

7 March 2023

INSIDE OPERATION *PROTEGO*: HOW THE ATO IS CRACKING DOWN ON AUSTRALIA'S BIGGEST GST FRAUD

On 3 March, Nyman Gibson Miralis said that the Australian Taxation Office (ATO) is cracking down on the biggest Goods & Services Tax (GST) fraud in Australia's history, with significant recent enforcement activity. The article explores how the GST fraud is being perpetrated and what is being done by the ATO to it. GST is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia.

<https://ngm.com.au/operation-protego-ato-crackdown-gst-fraud/>

<https://www.ato.gov.au/Media-centre/Media-releases/ATO-and-AFP-crackdown-on-Op-Protego-promoters/>

<https://www.ato.gov.au/Business/GST/>

UK: THE *DUOMATIC* PRINCIPLE - WHEN CAN DIRECTORS' DECISIONS BE RATIFIED BY THE COMPANY'S SHAREHOLDERS WHEN NOT TAKEN IN THE USUAL FORMAL MANNER?

On 3 March, Parris Whittaker published an article about this concept, sometimes referred to as the 'ratification principle', that anything the members of the company can do by formal resolution in a general meeting, they can also do informally if all of them assent to it. The article says that 2 cases from the UK courts illustrate the importance of this principle to companies today.

<https://parriswhittaker.com/news/the-duomatic-principle/>

SWITZERLAND: CRIMINAL FRAUD - NO FRAUD WITHOUT A MALICIOUS CONDUCT

On 2 March, an article from Faerus SA says that, in Swiss law, the prerequisites of the offence are: a deceit, a malicious conduct; a mistake of the victim, causing a self-harming disposition of assets; causality; and the purpose of obtaining an unjust enrichment. The article focuses on one aspect: the malicious conduct requirement.

<https://www.mondaq.com/white-collar-crime-anti-corruption--fraud/1288678/criminal-fraud-under-swiss-law-when-is-it-not-really-fraud>

JERSEY: HOME TO THE WORLD'S FIRST "DATA TRUST"

On 28 February, an article from Jersey Finance claimed that, in a world first, a trust is to be created in Jersey in order to hold, manage and protect a forthcoming stream of data, to be known as "LifeCycle". This new thing will contain information about the activities of island cyclists as they

move around Jersey. The aim is to promote cycling as a mode of transport in the island. The data will include information such as the most common journeys islanders take, road conditions, collisions, swerving and braking and general conduct on the road network. Ultimately, the goal is to identify the island's traffic management hot spots and find out where better active travel infrastructure could most efficiently be provided. It has been set-up as a non-charitable purpose trust. The article says that this initiative could mark the beginning of a new species of Jersey trust: the data trust, where valuable but sensitive information is managed by professional trustees with experience of complex fiduciary responsibilities.

<https://www.mondaq.com/jersey/data-protection/1289132/home-to-the-worlds-first-data-trust>

OFAC: INVESTIGATION INTO METRO BANK ENDS WITHOUT PENALTIES

On 7 March, the EU Sanctions blog reported that, according to the bank in its annual report, it had concluded matters with OFAC with regard to Cuba and Iran without fine or penalty.

<https://www.europeansanctions.com/2023/03/ofac-concludes-investigation-into-metro-bank-without-penalty/>

FRENCH AUTHORITIES HAVE SEIZED A VILLA SUSPECTED OF BEING OWNED BY EU-SANCTIONED VIKTOR RASHNIKOV

On 7 March, the EU Sanctions blog relayed a *Le Monde* story that French authorities have seized a €23 million villa in Saint-Jean-Cap-Ferrat, that is suspected of being owned by Viktor Rashnikov. It also mentions that 3 other properties in the French Riviera and Paris that are alleged to be owned by Mr Rashnikov have been frozen since he was designated by the EU in March 2022.

<https://www.europeansanctions.com/2023/03/viktor-rashnikov-linked-villa-seized-by-french-authorities/>

PokerStars OWNER ENTERS \$4 MILLION SETTLEMENT WITH SEC OVER RUSSIA PAYMENTS

On 6 March, the Wall Street Journal reported that Flutter Entertainment, owner of PokerStars and other popular gambling brands, will pay \$4 million to settle allegations that the handling of payments to Russia-based consultants violated the FCPA foreign bribery law. The alleged violations were said to be committed by PokerStars' previous owner, the Stars Group. Flutter withdrew from Russia after the 2022 invasion of Ukraine, according to the SEC.

<https://www.wsj.com/articles/pokerstars-owner-enters-4-million-settlement-with-u-s-over-russia-payments-a7790dd9>

RIO TINTO TO PAY SEC \$15 MILLION OVER FOREIGN BRIBERY CHARGES

On 6 March, the Wall Street Journal reported that the mining and metals company Rio Tinto PLC had agreed to pay a \$15 million civil penalty to settle a years-long probe into allegations it violated the FCPA foreign bribery law, according to the SEC. It is said that the alleged payments prompted investigations in the UK, UK and Australia, following a disclosure of potential wrongdoing by the company in 2016.

<https://www.wsj.com/articles/rio-tinto-to-pay-sec-15-million-over-foreign-bribery-charges-3fd65a91>

AMERICANS ARE ELIGIBLE TO HOLD TWO US PASSPORTS AT THE SAME TIME

On 6 March, in a blog post about holding multiple passports, on the basis that the US is one of many countries that allows dual citizenship, the Points Guy blog discusses a little-known fact – that someone in the US can legitimately apply for and hold a second US passport. It notes that this second document would be valid for only 4 years, as opposed to the normal 10 years.

<https://thepointsguy.com/news/can-you-have-multiple-passports/>

AUSTRALIA: FORMER ATTORNEY-GENERAL IS LEADING THE LEGAL FIGHT BROUGHT BY BILLIONAIRE OLEG DERIPASKA AGAINST SANCTIONS IMPOSED ON HIM

On 7 March, the Daily Mail carried an article about Christian Porter, who returned to the legal profession following his retirement in 2021.

<https://www.dailymail.co.uk/news/article-11828845/Christian-Porter-fights-Russian-oligarch-Oleg-Deripaska-Ukraine-invasion-sanctions.html>

US DIAMOND TRADERS TOLD TO PREPARE FOR NEW SANCTIONS

On 7 March, the Jeweller Magazine reported that a US jewellery industry trade body has issued an alert to members forewarning of incoming sanctions on the import of diamonds originating from Russia, and encouraging members to plan for incoming prohibitions against Russian diamonds.

<https://www.jewellermagazine.com/Article/12145/US-diamond-traders-told-to-prepare-for-new-sanctions>

EGBA RELEASES PAN-EUROPEAN AML GUIDELINES FOR GAMBLING SECTOR

On 7 March, Gambling Insider reported that the trade body, the European Gaming and Betting Association (EGBA), has released its first set of pan-European regulations to assist the online gambling industry in helping Europe fight money laundering.



EGBA | European Gaming & Betting Association



<https://www.gamblinginsider.com/news/20351/egba-releases-pan-european-anti-money-laundering-guidelines>

<https://www.egba.eu/news-post/egba-publishes-new-pan-european-anti-money-laundering-guidelines-for-online-gambling/>

<https://www.egba.eu/uploads/2023/03/230306-EGBA-Guidelines-on-AML-for-Online-Gambling-FINAL.pdf>

UK: REGISTER OF OVERSEAS ENTITIES - THE STORY SO FAR

On 7 March, a blog post from Companies House provides an update from the perspective of the agency, saying that it has been just over a year since the Economic Crime (Transparency and Enforcement) Act was introduced into Parliament. The Register of Overseas Entities came into force on 1 August.

<https://companieshouse.blog.gov.uk/2023/03/07/register-of-overseas-entities-the-story-so-far/>

EU ADDS 9 INDIVIDUALS AND 3 ENTITIES TO HUMAN RIGHTS SANCTIONS LISTS

EU Regulation 2023/500/EU has added 9 individuals and 3 entities to the sanctions lists under EU Regulation 2020/1998. The individuals are Russian, Afghan and South Sudanese nationals, plus 1 Myanmar national. Also designated are the Qarchak Prison in Iran, the Syrian Republican Guard, and Office of the Chief of Military Security Affairs (OCMSA) in Myanmar.

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R0500&from=EN>

[https://eur-lex.europa.eu/legal-](https://eur-lex.europa.eu/legal-content/EN/AUTO/?uri=uriserv:OJ.LI.2023.069.01.0011.01.ENG&toc=OJ:L:2023:069:TOC)

[content/EN/AUTO/?uri=uriserv:OJ.LI.2023.069.01.0011.01.ENG&toc=OJ:L:2023:069:TOC](https://eur-lex.europa.eu/legal-content/EN/AUTO/?uri=uriserv:OJ.LI.2023.069.01.0011.01.ENG&toc=OJ:L:2023:069:TOC)

<https://www.europeansanctions.com/2023/03/eu-designates-12-over-violence-against-women-and-girls/>

JAPAN CUSTOMS SEIZURE OF FAKE GOODS REMAINED HIGH IN 2022

On 6 March, NHK World reported that the number of seizures in Japan of imported counterfeit goods was down slightly, but remained high. The Finance Ministry says customs officers nationwide stopped 26,942 cases in 2022, down 4.7% from the previous year, but above the 26,000 mark for the third-straight year. More than three-quarters of the incidents involved items from China.

https://www3.nhk.or.jp/nhkworld/en/news/20230306_36/

LIBYA SEIZES 12,000 WEAPONS SMUGGLED ON CONTAINER SHIP WHICH DEPARTED FROM MALTA

On 6 March, Lovin' Malta reported that Libyan customs authorities seized 12,000 weapons that were being smuggled aboard a commercial ship from Malta. It is claimed that there were 12,000 firearms aboard a Liberian-registered vessel.

<https://lovinmalta.com/news/libya-seizes-12000-weapons-smuggled-from-container-ship-which-departed-from-malta/>

SURGE IN NEW PSYCHOACTIVE DRUGS SEIZURES REPORTED IN SOUTH KOREA

On 6 March, the Korea Bizwire reported that in 2022 that the number of new types of drugs seized by authorities, such as anti-psychotics, had increased threefold from the previous year. The value of new drugs seized in 2022 surged by 187%.

<http://koreabizwire.com/surge-in-new-psychoactive-drugs-seizures-reported-in-south-korea/242163>

GREEK COURT ACQUITS ANTI-CORRUPTION PROSECUTOR ELENI TOULOUPAKI

On 6 March, OCCRP reported that a court has found the former anti-corruption prosecutor not guilty of dereliction of duty and abuse of power. She was accused of these offences after her investigation into bribes paid by Swiss pharmaceutical producer Novartis to Greek top officials touched political allies of the Prime Minister Kyriacos Mitsotakis; and she was removed from the case after his party came to power in 2019.

<https://www.occrp.org/en/daily/17391-greek-court-acquits-anti-corruption-prosecutor-eleni-touloupaki>

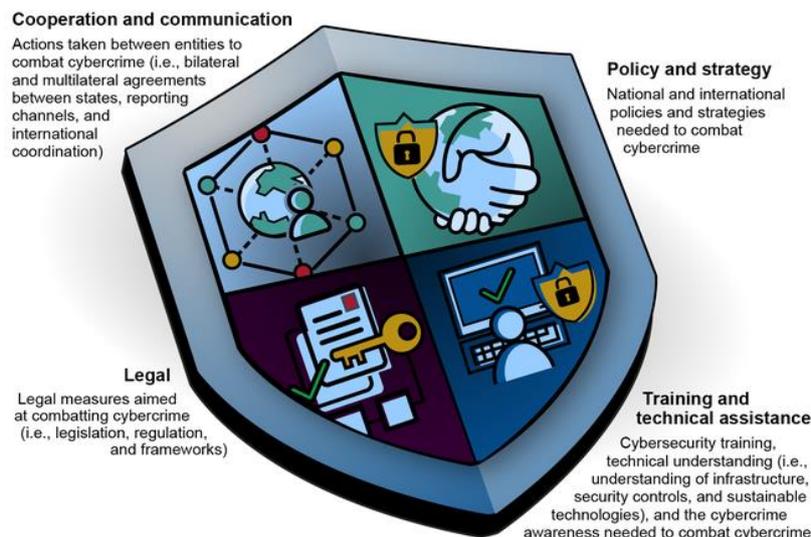
UK DRUG ADVISORY PANEL REJECTS CALLS FOR NITROUS OXIDE BAN

On 6 March, the Guardian reported that the Independent Advisory Council on the Misuse of Drugs (ACMD) has rejected calls to ban the sale and possession of nitrous oxide for recreational use, despite the Home Office's eagerness to do so. The ACMD ruled that nitrous oxide should not be subjected to control under the Misuse of Drugs Act 1971, current evidence suggested the health and social harms of nitrous oxide were not commensurate with such a move, and a ban could cause problems for those who needed the gas for legitimate purposes. Nitrous oxide is used in the food industry as a whipped cream propellant and in medical settings for sedation and pain relief.

<https://www.theguardian.com/society/2023/mar/06/uks-drug-advisory-panel-reject-calls-to-ban-nitrous-oxide>

GAO REPORT ON US FEDERAL AGENCY EFFORTS TO ADDRESS INTERNATIONAL PARTNERS' CAPACITY TO COMBAT GLOBAL CYBERCRIME

On 1 March, the Governmental Accountability Office in the US released a report saying that the Departments of State, Justice, and Homeland Security are working with foreign nations to help combat these technology-driven crimes. Collaboration activities include information sharing with foreign partners on current threats and providing cyber training to foreign law enforcement. However, it says that, as the lead agency responsible for foreign assistance, the State Department hasn't fully evaluated whether these activities have been effective in helping foreign nations combat cybercrime.



Source: GAO analysis; image: Buffaloboy/stock.adobe.com. | GAO-23-104768

<https://www.gao.gov/products/gao-23-104768>

ECUADOR JUDGE APPROVES BRIBERY CHARGES AGAINST EX-PRESIDENT OVER CHINESE DAM CONTRACT

On 5 March, Yahoo News reported that an Ecuadorian judge has approved a prosecutors' request to charge former President Lenin Moreno with bribery over a contract for a Chinese-built hydroelectric plant in the South American nation. The indictment, which includes 37 people in all, links Moreno to work on the Coca Codo Sinclair hydroelectric project and states that the defendants received bribes of up to \$76 million as part of a corruption scheme that operated between 2009 and 2018.

<https://news.yahoo.com/ecuador-judge-oks-bribery-charges-034653810.html>

AUSTRALIA: TAXPAYER-OWNED PERTH MINT SELLS GOLD TO A NOTORIOUS FORMER BIKIE WITHOUT ASKING QUESTIONS

On 5 March, ABC News reported that Australia's biggest mint allowed a notorious former bikie gang leader to buy \$27,000 worth of gold, no questions asked. It says that the news may prompt questions from Australia's financial crime agency, AUSTRAC, which is currently investigating the mint for its compliance with AML/CFT laws.

<https://www.abc.net.au/news/2023-03-06/perth-mint-sells-gold-former-hells-angels-bikie-without-checks/102048620>

INDONESIAN PALM OIL BILLIONAIRE GETS 15 YEARS FOR CORRUPTION

On 28 February, Mongabay reported that a court has sentenced palm oil tycoon Surya Darmadi to 15 years in prison for corruption that allowed him to establish illegal palm oil plantations in Indonesia's Riau province. It also ordered him to pay more than \$2.7 billion in fines and restitution for the environmental and social damage caused by the illegal plantations, believed to be the costliest corruption case in Indonesia's history.

<https://news.mongabay.com/2023/02/indonesian-palm-oil-billionaire-gets-15-years-for-corruption/>

BULGARIA INTERIOR MINISTER URGES PROSECUTORS TO LOOK FOR CONNECTION BETWEEN MOTORWAY PROBE AND COERCION INVESTIGATION AGAINST CONSTRUCTION COMPANY OWNER

On 7 March, the Bulgarian News Agency reported that an arrest which followed a complaint by a former employee for assault and battery subsequently transformed into a coercion investigation, according to the prosecution service. The prosecuting magistrates made it clear that the probe was unrelated to road construction where the company has held the lion share in recent years. The company has been involved in a number of controversial road construction projects, including the Hemus Motorway and the Sofia Northern Speed Tangent.

<https://www.bta.bg/en/news/bulgaria/419569-interior-minister-urges-prosecutors-to-look-for-connection-between-hemus-motorwa>

HOW TO USE A FOOTBALL CLUB TO LAUNDER MONEY

Europol has dismantled a Russian criminal gang laundering money through a Portuguese football club. The techniques used were simple...

STEP 1 Identify a European football club in financial distress

STEP 2 Infiltrate the club, gaining trust by making short-term donations or investments

STEP 3 Buy the club, using it as a front for a network of opaque holding companies owned by offshore shell companies

STEP 4 Launder the money through over-valuing players on the transfer market, the purchase of TV rights and through betting activities

Sources: <https://www.europol.europa.eu/content/police-dismantle-russian-money-laundering-ring-operating-football-sector>
<http://www.bbc.co.uk/news/world-europe-36203418>

ICT
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https://www.linkedin.com/posts/baptisteforestier_compliance-financialcrime-moneylaundering-activity-7038762139095826432-s01R

THE POTENTIAL CONSEQUENCES FOR AFRICA OF AN FTO DESIGNATION OF THE WAGNER GROUP

On 7 March, Lawfare published an article saying that the Biden administration has avoided succumbing to growing pressure to designate the group as a foreign terrorist organisation (FTO). Despite this, the pressure remains to go further, which carries the risk of creating potentially harmful effects for Africa.

<https://www.lawfareblog.com/potential-consequences-africa-fto-designation-wagner-group>

SUPREME COURT CONSIDERS WHETHER THE US CAN PROSECUTE A FOREIGN-STATE-OWNED BANK

On 6 March, the Congressional Research Service published this briefing, saying that the Supreme Court may soon decide whether the US can prosecute foreign countries and their agencies and instrumentalities in US courts. This possibility arises over a case in which the Türkiye Halk Bankası — a Turkish state-owned bank whose name translates to the People’s Bank of Turkey — is accused of conspiring to violate US sanctions and commit bank fraud.

<https://crsreports.congress.gov/product/pdf/LSB/LSB10927>

US: DoJ IS HIRING 25 NEW PROSECUTORS WHO WILL INVESTIGATE AND PROSECUTE SANCTIONS EVASION, EXPORT CONTROL VIOLATIONS AND SIMILAR ECONOMIC CRIMES

On 7 March, the EU Sanctions blog reported an announcement by the Deputy Attorney General.

<https://www.europeansanctions.com/2023/03/doj-hiring-25-new-prosecutors-to-enforce-sanctions/>

MORE NON-OWNERS BECOME VESSEL-OWNERS TO CASH IN ON RUSSIA TRADE

On 7 March, Loadstar reported that more NVOCC are becoming shipowners and or liner operators, lured by healthy cargo volumes and freight rates on routes to and from Russia. It gives as an example, Vistar Shipping, a UAE-incorporated NVOCC (Non Vessel Operating Common Carrier), has launched an India-Russia-Turkey liner service after an affiliate acquired a container ship. In the past, when transpacific and Asia-Europe rates reached historical highs in 2020 and 2021, several started their own liner services, including China United Lines and Transfar Shipping.

<https://theloadstar.com/more-non-vessel-owners-become-vessel-owners-to-cash-in-on-russia-trade/>

UK: ENTRY FOR BOSCO TAGANDA IN DRC SANCTIONS LIST AMENDED

On 7 March, a Notice from HM Treasury has announced that the existing entry for Bosco TAGANDA has been amended.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1140833/Notice_Democratic_Republic_of_the_Congo_070323.pdf

UK ALLOWED SANCTIONED ABRAMOVICH ASSOCIATE TO SELL £16 MILLION MANSION

On 7 March, the Guardian reported that a close associate of Roman Abramovich, Eugene Tenenbaum, was given permission by the Treasury to sell his Surrey mansion, a month after the government designated him for UK sanctions and froze all his assets. It says that the transaction raises questions about the UK government's approach to enforcing sanctions.

<https://www.theguardian.com/business/2023/mar/07/uk-roman-abramovich-associate-sell-mansion-eugene-tenenbaum>

<https://www.buymeacoffee.com/KolvM842y>

