

9 March 2023

INVESTIGATION PINPOINTS THE TRUE SCALE OF SHADOW TANKER FLEET

On 8 March, Dryad Global reports on a Splash investigation into the scale of this growing phenomenon following an extensive, detailed analysis of the global merchant fleet, finding it totals 421 ships.

<https://channel16.dryadglobal.com/splash-investigation-pinpoints-the-true-scale-of-the-shadow-tanker-fleet>

EU COURT ANNULS SYRIA SANCTIONS LISTING

On 9 March, the EU Sanctions blog reported that the EU General Court had annulled the designation of Nizar Al-Assad.

<https://www.europeansanctions.com/2023/03/eu-court-finds-that-the-eu-syria-sanctions-listing-was-unjustified-and-breached-fundamental-principles-of-eu-law-nizar-al-assaad-v-council/>
<https://curia.europa.eu/juris/document/document.jsf?text=&docid=271013&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=1059457>

MALAYSIA: FORMER PRIME MINISTER MUHYIDDIN ARRESTED ON CORRUPTION CHARGES

On 9 March, Nikkei Asia reported that the Malaysia Anti-Corruption Commission had arrested the former PM on corruption-related charges.

<https://asia.nikkei.com/Politics/Malaysia-s-ex-PM-Muhyiddin-arrested-on-corruption-charges>
<https://www.scmp.com/week-asia/politics/article/3212908/malaysian-ex-pm-muhyiddin-yassin-be-charged-corruption>

ISLE OF MAN: SYRIA, CENTRAL AFRICAN REPUBLIC, SOUTH SUDAN AND IRAN SANCTIONS UPDATES

On 8 March, the Isle of Man issued 4 news releases advising of changes to the various sanctions regimes and to confirm that Isle of Man lists aligned with those in the UK.

<https://www.gov.im/news/2023/mar/09/financial-sanctions-syria/>
<https://www.gov.im/news/2023/mar/08/financial-sanctions-south-sudan/>
<https://www.gov.im/news/2023/mar/08/financial-sanctions-iran-human-rights/>
<https://www.gov.im/news/2023/mar/08/financial-sanctions-central-african-republic/>

UK WILLIAM HILL OWNER 888 SET TO RECEIVE BIGGEST FINE EVER FROM GAMBLING REGULATOR

On 9 March, MSN reported that 888 had set aside £15 million to cover penalties stemming from an investigation by regulators into its 'social responsibility and anti-money laundering obligations'.

<https://www.msn.com/en-gb/money/other/william-hill-owner-888-set-to-receive-biggest-fine-ever-from-the-gambling-watchdog/ar-AA18nDeP>

INDIA: CBI COURT ORDERS LETTERS OF REQUEST TO 4 COUNTRIES OVER ILLEGAL MINING SCAM

On 9 March, the Afternoon Voice reported that a court has ordered the issue of letters of request to authorities in Switzerland, Singapore, the Isle of Man, and the UAE to furnish details of mining baron and former Karnataka Minister Gali Janardhan Reddy's money trail in connection with an alleged illegal mining scam case. This comes as Reddy, founder of the Kalyana Rajya Pragati Paksha (KRPP) party, is campaigning ahead of state assembly polls due in May.

<https://www.afternoonvoice.com/cbi-court-orders-issuance-of-request-letters-to-4-countries-in-illegal-mining-scam.html>

NETHERLANDS TO BLOCK EXPORT OF ADVANCED CHIP PRINTERS TO CHINA

On 8 March, Politico reported that the Netherlands has confirmed that it will impose new export controls on microchips manufacturing equipment, bowing to US pressure to block the sale of some of its prized chips-printing machines to China.

<https://www.politico.eu/article/netherlands-impose-restrictions-chips-export-to-china-asml/>

<https://www.ft.com/content/e911774c-a048-4ed1-9f90-e4bb684a3156>

<https://www.euractiv.com/section/industrial-strategy/news/netherlands-to-introduce-export-controls-on-crucial-chipmaking-technology/>

UK: ELECTRONIC TRAVEL AUTHORISATION (ETA) SCHEME TO ENTER UK - FACTSHEET

On 9 March a post from the Home Office was concerned with the Electronic Travel Authorisation (ETA) scheme - an ETA being a digital permission to travel to the UK. It is broadly for visitors who do not need a visa for short stays to the UK, or who do not already have a UK immigration status prior to travelling. It will launch for Qatari nationals from 25 October. From 1 February 2024, the scheme will be extended to nationals of Bahrain, Jordan, Kuwait, Oman, UAE and Saudi Arabia; and will replace Electronic Visa Waivers (EVW) for nationals of Bahrain, Kuwait, Oman, UAE and Saudi Arabia. By the end of 2024, the scheme will be extended worldwide for visitors who do not need a visa for

short stays, including those visiting from Europe. It will be valid for multiple journeys over a 2-year period or until the passport the individual used to apply with expires – whichever is sooner.

<https://homeofficemedia.blog.gov.uk/2023/03/09/electronic-travel-authorisation-eta-scheme-factsheet-march-2023/>

RUSSIA (SANCTIONS) (OVERSEAS TERRITORIES) (AMENDMENT) ORDER 2023

This UK Order extends with modifications the Russia (Sanctions) (EU Exit) Regulations 2019, as amended from time to time, to all British Overseas Territories except Bermuda and Gibraltar (which implement sanctions under their own legislative arrangements). The regulations have recently most recently been amended by the Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022. The Overseas Territories affected are Anguilla, British Antarctic Territory, British Indian Ocean Territory, BVI, Cayman Islands, Falkland Islands

Montserrat, Pitcairn, Henderson, Ducie and Oeno Islands, St Helena, Ascension and Tristan da Cunha, South Georgia and the South Sandwich Islands, The Sovereign Base Areas of Akrotiri and Dhekelia in the Island of Cyprus, and the Turks and Caicos Islands.

<https://www.legislation.gov.uk/ukSI/2023/291/contents/made>

ASSESSING NORTH KOREA'S CHEMICAL WEAPONS CAPABILITY

On 8 March, RUSI said that public information about North Korea's potential chemical weapons capability is far scarcer than information about its nuclear weapons programme. RUSI's latest project aims to fill that gap by using open-source tools and remote sensing technologies to evaluate North Korea's capacity to produce chemical weapons.

<https://rusi.org/explore-our-research/projects/assessing-north-koreas-chemical-weapons-capability/toxic-inheritance>

YACHTING SCRUTINISED OVER CONTINUED SOURCING OF ILLEGAL TEAK

On 7 March, Superyacht News said that, over the past couple of years, the superyacht industry has come under increased scrutiny for its suspected role in the illegal teak trading industry. The demand for teak has led to illegal logging practices, threatening the survival of the species and devastating the communities that rely on it for their livelihoods.

<https://www.superyachtnews.com/business/yachting-scrutinised-over-continued-sourcing-of-illegal-teak>

FIJI PROSECUTORS TO CHARGE FORMER PRIME MINISTER FRANK BAINIMARAMA WITH ABUSE OF OFFICE

On 9 March, the Guardian reported that the former PM and suspended police commissioner allegedly used power to stop investigation into former university staff. The charges relate to a complaint to police made by the University of the South Pacific in July 2019 regarding the activities of former university staff members.

<https://www.theguardian.com/world/2023/mar/09/fiji-prosecutors-to-charge-former-prime-minister-frank-bainimarama-with-abuse-of-office>

DATA PROTECTION LAW REFORMS SET OUT IN THE UK

On 9 March, an article from Out-Law said that draft legislation published by the UK Government would significantly alter existing data protection law in the country if enacted, but also closely resembles abandoned proposals that were introduced before the UK Parliament last Summer. The Bill envisages a shift in the UK's approach to data protection, with proposed changes to core issues such as the definition of personal data and some rules governing its processing, as well as to provisions that concern data rights, governance and accountability.

<https://www.pinsentmasons.com/out-law/news/data-protection-law-reforms-set-out-in-the-uk>

INSIGHT CRIME'S COCAINE SEIZURE ROUND-UP 2022

On 8 March, Insight Crime said that cocaine seizure figures from Latin America in 2022 suggest traffickers are varying their routes to avoid detection, as authorities get a better grip on spotting trafficking through maritime container ports. All 3 of South America's major cocaine-producing nations saw elevated seizure figures last year. However, ports participating in the Container Control Programme (CCP) of the UN Office on Drugs and Crime (UNODC), which aims to help countries improve port security, seized 271 tons of cocaine in 2022, a full 100 tons more than the year before.

<https://insightcrime.org/news/insight-crimes-cocaine-seizure-round-up-2022/>

US ISSUES WARRANT FOR SEIZURE OF RUSSIAN ENERGY GIANT ROSNEFT'S AIRCRAFT

On 9 March, Rferl reported that a warrant has been issued for the seizure of a Boeing 737-7JU aircraft owned by Russian oil giant Rosneft.

<https://www.rferl.org/a/us-warrant-seizure-russian-energy-rosneft-aircraft/32310241.html>

ISLE OF MAN: SANCTIONS LEGISLATION UPDATES

The Order Paper for the Island's parliament on 21 March includes 2 measures – the Russia Sanctions (Application) (No. 14) Regulations 2022 and the Democratic Republic of the Congo Sanctions (Application) Regulations 2023.

<https://www.tynwald.org.im/spfile?file=/business/opqp/sittings/20212026/2023-SD-0031-memo.pdf>

<https://www.tynwald.org.im/spfile?file=/business/opqp/sittings/20212026/2022-SD-0346-memo.pdf>

ISLE OF MAN: ANNUAL REPORT FOR PURPOSES OF TERRORISM AND OTHER CRIME (FINANCIAL RESTRICTIONS) ACT 2014

The Order Paper for the Isle of Man Parliament for 21 March includes this report, required to be laid before Tynwald each year detailing the exercise of relevant functions by the Treasury under the 2014 Act during the preceding year. It reports that no Directions or Freezing Orders were made in 2022. The Treasury's Customs & Excise Division issued 257 news releases concerned with sanctions, of which 20 involved changes to the lists of those individuals, organisations and entities designated for reasons connected to terrorism, including ISIL/Al-Qaida. However, there are currently no funds notified to the Treasury as being blocked or frozen for the purposes of the sanctions measures concerned with terrorism or proliferation.

<https://www.tynwald.org.im/spfile?file=/business/opqp/sittings/20212026/2023-GD-0012.pdf>

INTERNAL DOCUMENTS REVEAL AUSTRALIA'S POTENTIAL TIMELINE FOR CRYPTO LEGISLATION

On 6 March, the Coin Telegraph reported that internal documents from the Australian Treasury Department have revealed crypto legislation in the country could be a year away at the very least.

<https://cointelegraph.com/news/internal-documents-reveal-australia-s-potential-timeline-for-crypto-legislation-report>

SANCTIONS-LINKED SUPERYACHT COULD BE AUCTIONED OFF

On 8 March, Insurance Marine News reported that the Superyacht *Alfa Nero* could soon be sold at auction by the government of Antigua and Barbuda after reportedly being "abandoned" in a local harbour. The boat has been linked to sanctioned Russian oligarch Andrey Guryev Sr.

<https://insurancemarineneews.com/insurance-marine-news/sanctions-linked-superyacht-could-be-auctioned-off/>

WORLD BANK DEBARS A KENYAN ENGINEERING, PROCUREMENT, AND CONSTRUCTION COMPANY FOR FRAUDULENT PRACTICES CONNECTED TO A PROJECT IN UGANDA

On 8 March, the FCPA Blog reported that Burhani Engineers Ltd and its 3 affiliates are ineligible to participate in projects and operations financed by the World Bank Group during a 24-month debarment. It is alleged that the activity took place in connection with a \$168 million World Bank-funded project was designed to increase access to electricity in rural areas of Uganda. The debarment qualifies for cross-debarment by the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the African Development Bank.

<https://fcpablog.com/2023/03/08/world-bank-debars-engineering-and-construction-company-for-fraudulent-practices/>

LONDON: COUNCIL SEIZES £1 MILLION WORTH OF COUNTERFEIT PRODUCTS IN 'US CANDY STORE' CRACKDOWN

On 6 March, Local Government Lawyer reported that Westminster City Council has called for stricter checks on those setting up companies in the UK after announcing it has confiscated £1 million worth of counterfeit products in a 15-month-long crackdown on US candy stores on Oxford Street. The Council leader said that Westminster was dealing sophisticated and determined groups that exploits UK legal loopholes to trade from shop lets, usually run by shell companies with fictitious directors.

<https://www.localgovernmentlawyer.co.uk/regulatory-and-enforcement/406-regulatory-news/53192-city-council-seizes-1m-worth-of-counterfeit-products-in-us-candy-store-crackdown>

SINGAPORE: CIRCULAR ON MONEY LAUNDERING AND TERRORISM FINANCING RISKS IN THE WEALTH MANAGEMENT SECTOR

On 3 March, the Monetary Authority of Singapore issued a Circular which reminds all financial institutions to stay vigilant to the ML/TF risks in wealth management sector, and sets out MAS' expectations for them to review its existing controls to ensure that they remain adequate to mitigate the ML/TF risks from high growth areas. In conducting its review, institutions should take into account the additional information provided in this circular as well as previous MAS guidance that was issued to the industry.

https://www.mas.gov.sg/-/media/mas/regulations-and-financial-stability/regulatory-and-supervisory-framework/anti_money-laundering_countersing-the-financing-of-terrorism/circular--mltf-risks-in-the-wealth-management-sector-3-mar-2023.pdf

MALAYSIA'S ANTI-GRAFT AGENCY SAYS ABOUT 70% OF STOLEN ASSETS AND FUNDS LINKED TO 1MDB RECOVERED

On 7 March, Channel News Asia reported that the Malaysian Anti-Corruption Commission (MACC) chief has said that about 70% of stolen assets and funds from 1Malaysia Development Berhad (1MDB) have been recovered.

<https://www.channelnewsasia.com/asia/malaysia-macc-chief-anti-graft-1mdb-funds-assets-scandal-dispute-settlement-3331001>

SECOND AML UNIT FORMED TO CRACK DOWN ON 'HIGH-RISK' AUSTRALIAN GAMBLING INDUSTRY

On 8 March, the Guardian reported that AUSTRAC has launched a second specialist unit in response to the increasing threat of money laundering within the gambling industry, which insiders acknowledge is “a high risk”. AUSTRAC warned that it had “identified serious non-compliance in a number of businesses”. Late last year, it launched an investigation into gambling companies Sportsbet and Bet365.

<https://www.theguardian.com/australia-news/2023/mar/08/second-anti-money-laundering-unit-formed-to-crack-down-on-high-risk-australian-gambling-industry>

BRAZILIAN POLICE BUST 'WOLF OF WALL STREET' CRIME RING IN LISBON

On 7 March, Yahoo News reported that Brazilian police and Interpol have dismantled a criminal network operating a sham company in Lisbon that defrauded thousands of Brazilians in a scheme inspired by the film "The Wolf of Wall Street". Brazilian police said a Czech national based in Lisbon had opened a call centre and hired hundreds of struggling Brazilian workers living in the Portuguese capital. They were tasked with calling people in Brazil and convincing them to invest in stocks, but the victims' money ended up in company accounts while they were told it had been lost in the market.

<https://news.yahoo.com/brazilian-police-bust-wolf-wall-175026686.html>

EU: CUSTOMS AUTHORITIES AND INDUSTRY WELCOME SECOND PHASE OF NEW IMPORT CONTROL SYSTEM 2 (ICS2)

On 9 March, Loadstar reported that it is said that ICS2 meant there would be more emphasis on ensuring “better quality data pre-departure”, and noted it would be “great for customs authorities”. ICS2 is the EU's new advance cargo information system which supports implementation of a new customs safety and security regulatory regime aimed to better protect single market and EU citizens. The second phase from 1 March affects postal operators, express and air carriers and freight

forwarders. All goods transported by air in postal, express and general cargo consignments will be subject, in addition to pre-loading filing requirements, to complete pre-arrival ENS data requirements.



<https://theloadstar.com/eu-customs-authorities-and-industry-welcome-second-phase-of-ics2/>

https://taxation-customs.ec.europa.eu/customs-4/customs-security/import-control-system-2-ics2-0_en



https://taxation-customs.ec.europa.eu/customs-4/customs-security/import-control-system-2-ics2-0/import-control-system-2-release-2_en

OFAC: IRAN AND NON-PROLIFERATION SANCTIONS DESIGNATIONS – TARGETING IRAN’S INTERNATIONAL UAV PROCUREMENT NETWORK AND A NETWORK MOVING BILLIONS FOR THE IRANIAN REGIME

On 9 March, OFAC added Yun Xia YUAN and a large number of entities. The listings include a network of 5 companies and one individual for supporting Iran’s UAV procurement efforts. They

also include 39 entities constituting a significant “shadow banking” network, one of several multi-jurisdictional illicit finance systems which grant sanctioned Iranian entities, such as Persian Gulf Petrochemical Industry Commercial Co. (PGPICC) and Triliance Petrochemical Co. Ltd. (Triliance), access to the international financial system and obfuscate their trade with foreign customers. Iranian exchange houses create front companies abroad to enable trade on behalf of their Iranian clients, with foreign currency transactions maintained via internal ledgers.

<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20230309>

<https://home.treasury.gov/news/press-releases/jy1330>

<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20230309>

<https://home.treasury.gov/news/press-releases/jy1331>

EXPLAINING MICA: PART OF THE EU’S APPROACH TO CRYPTO AND DIGITAL ASSET REGULATION

On 9 March, a post from Compliance & Enforcement blog at the Program on Corporate Compliance & Enforcement of the New York University School of Law was concerned with the upcoming EU Markets in Crypto Assets Regulation (MiCA), which it says provides an illustration of a tailor-made regime combining elements of securities and banking regulation. MiCA is part of the larger EU digital finance package which includes rules on operational resilience (DORA), a DLT pilot regime for security tokens, and amendments to several financial services Directives.

https://wp.nyu.edu/compliance_enforcement/2023/03/09/explaining-mica-part-of-the-eus-approach-to-crypto-and-digital-asset-regulation/

EU COURT ANNULS 2 DRC SANCTIONS LISTINGS, BUT UPHOLDS 6 OTHERS

On 9 March, the EU Sanctions blog reported that the EU General Court has annulled the 2021 designations of Emmanuel Ramazani Shadary and Kalev Mutondo under the EU’s DRC sanctions regime. The Court said that the Council had not established a sufficient link between them and the security situation in the DRC. However, the Court rejected the applications of 6 other DRC nationals.

<https://www.europeansanctions.com/2023/03/drc-sanctions-eu-annuls-2-listings-upholds-6/>

FATF MUTUAL EVALUATIONS CHANGES IN METHODOLOGY FOR FIFTH ROUND OF EVALUATIONS

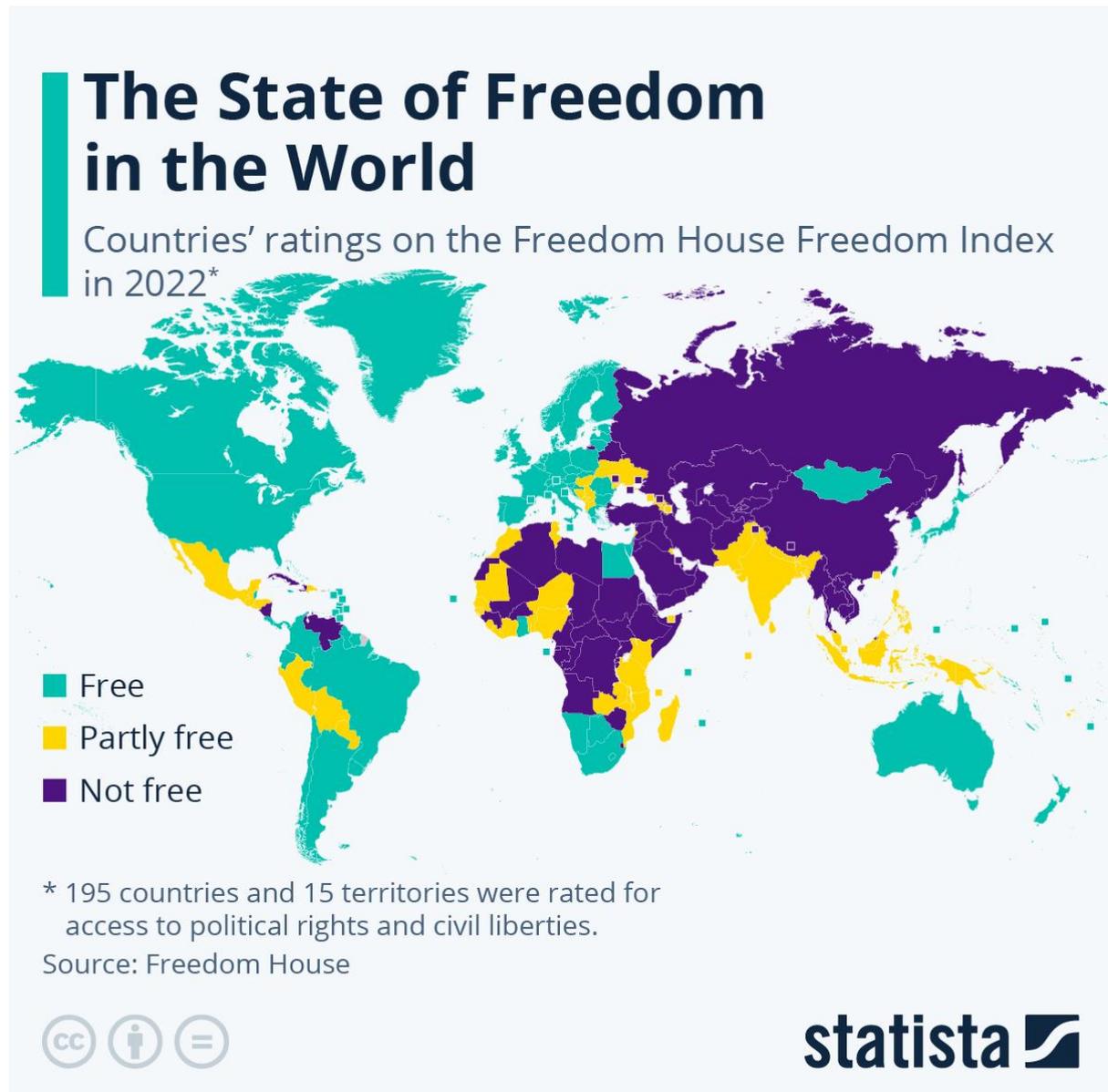
On 8 March, Silo Compliance held a webinar in which Elisabeth Lees of Claritas discussed the FATF Mutual Evaluations changes in methodology. The next round’s methodology criteria will assess technical compliance with the 40+ FATF Recommendations, but the new focus will be on effectiveness and the 11 “Immediate Outcomes” that measure effectiveness.

<https://silocompliance.com/fatf-mutual-evaluations-changes-to-5th-round-with-elisabeth-lees>

RUSSIAN BANK ISSUES BANK GUARANTEE IN CHEINESE YUAN USING BLOCKCHAIN

On 2 March, Bitcoin.com reported that a bank in Russia has issued the country's first blockchain-based bank guarantee denominated in Chinese currency. The financial institution underscored the advantages of using a digital form of the document and pointed out that demand for yuan payments is growing.

<https://news.bitcoin.com/russian-bank-issues-bank-guarantee-in-chinese-yuan-using-blockchain>



<https://www.statista.com/chart/12541/the-state-of-freedom-worldwide>

CASINO MALTA PENALISED AMID BRIBERY AND TAX FRAUD ALLEGATIONS

On 9 March, Gambling Insider reported that the FIAU launched an investigation into the casino after it was found that it routinely failed to carry out the necessary due diligence checks on high-risk

players. A report found that 20% of player profiles relied only on information provided by the player and that 10% did not have a permanent address. A further 6% of profiles had foreign addresses which did not exist. The Casino has been fined €233,834.

<https://www.gamblinginsider.com/news/20394/casino-malta-penalised-amid-bribery-and-tax-fraud-allegations>

JOINT STATEMENT FROM THE RUSSIAN ELITES, PROXIES, AND OLIGARCHS (REPO)TASK FORCE

On 9 March, a release on Mondo Visione advised that, after a virtual meeting, the Deputies of the multilateral REPO Task Force released a statement on the group's continued work. Among other things, it says it has blocked or frozen more than \$58 billion worth of sanctioned Russians' assets in financial accounts and economic resources; and effected the first forfeiture of assets of a sanctioned Russian, paving the way for the transfer of \$5.4 million in funds as foreign assistance to Ukraine.

<https://mondovisione.com/media-and-resources/news/joint-statement-from-the-repo-task-force/>

RUSSIAN DIAMONDS: EU COUNTRIES PUSH FOR SANCTIONS BY MAY

On 7 May, Politico reported that Western countries are working on plans to hit Russia's diamond exports with sanctions and are hoping to seal a deal as soon as May, according to officials from European states involved in the talks.

<https://www.politico.eu/article/eu-countries-push-sanctions-putins-blood-diamonds-by-may-european-commission-g7-antwerp-belgian-diamond-sector-us-alexander-de-croo-kathleen-van-brempt>

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

