

20 May 2023

US: ADDITIONAL SANCTIONS UNDER THE EXPORT ADMINISTRATION REGULATIONS (EAR) RE RUSSIA AND BELARUS

On 19 May, KPMG reported that the Bureau of Industry and Security (BIS) of the Department of Commerce had released for publication in the Federal Register a final rule implementing additional sanctions under the Export Administration Regulations (EAR) against Russia and Belarus.

<https://kpmg.com/us/en/home/insights/2023/05/tnf-us-final-rule-additional-sanctions-russia-belarus.html>

<https://public-inspection.federalregister.gov/2023-10774.pdf>

US: ADDITIONS TO EXPORT ADMINISTRATION REGULATIONS (EAR) ENTITY LIST

On 19 May, KPMG reported that the Bureau of Industry and Security (BIS) of the Commerce Department had released a final rule amending the Export Administration Regulations (EAR) and adding 71 entities to the entity list. These entities are thus subject to additional control and licensing restrictions.

<https://kpmg.com/us/en/home/insights/2023/05/tnf-us-additions-ear-entity-list.html>

<https://public-inspection.federalregister.gov/2023-10684.pdf>

THE LATEST THOUGHTLEADERS4 FIRE MAGAZINE (ISSUE 13) SELECTION OF ARTICLES

The latest edition of this regular online magazine contains a number of useful and/or interesting articles, including the following -

- Consequences of the war in Ukraine on Russia-focused investigative research;
- A trustee's right to view privileged material: a long-awaited decision on the principles;
- The *Duomatic* principle: the limits of directors to bind companies;
- Recovery of default interest on a foreign judgment in England & Wales; and
- A whistlestop guide to litigating against persons unknown in the context of ransomware and cyber fraud.

[https://thoughtleaders4.com/images/uploads/news/TL4 FIRE Magazine Issue 13 -
_FIRE International.pdf](https://thoughtleaders4.com/images/uploads/news/TL4_FIRE_Magazine_Issue_13_-_FIRE_International.pdf)

NEW ZEALAND: WHAT EXPORTS ARE CONTROLLED?

The New Zealand Ministry of Foreign Affairs and Trade has produced a guide explaining that exports of items on the New Zealand Strategic Goods List, and exports subject to catch-all provisions are controlled. Imports and exports of certain chemicals are also controlled. Goods in transit/transshipment are also controlled when re-exported. The goods on the New Zealand List are derived from the control lists produced by the 4 export control regimes New Zealand belongs to.

<https://www.mfat.govt.nz/en/trade/export-controls/which-exports-are-controlled/>

SINGAPORE: STRATEGIC CONTROL GOODS LIST

Singapore Customs has produced a guide to the goods and technology that meet the technical specifications described in the Strategic Goods Control List and which are subject to controls under the Strategic Goods (Control) Act (SGCA). The List includes items from the 4 multilateral export control regimes – Australia Group, Missile Technology Control Regime, Nuclear Suppliers Group and Wassenaar Arrangement.

<https://www.customs.gov.sg/businesses/strategic-goods-control/strategic-goods-control-list/>

CZECH-BASED COMPANY BECOMES TARGET OF NEW US ANTI-RUSSIAN SANCTIONS

On 20 May, Brno Daily reported that the Versvet company is among the targets of a new package of anti-Russian sanctions issued by the US, as it is said to have helped a Russian company, Radioavtomatika, circumvent trade restrictions. However, the Czech Finance Ministry had said that it can only enforce sanctions appearing on the lists of the EU, the UN, and the Czech Republic's own national list of sanctions.

<https://brnodaily.com/2023/05/20/news/business/czech-based-company-becomes-target-of-new-us-anti-russian-sanctions/>

US LIFTS SANCTIONS AGAINST RUSSIAN TECH TYCOON ANATOLY KARACHINSKY

On 20 May, Refrl reported that OFAC announced on 19 May that it had removed tycoon Anatoly Karachinsky, co-founder of the IBS technology group, from its sanctions list. No explanation was given.

<https://www.rferl.org/a/russia-sanctions-lifted-tycoon-karachinsky/32420121.html>

PHILIPPINES: WHAT DOES NEW GUIDANCE ON EFFECTIVE AML/CFT SYSTEMS MEAN FOR REGULATED FIRMS?

On 20 May, Comply Advantage published an article posing this question. It says that the new guidance is a comprehensive look at the capabilities required in a transaction monitoring solution and how to effectively implement the solution.

<https://complyadvantage.com/insights/what-does-the-philippines-new-guidance-on-effective-aml-ctf-transaction-monitoring-systems-mean-for-regulated-firms/>

<https://www.bsp.gov.ph/Regulations/Issuances/2023/M-2023-013.pdf>

US: PROSECUTORS SEEK PASSPORT OF OVERSEAS NAVY OFFICER CHARGED IN AFGHAN VISA SCHEME

On 19 May, Stars & Stripes reported that the DoJ is seeking the passport of a US Navy Reserve officer awaiting trial on bribery, money laundering and other federal charges related to allegations he wrote fake recommendation letters for Afghan nationals seeking to live in America. He was accused in March 2022 of receiving thousands of dollars for writing fraudulent recommendation letters vouching for Afghan citizens seeking a Special Immigrant Visa through the State Department.

<https://www.stripes.com/branches/navy/2023-05-19/navy-afghanistan-bribery-visas-taliban-10167922.html>

FLEETWOOD TOWN FC CHAIRMAN FACES PRISON AFTER BEING FOUND GUILTY OF FRAUD

On 20 May, Lancs Live reported that football boss Andy Pilley faces significant time behind bars after being found guilty of fraud charges placed against him. The case involved fraudulent mis-selling of energy contracts by and on behalf of businesses based in Fleetwood and Blackpool, and the victims were small business owners from all around the country, such as small shops, pubs, cafes and hairdressers.

<https://www.thebusinessdesk.com/northwest/news/2114944-lancashire-energy-company-owner-found-guilty-of-fraud-charges>

<https://www.lancs.live/sport/football/football-news/fleetwood-town-chairman-andy-pilley-26955377>

UK: HOW A 35-YEAR-OLD BEHIND 10 MILLION SCAM CALLS MADE HIS FORTUNE

On 20 May, the Telegraph ran an article about Tejay Fletcher, a “bright young man” living in a lush flat in London who has been unmasked as the mastermind behind so many scam calls. Fletcher, 35,

ran the website iSpooF.cc, and has been jailed for 13 years and 4 months following his arrest in 2019 in what was the biggest anti-fraud operation mounted in the UK.

<https://www.telegraph.co.uk/money/consumer-affairs/weed-smoker-10-million-scam-calls-fortune-tejay-fletcher/>

HOW MYANMAR'S ARMS PURCHASES CIRCUMVENT SANCTIONS

On 20 May, an OpEd piece from Eurasia Review said that the regime is being sustained by nearly a billion dollars' worth of arms — plus raw materials to manufacture weapons — originating primarily from China and Russia, 2 permanent members of the UN Security Council, along with Singapore, Thailand and India. A UN report says that those providing these weapons are able to avoid sanctions by using front companies and creating new ones while counting on lax enforcement.

<https://www.eurasiareview.com/20052023-how-myanmars-arms-purchases-circumvent-sanctions-oped/>

The UN report is –

THE BILLION DOLLAR DEATH TRADE: THE INTERNATIONAL ARMS NETWORKS THAT ENABLE HUMAN RIGHTS VIOLATIONS IN MYANMAR

Published on 17 May, this report is from the Special Rapporteur on the situation of human rights in Myanmar.

<https://www.ohchr.org/sites/default/files/documents/countries/myanmar/crp-sr-myanmar-2023-05-17.pdf>

SAVING THE WTO FROM THE NATIONAL SECURITY EXCEPTION

A Working Paper from the Peterson Institute for International Economics is concerned with the dispute in the WTO over whether claims of national security to legitimise trade measures are reviewable by the WTO. The Paper says that the US is unlikely to accept a return to fully effective WTO dispute settlement without a compromise that finds determinations of national security outside the scope of WTO decisions. The Paper offers a compromise.

<https://www.piie.com/sites/default/files/2023-05/wp23-2.pdf>

THE IRS FLAGGED MORE THAN 1 MILLION TAX RETURNS FOR IDENTITY FRAUD IN 2023

On 17 May, CNBC reported that identity theft has been a growing problem, and the IRS has stepped up its security measures. Tax-related identity theft occurs when criminals use a taxpayer's personal information to file a return in their name to claim their federal tax refund. As of 2 March, it is said that the IRS identified 1.1 million returns as potentially fraudulent, with associated refunds worth

about \$6.3 billion. The IRS had confirmed 12,617 of the tax returns were fraudulent, up from 9,626 tax returns at the same time in 2022.

<https://www.cnn.com/2023/05/17/irs-flagged-more-than-1-million-tax-returns-for-identity-fraud-in-2023.html>

US: BIS FINES MANUFACTURER FOR ANTI-BOYCOTT VIOLATIONS

On 19 May, Export Compliance daily reported that the Bureau of Industry and Security had fined a UAE company \$283,500 for failing to report boycott requests in violation of BIS' anti-boycott regulations. Dubai-based Regal Beloit FZE, a subsidiary of US manufacturer Regal Beloit America, failed to report 84 requests from a Saudi Arabian customer to stop importing Israeli goods.

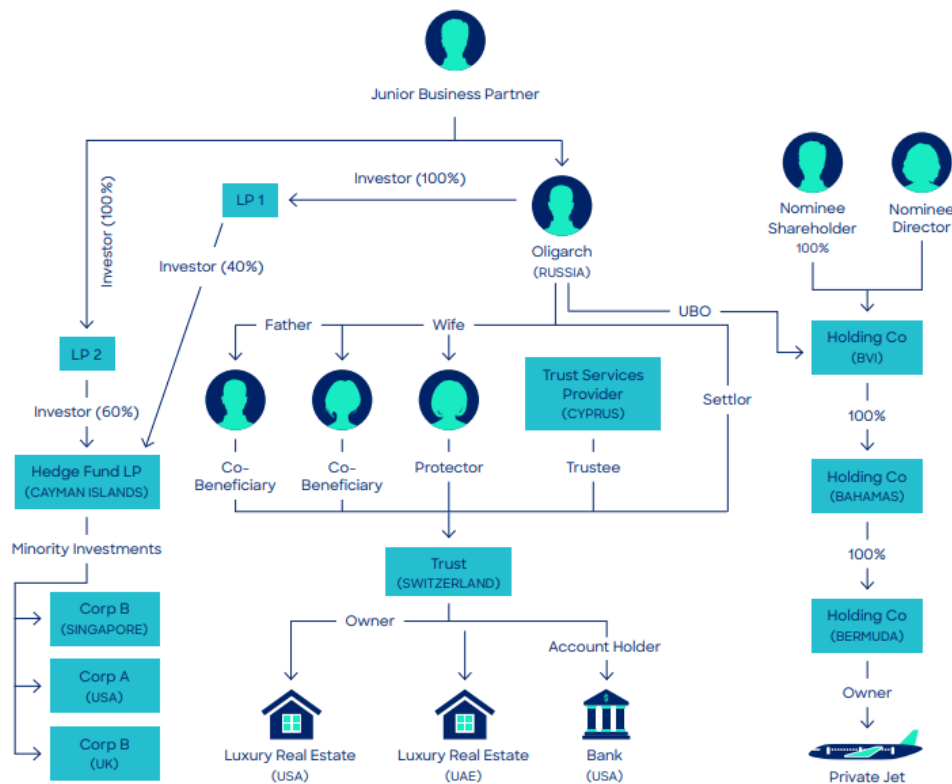
<https://exportcompliancedaily.com/article/2023/05/19/bis-fines-manufacturer-for-antiboycott-violations-2305180054>

<https://www.trade.gov/antiboycott-compliance>

UKRAINE SANCTIONS: RESOURCES FOR COMPLIANCE PROFESSIONALS

ACAMS offers online a set of resources, including a set of infographics – such as this example –

Financial Sanctions Evasion by Oligarchs, Other Elites and Proxies*



* This is a fictional example. The jurisdictions mentioned in the above graph have been previously identified by western regulatory agencies as having been involved in fund and asset transfers on behalf and for the benefit of Russia's political and economic elites.

<https://www.acams.org/en/ukraine-crisis-rapid-response-resources>

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

