were carrying on an "In Scope

Activity” on or before 29 January, benefit from a transitional period that expires on 30 June – but those that were established, or commenced a new In Scope Activity, on or after 30 January are required to comply with the AML/CFT/CPF Regime as soon as they commence that In Scope Activity.

<https://www.mourant.com/news-and-views/updates/updates-2023/what-is-the-revised-scope-of-jersey-s-aml-cft-cpf-regime-and-what-are-the-options-for-those-now-in-scope.aspx>

WHISTLEBLOWER PROTECTION IN EUROPE: WHERE DO WE STAND?

On 14 March, Paul Hastings LLP published an article in the light of the recent European Court of Human Rights decision in the *Luxleaks* case and the implementation of the 2019 EU Directive.

<https://www.paulhastings.com/fr/publications/client-alerts/whistleblower-protection-in-europe-where-do-we-stand>

JAPAN LIFTS CHIPMAKING EXPORT CONTROLS ON SOUTH KOREA

On 16 March, Nikkei Asia reported that Japan had lifted export controls imposed on South Korea in regard to 3 materials needed to produce semiconductors and displays - hydrogen fluoride, fluorinated polyamide and photoresist.

<https://asia.nikkei.com/Spotlight/Japan-South-Korea-rift/Japan-lifts-chipmaking-export-controls-on-South-Korea>

<https://en.yna.co.kr/view/AEN20230316005452320>

COUNTERING SMUGGLING IN THE ARABIAN SEA

On 14 March, Dryad Global published an article, saying that drug trafficking is only one of the many lucrative illegal activities for smugglers operating in the waters off the Arabian Peninsula, but that the US-led naval coalition has also made significant strides in countering weapons smuggling networks in recent months – although it also says that arms trafficking is also reaching alarming levels.

<https://channel16.dryadglobal.com/countering-smuggling-in-the-arabian-sea-multinational-approach-delivering-results>

OFSI UPDATED GUIDANCE ON ENFORCEMENT AND MONETARY PENALTIES FOR BREACHES OF FINANCIAL SANCTIONS NOW INCLUDES A SECTION ON OWNERSHIP AND CONTROL

On 16 March, the EU Sanctions blog reported that OFSI in the UK had issued updated guidance which now includes a section on ownership and control. The guidance includes information on the due diligence efforts that OFSI may consider to be potentially mitigating.



<https://www.europeansanctions.com/2023/03/ofsi-publishes-guidance-on-ownership-control/>
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1143219/March_2023_Monetary_Penalty_and_Enforcement_Guidance.pdf

UK: TRADE SANCTIONS ARE NOT DURESS UNDER ENGLISH LAW

On 16 March, the EU Sanctions blog reported that the Supreme Court had made a ruling in the case involving the Law Debenture Trust Corporation plc, acting on behalf of Russia, and relating to relating to a loan made by Russia to Ukraine. The ruling included a statement that trade sanctions and embargoes are “important aspects of statecraft in the modern world” and not illegitimate under English law nor contrary to public policy.

<https://www.europeansanctions.com/2023/03/uk-supreme-court-says-trade-sanctions-arent-duress-in-english-law/>

<https://www.wsj.com/articles/russia-is-blocked-from-collecting-4-5-billion-in-ukraine-bond-dispute-147b4fc0>

NEW ZEALAND FISHING COMPANIES EMPLOYING RUSSIAN CREWS DESPITE SANCTIONS

On 15 March, the New Zealand Herald reported that figures from Immigration New Zealand show last year, 306 Critical Purpose visas were approved for Russian nationals who travelled to New Zealand and identified as fishing crew. That compares to 238 in 2021 and 511 in 2020. One of the companies involved said it needed to employ Russians because one of its vessels was Russian-built.

<https://www.nzherald.co.nz/the-country/news/russia-ukraine-war-new-zealand-fishing-companies-employing-russian-crews-despite-sanctions/TO6V3LSLDRHSZKOGGV2EKZKOEY/>

MIAMI ART DEALER SENTENCED TO MORE THAN 4 YEARS IN PRISON FOR SMUGGLING IVORY SCULPTURES

On 15 March, the Art Newspaper reported that a Miami art dealer, Eduardo Ulises Martinez, was sentenced to more than 4 years in prison for illegally smuggling sculptures containing ivory both within and outside of the US and for obstructing authorities' investigation.

<https://www.theartnewspaper.com/2023/03/15/miami-art-dealer-prison-sentence-ivory-smuggling>
<https://www.artnews.com/art-news/news/miami-art-dealer-smuggled-ivory-sculptures-sentenced-51-months-prison-1234657442/>

SIGNATURE BANK FACING CRIMINAL PROBE AHEAD OF COLLAPSE OVER MONEY LAUNDERING CONCERNS

The Daily Mail reported that the DoJ and SEC were investigating whether Signature Bank failed to prevent money laundering before the firm collapsed. It is said that the authorities were specifically looking into the bank's dealings with cryptocurrency clients, to assess if the institution took sufficient steps to detect potential money laundering.

<https://www.msn.com/en-us/money/markets/signature-bank-was-facing-criminal-probe-ahead-of-collapse-over-money-laundering-concerns/ar-AA18GdtX>
<https://cointelegraph.com/news/signature-bank-investigated-for-money-laundering-prior-to-demise-report>

TONS OF URANIUM MISSING FROM LIBYAN SITE

On 16 March, EurActiv reported that IAEA UN nuclear watchdog inspectors have found that roughly 2.5 tons of natural uranium have gone missing from a Libyan site that is not under government control. IAEA inspectors are said to have "found that 10 drums containing approximately 2.5 tons of natural uranium in the form of UOC (uranium ore concentrate) previously declared by (Libya) ... as being stored at that location were not present at the location".

<https://www.euractiv.com/section/defence-and-security/news/tons-of-uranium-missing-from-libyan-site-iaea-tells-member-states/>

WHO IS RIAD SALAME? LEBANON'S CENTRAL BANK CHIEF ACCUSED OF EMBEZZLEMENT

On 15 March, OCCRP provided a guide to the long-time *Banque du Liban* governor, suspected money laundering and corruption, and blamed for the country's financial crisis.

<https://www.occrp.org/en/37-ccbblog/ccbblog/17417-who-is-riad-salame-lebanons-central-bank-chief-accused-of-embezzlement>

GLOBAL REPORT ON COCAINE 2023

The UN Office on Drugs and Crime has published this report which says that, despite the Covid pandemic, the global supply of cocaine is at record levels. Almost 2,000 tons was produced in 2020, continuing a dramatic uptick in manufacture that began in 2014, when the total was less than half of today's levels. Interceptions by law enforcement have also been on the rise, at a higher speed than production, meaning that interdiction has contained the growth of the global amount of cocaine available for consumption.



https://www.unodc.org/documents/data-and-analysis/cocaine/Global_cocaine_report_2023.pdf

<https://www.theguardian.com/world/2023/mar/15/cocaine-smuggling-production-record-levels-pandemic-un-report>

SLAPPS – DEFAMATION, PRIVACY, PUBLIC PARTICIPATION AND REFORM

On 14 March, Mills & Reeve published this article about Strategic Lawsuits Against Public Participation (SLAPPS), which it says present an important issue within society, politics and the legal profession, particularly in a libel and privacy context. It looks at how SLAPPS impact freedom of speech and public participation, why there is a current focus at a governmental and regulatory level and what future change might be on the

horizon. The article signposts the full SRA guidance in the UK which is a must read and conclude with the recent high-profile Arron Banks libel case.

<https://www.mills-reeve.com/insights/publications/slapps-defamation-privacy-public-participation>

NEWARK MAYOR SIGNS DEAL WITH HINDU NATION THAT DOES NOT EXIST

On 16 March, the Guardian reported that the New Jersey city has confirmed that it was duped over 5 days in January when its mayor invited what he believed to be a delegation from the Hindu nation of Kailasa to join into a sister city partnership. It acknowledged that it had been scammed by notorious Indian fugitive Swami Nithyananda.

<https://www.theguardian.com/us-news/2023/mar/16/newark-officials-duped-kailasa-nithyananda>

EU: PROTECTION OF THE ENVIRONMENT THROUGH CRIMINAL LAW

On 15 March, the EU Parliament Research Service published a briefing in December 2021 about the proposed a revision of Directive 2008/99/EC on the protection of the environment through criminal law. The revision aims to increase the effectiveness of investigation and prosecution of environmental criminal offences across the EU.

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/733555/EPRS_BRI\(2022\)733555_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/733555/EPRS_BRI(2022)733555_EN.pdf)

ADDRESSING SHIP REFLAGGING TO AVOID SANCTIONS

On 16 March, the EU Parliament Research Service published a briefing which says that reflagging to a flag of convenience is a practice whereby a shipowner registers their ships in a country with relatively light controls or low standards, for instance in the area of environmental or employment law. While this is legal in principle, it is often combined with illegal practices, including the circumvention of sanctions. The IMO and the EU are trying to tackle abusive reflagging.

[https://www.europarl.europa.eu/RegData/etudes/ATAG/2023/745686/EPRS_ATA\(2023\)745686_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2023/745686/EPRS_ATA(2023)745686_EN.pdf)

WHAT DOES THE IRS SAY ABOUT BRIBERY?

On 16 March, a post on the FCPA Blog says that, with the tax reporting season the IRS wants you to know if you received a bribe, you need to report it as income.

<https://fcpublog.com/2023/03/16/what-does-the-irs-say-about-bribery/>

SWISS BANKS SAY RICH CHINESE CLIENTS WORRIED ABOUT SANCTION PROSPECTS

On 14 March, Swissinfo reported that executives at Switzerland's biggest banks say rich Chinese clients have become much more worried about parking money in the country because of its tough approach to applying sanctions since Russia invaded Ukraine.

<https://www.swissinfo.ch/eng/swiss-banks-say-rich-chinese-clients-worried-about-sanction-prospects/48358148>

SWITZERLAND: 100 CASES IDENTIFIED FOR POTENTIAL VIOLATIONS OF SANCTIONS

On 14 March, Swissinfo reported that Switzerland has flagged around 100 suspicious cases for potential violations of sanctions related to the Russian aggression against Ukraine. Proceedings have so far been opened in 23 cases, with the 2 latest concerning Belarus. In 13 cases, criminal proceedings were dropped for lack of sufficient evidence, and a further 60 cases are still being analysed.

<https://www.swissinfo.ch/eng/ukraine-war--some-100-cases-identified-for-potential-violations-of-sanctions/48359866>

BOOM IN LABS HANDLING DANGEROUS PATHOGENS NOT MATCHED BY BIOSAFETY AND BIOSECURITY REGULATION

On 16 March, King's College London in a new report said that the number of labs handling dangerous pathogens has risen to more than 100 around the world but has not been accompanied by sufficient oversight, raising biosafety and biosecurity concerns.

<https://www.kcl.ac.uk/news/boom-in-labs-handling-dangerous-pathogens-not-matched-by-biosafety-and-biosecurity-regulation>

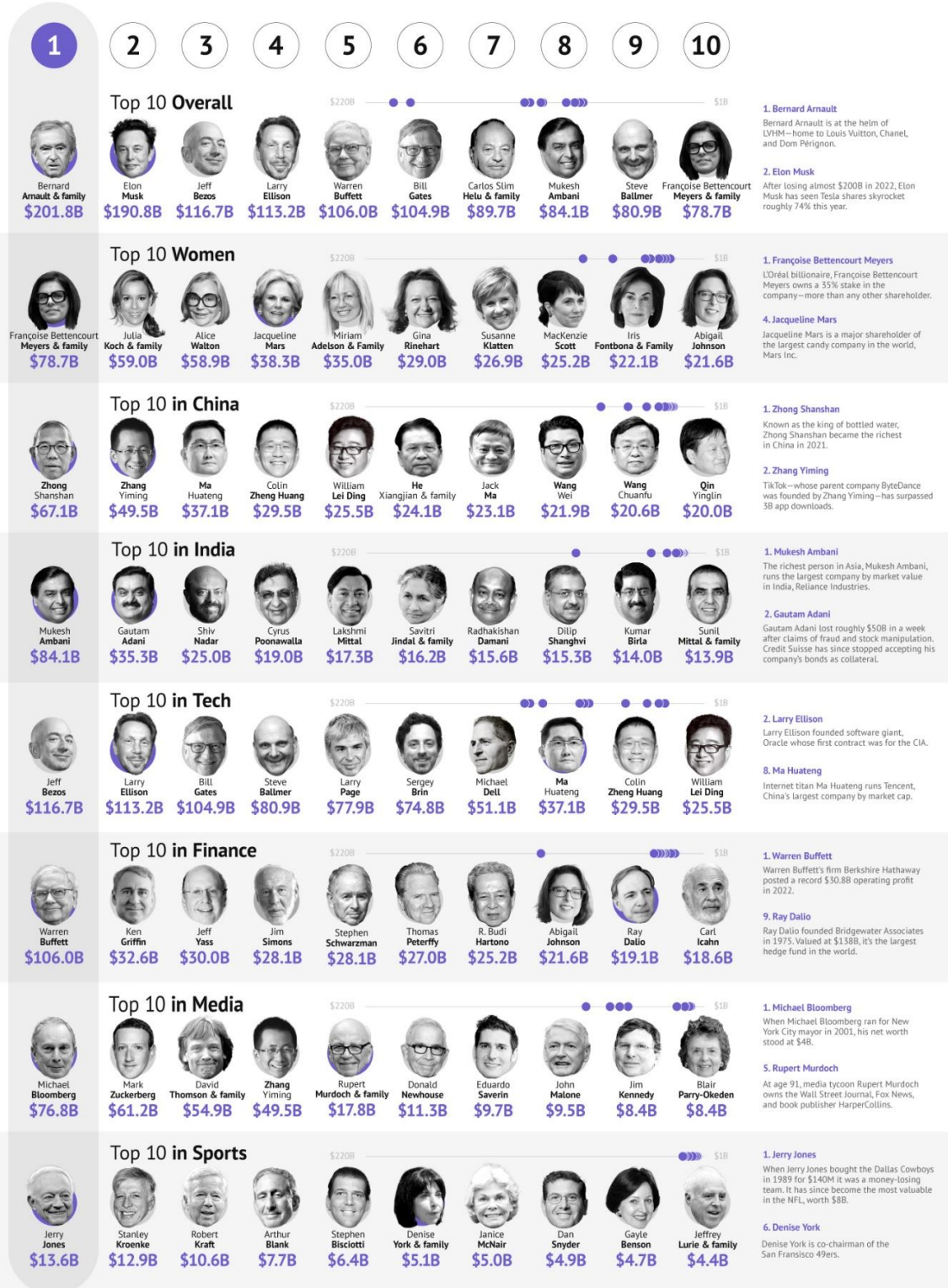
CHINESE COMPANIES ARE SHIPPING RIFLES, BODY ARMOUR TO RUSSIA

On 16 March, Politico reported that Chinese companies, including one connected to the government, have sent Russian entities 1,000 assault rifles and other equipment that could be used for military purposes, including 12 shipments of drone parts and over 12 tons of Chinese body armour. The shipments are said to have taken place between June and December 2022,

<https://www.politico.eu/article/chinese-companies-are-shipping-rifles-body-armor-to-russia>

Richest People in the World 2023

The fortunes of the world's super-rich sank \$10T last year—the largest drop in over a decade. Here are the richest people in the world in 2023.



Net worths as of February 22, 2023
Sources: Forbes, Knight Frank, Bloomberg, Sensor Tower, NPR, Reuters, Business Insider, CNBC, NY Magazine, Financial Times, The Guardian, Dallas News

Facebook: /visualcapitalist
Twitter: @visualcap
Instagram: visualcapitalist.com

<https://www.visualcapitalist.com/the-richest-people-in-the-world-in-2023/>

EU LAUNCHES CRITICAL RAW MATERIALS ACT

On 16 March, EU Observer reported that the EU has presented its strategy to ensure access to critical raw materials needed for clean technologies. The EU has identified 18 critical raw earth metals necessary for the transition, including lithium and cobalt used in batteries, boron used for windmill coating and more. In 2030, at least 10% of rare metals must come from European mines, and no country should supply more than 65% of any key material.

<https://euobserver.com/green-economy/156838>

https://ec.europa.eu/commission/presscorner/detail/en/ip_23_1661

SEC CHARGES CANNABIS COMPANY AMERICAN PATRIOT BRANDS, CEO, AND OTHERS WITH FRAUD

On 16 March, a release on Mondo Visione advised that the SEC had charged American Patriot Brands Inc (APB), a cannabis cultivation and distribution company, its CEO, and 5 other entities and individuals for their participation in a long-running scheme in which they raised more than \$30 million from more than 100 investors across the country and siphoned off millions of those funds to enrich themselves.

<https://mondovisione.com/media-and-resources/news/sec-charges-cannabis-company-american-patriot-brands-ceo-and-others-with-fraud/>

<https://www.buymeacoffee.com/KoIvM842y>

