

15 March 2023

### **UK: ECONOMIC DETERRENCE INITIATIVE TO STRENGTHEN THE IMPLEMENTATION AND ENFORCEMENT OF UK SANCTIONS**

On 15 March, EU Sanctions blog reported that the UK Government announced a £50 million initiative which, among other things, included an announcement of a consultation on updating the UK export control regime with regard to sensitive emerging technology transfers, and working with international partners to make multilateral controls more effective.

<https://www.europeansanctions.com/2023/03/uk-economic-deterrence-initiative-supports-implementation-enforcement-of-uk-sanctions/>

### **US: SUPREME COURT TO DECIDE WHEN THE FEDERAL TRADEMARK STATUTE APPLIES TO THE USE OF TRADEMARKS OUTSIDE THE US**

On 14 March, a post on the Transnational Litigation Blog reported that on 21 March the Court would hear oral argument in a case involving the Lanham Act. It says that the case is important for owners of US trademarks facing foreign counterfeiters and that it is also possible that the Supreme Court will use this case to provide further guidance on the presumption against extraterritoriality.

<https://tlblog.org/preview-of-supreme-court-argument-in-extraterritorial-trademark-case>

### **STRANDED 'NARCO-SUBMARINE' REFLOATED OFF NORTH-WESTERN SPAIN**

On 14 March, Reuters reported that Spanish police had refloated a stranded custom-built semi-submersible vessel allegedly used to smuggle cocaine into Europe and found it to be empty. It was discovered on the bed of an estuary in Galicia, and is the second of its kind seized in the area after a vessel carrying over 3 tonnes of Colombian cocaine was abandoned by its pilot in another Galician estuary in 2019.

<https://www.msn.com/en-gb/news/world/stranded-narco-submarine-refloated-in-northwestern-spain/ar-AA18Czvx>

### **SMUGGLERS WHO KEEP IRAN'S F-14 TOMCATS FLYING**

On 14 March, Ward Carroll published this fascinating video on You Tube, which details how Iran was able to keep its highly advanced F-14 fighters (the aircraft from the original "Top Gun" movie) in use despite sanctions. It catalogues failures on the part of US authorities, including those responsible for the disposal of surplus military equipment, the covert acquisition and smuggling efforts of Iran, as well as its domestic efforts to support the aircraft, which is still operational.

[https://www.youtube.com/watch?v=WNP\\_ifehr9E](https://www.youtube.com/watch?v=WNP_ifehr9E)

### **DISCLOSED DOCUMENTS: CAN THEY BE USED OUTSIDE THE LITIGATION ITSELF?**

On 13 March, Parris Whittaker in the Caribbean posed this question in an article, saying that recent cases clarify the general principle that a party is barred from using information or documents recovered within those proceedings for other purposes – or risk sanctions. However, it does detail the exceptions to this principle, such as if the document has been read to or by the court, or referred to, in open court and thus in the public domain and no longer confidential.

<https://parriswhittaker.com/news/disclosed-documents-can-they-be-used-outside-the-litigation-itself/>

### **THE “CAR WASH” IS NO MORE BUT ENFORCEMENT CONTINUES OUTSIDE OF BRAZIL’S BORDERS**

On 13 March, an article from Cadwalader Wickersham & Taft LLP says that a recent spate of cases on both sides of the Atlantic in 2023 show that criminal enforcement and asset recovery proceedings stemming from the iconic Brazilian anti-corruption investigation, Operation “Car Wash” (*Lava Jato*), are ongoing outside of Brazil’s borders.

<http://www.cadwalader.com/resources/clients-friends-memos/car-wash-is-no-more-but-enforcement-continues-outside-of-brazils-borders>

### **UK: ARE YOU READY FOR THE ECONOMIC CRIME LEVY?**

On 14 March, RPC asked this question of firms in the UK, explaining that the levy is an annual fixed charge payable by 30 September by AML-regulated entities with annual UK revenue in excess of £10.2 million. It applies to individuals, partnerships as well as companies. and will be collected by the 3 statutory supervisors: HMRC, FCA and the Gambling Commission.

<https://www.rpc.co.uk/perspectives/tax-take/are-you-ready-for-the-economic-crime-levy/>

### **UK: THE LAW COMMISSION REPORT ON CONFISCATION OF THE PROCEEDS OF CRIME AFTER CONVICTION**

On 13 March, Edmonds Marshall McMahon published an article concerning the Law Commission Report published last year which aims to “*simplify, clarify and modernise the law on confiscation by considering amendments to the current legislative regime and recommendations for the creation of a new confiscation regime through legislation*”. One such aspect of the report is the calculation of benefit, and a draft Bill based on the report is due to be published this year. The firm says that the

Law Commission's recommendations do not just seek to improve fairness for the defendant, but a revised definition of benefit is also an attempt to simplify the legislation and provide clarity in law.

<https://www.emmlegal.com/publications/looking-at-benefit-the-proceeds-of-crime-act-and-the-law-commissions-report-on-confiscation-of-the-proceeds-of-crime-after-conviction/>

### **CHINESE AEROSPACE INSTITUTE ADDED TO US EXPORT CONTROL LIST AFTER YEARS OF ACQUIRING WESTERN TECHNOLOGY**

On 14 March, Kharon reported that the US had announced restrictions on the export of certain technologies to the Ningbo Institute of Technology, a military aerospace research institute in China, an affiliate of a Chinese defence technology research university that had already been subject to US export controls.

<https://brief.kharon.com/updates/chinese-aerospace-institute-added-to-entity-list-after-years-of-acquiring-western-technology/>

### **UK APPROVES INCREASED SUBMARINE-RELATED EXPORTS TO TAIWAN**

On 14 March, Reuters reported that the UK had approved a sharp increase in exports of submarine parts and technology last year to Taiwan as it upgrades its naval forces, a move that could impact ties with China. The value of export licences granted to companies for the export of submarine-related components and technology to Taiwan totalled a record £167 million during the first 9 months of last year - more than the previous 6 years combined.

<https://www.reuters.com/world/uk/uk-approves-increased-submarine-related-exports-taiwan-risking-angering-china-2023-03-13/>

### **RUSSIANS USE TETHER TO SEND MONEY TO THE WEST, EVADING SANCTIONS AND KYC**

On 15 March, Coindesk reported that the Russian branch of Transparency International had found at least 8 over-the-counter (OTC) brokers in Moscow that can sell you tens of thousands dollars in stablecoins for cash and then exchange it in the U.K for pounds sterling – all for cash and without know-your-customer (KYC) paperwork.

<https://www.coindesk.com/consensus-magazine/2023/03/15/ukraine-russia-sanctions-tether/>

### **US COMPANY ACCUSED OF DOING BUSINESS WITH RUSSIAN ARMS INDUSTRY**

On 14 March, PBS carried a report about Haas Automation, a high-tech US manufacturer that may be flouting export controls. PBS says that a Russian defence concern which produces guidance

systems for anti-aircraft weapons used by the Russian military makes them using equipment made by California-based industrial manufacturing giant, Haas Automation.

<https://www.pbs.org/newshour/show/american-company-accused-of-violating-sanctions-doing-business-with-russian-arms-industry>

#### **HONG KONG: FAQ IN RELATION TO AML/CFT**

On 15 March, Deacons published an article about the FAQ that have been developed by the Hong Kong Association of Banks with input from the Hong Kong Monetary Authority.

<https://www.deacons.com/2023/03/15/hkma-frequently-asked-questions-in-relation-to-anti-money-laundering-and-counter-financing-of-terrorism/>

#### **LEBANESE CENTRAL BANK GOVERNOR CHARGED WITH MONEY LAUNDERING, BRIBERY, AND FORGERY**

On 15 March, MENA FN reported that Central Bank Governor of Lebanon, Riad Salameh, has been charged with several criminal offences, including money laundering, bribery, forgery illicit enrichment and tax evasion. His assets have been frozen, and his properties have been seized. Despite the charges against him, Mr. Salameh will remain in his role as central bank governor until May. He has maintained his innocence throughout the investigation. His brother Raja and assistant Marianne Hoayek also face charges.

<https://menafn.com/1105784548/Lebanese-Central-Bank-Governor-Charged-with-Money-Laundering-Bribery-and-Forgery>

#### **EU REMOVES 2 NAMES FROM IRAQ SANCTIONS LIST**

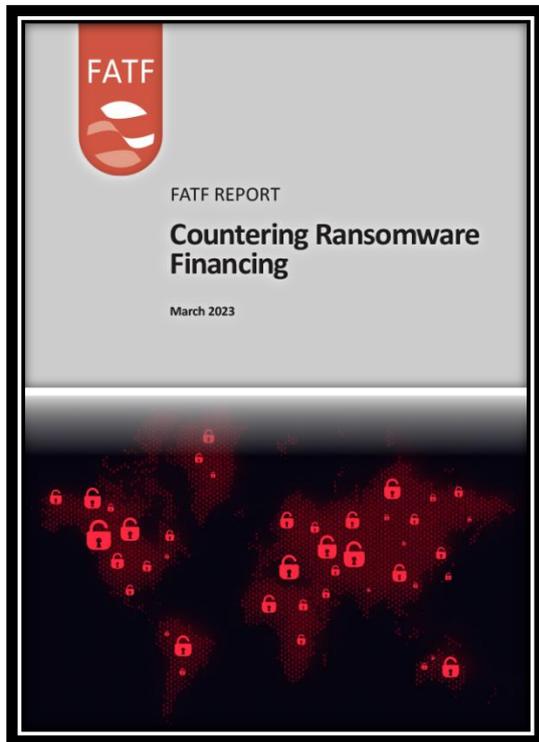
EU Regulation 2023/580/EU has removed 2 names from its sanctions list, following their removal from the UN list.

[https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L\\_.2023.076.01.0003.01.ENG&toc=OJ%3AL%3A2023%3A076%3ATOOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2023.076.01.0003.01.ENG&toc=OJ%3AL%3A2023%3A076%3ATOOC)

#### **FATF: COUNTERING RANSOMWARE FINANCING**

On 14 March, FATF published this report which analyses the methods that criminals use to carry out their ransomware attacks and how payments are made and laundered. The report proposes actions that countries can take to disrupt ransomware-related money laundering more effectively. FATF has

also finalised a list of potential risk indicators that can help public and private sector entities identify suspicious activities related to ransomware.



<https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Countering-Ransomware-Financing.pdf.coredownload.pdf>

### **FEDERAL INVESTIGATORS EXAMINED TRUMP MEDIA FOR POSSIBLE MONEY LAUNDERING**

On 15 March, the Guardian reported claims that federal prosecutors in New York involved in the criminal investigation into Trump's social media company last year started examining whether it violated money laundering statutes in connection with the acceptance of \$8 million with suspected Russian ties. The company involved is Trump Media, which owns Trump's Truth Social platform.

<https://www.theguardian.com/us-news/2023/mar/15/trump-media-investigated-possible-money-laundering>

### **THIRD-PARTY DUE DILIGENCE AND PROCUREMENT RISKS IN CONSTRUCTION**

On 15 March, Control Risks published an article saying that throughout the lifespan of a construction or infrastructure project, practices undertaken by contractors can place unnecessary reputational or financial risk on the owner or developer. The focus of the article is on due diligence and procurement review because both occur during the procurement phase of the project.

<https://www.controlrisks.com/our-thinking/insights/strategies-to-mitigate-procurement-risks-in-construction>

### **BIDEN PROPOSES ALMOST \$500 MILLION TO COMBAT FINANCIAL CRIME IN THE US**

On 14 March, OCCRP reported that, as part of the 2024 budget proposals, roughly half a billion dollars is set to be dedicated towards deterring criminal actors from laundering their ill-gotten gains through the US financial system. FinCEN is set to receive \$229 million,

<https://www.occrp.org/en/daily/17414-biden-proposes-almost-500-bn-to-combat-financial-crime-in-u-s>

### **UK: INDUSTRY GROUP FAILS TO AGREE ON REGULATION OF E-SIGNATURES**

On 15 March, Legal Futures reported that a government-backed industry working group has failed to agree in its final report on electronic signatures how, or whether, e-signature platforms should be regulated. However, it other issues and called on the Law Commission to consider reform of the law on deeds and statutory declarations to encourage use of e-signatures.

<https://www.legalfutures.co.uk/latest-news/industry-group-fails-to-agree-on-regulation-of-e-signatures>

### **HARMONISING CERTAIN ASPECTS OF INSOLVENCY LAW IN THE EU**

On 14 March, the EU Parliament Research Service published a briefing, saying that in December, the EU Commission tabled a proposal for a Directive aimed at enhancing and harmonising insolvency law in the EU. The proposal seeks to make it easier to recover assets from the liquidated insolvency estate; render insolvency proceedings more efficient; and ensure a predictable and fair distribution of recovered value among creditors.

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/745671/EPRS\\_BRI\(2023\)745671\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/745671/EPRS_BRI(2023)745671_EN.pdf)

### **HOW 1 YEAR OF RUSSIAN SANCTIONS HAVE SHAPED THE ART MARKET**

On 13 March, the Art Newspaper reflected on the effect on the art market of a year of Russian sanctions. It argues that, bit by bit, it seems that, in fact, the art market is indeed becoming more regulated.

<https://www.theartnewspaper.com/2023/03/13/how-one-year-of-russian-sanctions-have-shaped-the-art-market>

### **NIGERIA: \$11 BILLION TRIAL ENDS IN LONDON WITH ACCUSATIONS OF MASSIVE BRIBES**

On 13 March, This Day in Nigeria reported on allegations of 6-figure bribes, shady middlemen and fabricated evidence featured in the \$11 billion trial between Nigeria and a small company called

Process & Industrial Development Ltd, which has now ended in London. Nigeria wants the UK High Court to strike down the massive arbitration award in favour of hedge fund-backed firm .

<https://www.thisdaylive.com/index.php/2023/03/14/nigerias-11bn-trial-ends-in-london-with-accusations-of-massive-bribes/>

### **THE “SPIES” STALKING BRITISH JUSTICE**

On 11 March, the Bureau on Investigative Journalism published a report about intrusive surveillance tactics which are increasingly part of multimillion-pound battles in the High Court – often referred to as “lawfare” – in which warring wealthy litigants hire investigators. It says that those involved are often former spies, servicemen or police officers trained at taxpayers’ expense in covert operations by the British state. After switching to the private sector, they cash in on these skills by using them to defend autocratic states, oligarchs and wealthy businesses. The report reveals how unregulated private investigators spy on and follow opponents; attach covert trackers to cars; hold fake job interviews; steal private documents from bins; pose as the target’s family members; and pay witnesses who give evidence used in court. It raises concerns about the way overstretched law enforcement agencies such as the SFO can be outgunned by the power of a multibillion-pound business with bottomless pockets.

<https://www.thebureauinvestigates.com/stories/2023-03-11/the-spies-stalking-british-justice>

### **DEALERS SAY THEY’RE STRUGGLING TO SELL LOOTED ARTEFACTS FROM AFRICA**

On 13 March, an article from Vice is about how a new ethical climate has had huge ramifications on the legal private market.

<https://www.vice.com/en/article/k7ze5n/looted-artefacts-benin-bronzes>

### **NORTH KOREAN LABOURERS IN CHINA ARE STILL MAKING CLOTHING FOR SOUTH KOREAN AND US BRANDS**

On 15 March, Daily NK reported that North Korean labourers dispatched to China are still making clothing for South Korean and US brands, saying that it recently obtained photos of clothing produced by North Korean workers at a factory in China. The photos captured dozens of windbreakers, casual dress jackets and pairs of pants made by North Korean workers, including items sporting famous US brands.

<https://www.dailynk.com/english/north-korean-laborers-china-still-making-clothing-south-korean-us-brands/>

## **OFAC TARGETS THOSE IN BOSNIA AND HERZEGOVINA UNDERMINING STABILITY AND PERPETUATING CORRUPTION**

On 15 March, OFAC designated 3 individuals in Bosnia and Herzegovina (BiH). These designations build on other recent OFAC sanctions in the region and, collectively underscore the US willingness to hold accountable those who are undermining democratic institutions and furthering their agendas for political and personal gain, at the expense of peace, stability, and progress in the Western Balkans. Those named are said to have been designated for perpetuating corruption by misusing state resources for party gain, obstructing or threatening the implementation of the Dayton Peace Agreement, or for being a significant Balkans narcotics trafficker contributing to the proliferation of illicit drugs.

<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20230315>

<https://home.treasury.gov/news/press-releases/jy1344>

## **PODCAST: WHAT SPYWARE MEANS FOR JOURNALISTS AND CIVIL SOCIETY**

The latest TRACE podcast is the second episode in a 2-part discussion of the compliance and human rights implications of spyware. After hearing from Chaim Gelfand at NSO Group last week, TRACE asked Khadija Ismayilova, an investigative journalist in Azerbaijan who is alleged to have been monitored for 4 years by spyware installed on her phone, to speak to the privacy and human rights issues. (The first half of the conversation has some IT issues, but it clears up in the second half).

<https://www.traceinternational.org/resources-podcast>

## **DUMMY IMPLANT FRAUD: FLORIDA COMPANY AND ITS CEO ALLEGEDLY DUPED DOCTORS INTO IMPLANTING USELESS PIECES OF PLASTIC INTO CHRONIC PAIN PATIENTS**

On 14 March, ICIJ reported on the case of Stimwave, which is said to have sold useless pieces of plastic that were implanted into chronic pain patients in the guise of electronic receivers.

<https://www.icij.org/investigations/implant-files/medical-device-company-chief-arrested-over-dummy-implant-scam>

## **SHOULD YOU TRY TO REMOVE AN INTERPOL RED NOTICE YOURSELF?**

On 15 March, a video and short article from Estlund Law addressed this question, saying that the answer depends on what the evidence is, where it is, who has it, whether or not it's relevant to your arguments and whether or not it's reliable.

<https://www.jdsupra.com/legalnews/should-you-try-to-remove-an-interpol-red-95523/>



## EU's ban on diesel fuel from Russia **SHIFTS TRADE PATTERNS**

On June 3, 2022, the European Union adopted a sixth package of sanctions that banned imports of seaborne crude oil from Russia into EU member nations (effective Dec. 5) and banned seaborne imports of petroleum products from the country, including diesel fuel (effective Feb. 5, 2023).

**PRIOR TO THE SANCTIONS:**

Diesel imports from Russia made up **53%** of Northwest Europe's seaborne imports.

**ONCE THE SANCTIONS TOOK EFFECT:**

diesel imports fell to **2%.**

Although petroleum product imports from Russia have declined,



imports from other areas, notably the Middle East and Asia, have increased.

**SAUDI ARABIA**

**PRIOR TO THE SANCTIONS:**  
October 2021 and September 2022

**68,000**  
barrels per day



**202,000**  
barrels per day in February 2023

**INDIA**

**PRIOR TO THE SANCTIONS:**  
October 2021 and September 2022

**110,000**  
barrels per day



**161,000**  
barrels per day in February 2023

**Diesel imports from China and South Korea, which have not been consistent exporters of the fuel to Europe, have likewise increased.**

**CHINA**

**119,000**  
barrels per day in February 2023

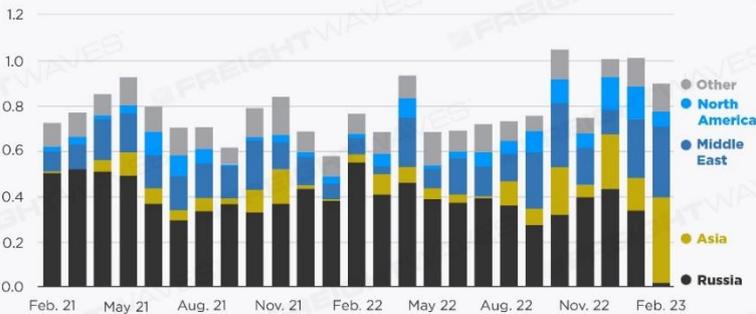


**SOUTH KOREA**

**45,000**  
barrels per day in February 2023



**Monthly diesel imports into Northwest Europe, by region of origin** (February 2021 - February 2023)  
million barrels per day



Data source: EIA.gov, Vortexa Analytics, March 1, 2023

### **WHY DOES THE GLOBAL SPYWARE INDUSTRY CONTINUE TO THRIVE?**

A Paper from the Carnegie Center on 14 March posed this question, explores the resilience of the commercial spyware market and offers ideas about how to limit the spread of invasive cyber surveillance tools. It highlights several factors driving the industry, including elevated demand for intrusion technology from government clients and private customers, as well as inconsistent political will from democratic governments to crack down on these technologies. It is claimed that between 2011 and 2023, at least 74 governments contracted with commercial firms to obtain spyware or digital forensics technology; 44 of these were classified as closed autocracies or electoral autocracies. Israel is the leading exporter of spyware and digital forensics tools. The Paper argues that, as a leading exporter of spyware, Israel has not sufficiently prioritised human rights considerations in its export licensing regime; and hence the US and other democracies should continue to use economic and diplomatic leverage to pressure Israel to restrict commercial spyware transactions to human rights-abusing countries.

[https://carnegieendowment.org/files/Feldstein\\_Global\\_Spyware.pdf](https://carnegieendowment.org/files/Feldstein_Global_Spyware.pdf)

### **NEW STUDY: TO REALLY REIN IN PUTIN'S ALLIES' WEALTH, GOVERNMENTS SHOULD TARGET THEIR FINANCIAL ENABLERS**

On 14 March, ICIJ reported on a new study, published in PNAS Nexus, that says that targeting the lawyers, bankers, accountants and other financial experts who manage oligarchs' offshore wealth would be more effective than imposing sanctions on individuals close to the Kremlin.

<https://www.icij.org/investigations/russia-archive/analysis-of-icij-data-shows-how-to-stop-russian-oligarchs-in-their-tracks>

<https://academic.oup.com/pnasnexus/article/2/3/pgad051/7059318?login=false>

### **GUO WENGUI - CHINESE BUSINESS TYCOON AND BANNON ALLY - ARRESTED IN \$1 BILLION FRAUD CONSPIRACY CASE**

On 15 March, the Guardian reported that Guo Wengui, a self-exiled Chinese tycoon with close links to prominent Trumpist Republicans, has been indicted on 12 counts relating to an alleged \$1 billion fraud. Kin Ming Je, a Hong Kong and UK dual citizen also known as William Je and described as Guo's financier, was also named in the charges and faced a further count of obstruction of justice.

<https://www.theguardian.com/world/2023/mar/15/ho-wan-kwok-arrest-fraud-conspiracy-steve-bannon>



# Who Is Delivering Tanks to Ukraine?

Number of tanks confirmed for initial delivery to Ukraine (by end of March or already delivered)



Spain wants to deliver at least six tanks this spring.  
\* 16 more could be delivered at the end of April.  
Sources: Defense Express Ukraine, media reports



## CJEU RULES THAT NATIONAL COURTS MUST CONSIDER THE INTERESTS OF INDIVIDUALS WHEN ORDERING DATA DISCLOSURE IN CIVIL LITIGATION

On 15 March, Allen & Overy published an article saying that the Court of Justice of the European Union had published a decision on 2 March, in which it held that the GDPR applies, in civil court proceedings, to the production as evidence of the staff register containing personal data of third parties collected primarily for the purposes of tax inspection. For the purpose of the Swedish case, the CJEU said that, when assessing whether the production of a document containing

personal data must be ordered, a national court must consider the interests of the data subjects concerned and balance them according to the circumstances of each case, the type of proceeding at issue and taking into account the GDPR principles of proportionality and data minimisation .

<https://www.jdsupra.com/legalnews/cjeu-rules-that-national-courts-must-2297082/>

### **TAKEDOWN OF DARKNET CRYPTOCURRENCY MIXER THAT PROCESSED OVER \$3 BILLION OF UNLAWFUL TRANSACTIONS**

On 15 March, a release on Mondo Visione advised that the DoJ had announced a coordinated international takedown of ChipMixer, a darknet cryptocurrency “mixing” service responsible for laundering more than \$3 billion worth of cryptocurrency, between 2017 and the present, in furtherance of, among other activities, ransomware, darknet market, fraud, cryptocurrency heists and other hacking schemes. Minh Quốc Nguyễn, 49, of Hanoi, Vietnam, was charged in Philadelphia with money laundering, operating an unlicensed money transmitting business and identity theft, connected to the operation of ChipMixer.

<https://mondovisione.com/media-and-resources/news/us-justice-department-investigation-leads-to-takedown-of-darknet-cryptocurrency/>

### **FORMER MEXICAN GOVERNOR AND PRESIDENTIAL CANDIDATE SENTENCED FOR MONEY LAUNDERING**

On 15 March, a news release from US Attorney’s Office in the Southern District of Texas announced that the former governor of Tamaulipas, Mexico, has been sentenced to 9 years in prison for accepting over \$3.5 million in illegal bribe money and using it to fraudulently purchase property in the US. Tomas Yarrington Ruvalcaba, 66, was also a former candidate for President of Mexico.

<https://www.justice.gov/usao-sdtx/pr/former-mexican-governor-and-presidential-candidate-sentenced-money-laundering>

<https://www.fxempire.com/news/article/u-s-court-sentences-mexican-ex-governor-to-nine-years-for-money-laundering-1312413>

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

