

**17 May 2023**

## **US: ORDER RENEWING TEMPORARY DENIAL OF EXPORT PRIVILEGES OF RUSSIAN AIRLINE FOR A SECOND TIME**

On 16 May, KPMG reported that the Department of Commerce had renewed the order against Rossiya Airlines, originally issued in May 2022.

<https://kpmg.com/us/en/home/insights/2023/05/tnf-us-order-renewing-tdo-russian-airline.html>

## **ISLE OF MAN: SANCTIONS CHANGES – NEW GENERAL LICENCE AND RUSSIA, SYRIA AND GLOBAL CORRUPTION AMENDMENTS**

On 17 May, a series of news releases advised that –

A new General Licence allowing payments to Companies Registry for the purposes of meeting statutory duties on behalf of designated entity, and a relevant institution (e.g. a bank), can carry out any activity reasonably necessary to effect this;

The Global Corruption entry for Zvonko VESELINOVIC has been amended;

The Russia sanctions entry for Roman Nikolaevich LEPA has been amended; and

The Syria sanctions entry for DAMASCUS CHAM HOLDING has been amended.

<https://www.gov.im/news/2023/may/16/financial-sanctions-syria/>

<https://www.gov.im/news/2023/may/16/financial-sanctions-russia/>

<https://www.gov.im/news/2023/may/16/financial-sanctions-global-anti-corruption/>

<https://www.gov.im/news/2023/may/16/financial-sanctions-russia-general-licence/>

## **NEW GUIDANCE AND FAQ FOR PRIVATE TRUST COMPANIES AND TRUSTEES IN RELATION TO THE UPDATED SCOPE OF THE PROCEEDS OF CRIME (JERSEY) LAW 1991**

On 15 May, an article from Walkers says that the new guidance is largely in line with the Guidelines on Interpretation issued by the Jersey FSC in January, but with a few points to note.

<https://insights.walkersglobal.com/post/102ieqh/ptcs-and-the-proceeds-of-crime-jersey-law-1999-new-guidance-from-the-jfsc>

## **AN OVERVIEW OF THE AML/CFT FRAMEWORK IN GUERNSEY**

On 15 May, an article from Mourant provided a summary and general overview of the Guernsey law on AML/CFT.

<https://www.mourant.com/news-and-views/updates/updates-2023/guernsey-aml.aspx>

## **RECENT DEVELOPMENTS IN THE LAW OF PRIVILEGE**

On 16 May, an article from Freshfields Bruckhaus Deringer provided a summary of recent developments in English law.

<https://riskandcompliance.freshfields.com/post/102ieuh/mind-your-privilege-recent-developments-in-the-law-of-privilege>

## **ART ADVISOR ACCUSED OF RUNNING A PONZI SCHEME**

On 17 May, a post on the Art Law & More blog from Boodle Hatfield said that well-known New York based art advisor, Lisa Schiff, has had a complaint filed against her by 2 former clients and friends, accusing her of owing them each \$900,000 and of running a Ponzi scheme.

<https://artlawandmore.com/2023/05/17/art-advisor-accused-of-running-a-ponzi-scheme/>

## **FORMER APPLE ENGINEER INDICTED IN CRACKDOWN ON FLOW OF RESTRICTED TECH TO CHINA AND RUSSIA**

On 16 May, the Wall Street Journal reported that Weibao Wang, 35, a software engineer at Apple from 2016 to 2018, is alleged to have tried to steal the company's self-driving technology. The action is one of a series aimed at dismantling what US authorities say are illicit networks providing Russia and China with access to trade secrets and restricted items such as aircraft parts and battlefield equipment.

<https://www.wsj.com/articles/ex-apple-engineer-indicted-in-crackdown-on-flow-of-restricted-tech-to-china-russia-e1fd8cfa>

<https://www.jurist.org/news/2023/05/doj-announces-five-criminal-cases-over-china-and-russia-led-efforts-to-steal-us-technologies/>

## **HOW THE EU CAN SHAPE THE NEW ERA OF STRATEGIC EXPORT RESTRICTIONS**

On 17 May, the European Council on Foreign Relations published a paper which argues that the EU must develop a new strategic technology doctrine and upgrade its export control policy; and that a more coherent stance will enable the EU both to act where necessary but also to defend itself and its member states from future pressure from China – and the US.

<https://ecfr.eu/wp-content/uploads/2023/05/The-Power-of-Control-How-the-EU-can-shape-the-new-era-of-strategic-export-restrictions.pdf>

## EU ADDS NIGERIA AND SOUTH AFRICA TO ITS AML/CFT HIGH-RISK LIST AND DELETES MOROCCO AND CAMBODIA

On 17 May, the Sofia Globe reported that the European Commission had said that it had updated the list of high-risk third country jurisdictions presenting strategic deficiencies in their AML/CFT regimes, adding South Africa and Nigeria to the list.

2 jurisdictions were de-listed: Cambodia and Morocco.

<https://sofiaglobe.com/2023/05/17/anti-money-laundering-ec-adds-south-africa-nigeria-to-list-of-high-risk-third-country-jurisdictions/>

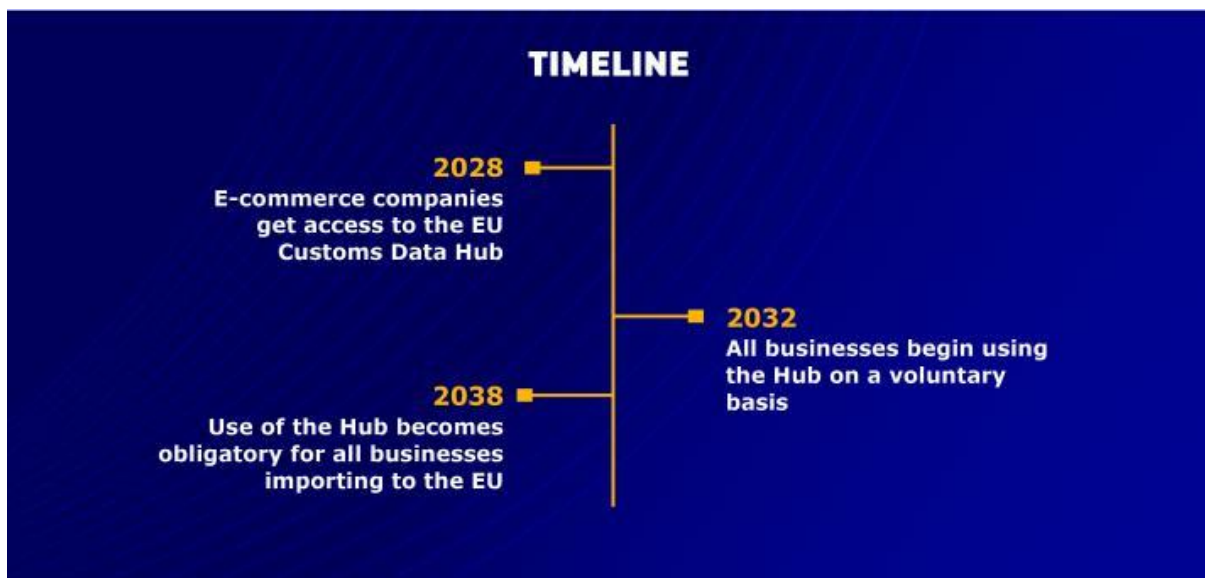
## EU CUSTOMS REFORM PROPOSALS

On 17 May, the EU Commission put forward proposals for the most ambitious and comprehensive reform of the EU Customs Union since its establishment in 1968. A new EU Customs Authority will oversee an EU Customs Data Hub which will act as the engine of the new system. Over time, the Data Hub will replace the existing customs IT infrastructure in EU Member States. The legislative proposals will now be sent to the European Parliament and the Council of the European Union for agreement, and to the European Economic and Social Committee for consultation.

[https://taxation-customs.ec.europa.eu/customs-4/eu-customs-reform\\_en](https://taxation-customs.ec.europa.eu/customs-4/eu-customs-reform_en)

<https://kpmg.com/us/en/home/insights/2023/05/tnf-proposed-reform-eu-customs-union.html>

<https://www.internationaltradeupdate.com/2023/05/17/eu-proposals-envisioning-most-ambitious-and-comprehensive-reform-of-eu-customs-union-since-1968-published/>





#### **UK: CYBER SECURITY PLAYBOOK LAUNCHED**

On 16 May, the Department for Science, Innovation and Technology published a new guide to help UK communities innovate and build 'smart cities' while keeping data safe from cyber threats. It offers practical and accessible support to improve the cyber security of their connected places, or 'smart cities', across the UK.

<https://www.gov.uk/government/news/secure-connected-places-cyber-security-playbook-launched>

#### **UK: 'VOLATILE' CRYPTOCURRENCY TRADING SHOULD BE REGULATED AS GAMBLING, SAYS TREASURY COMMITTEE**

On 17 May, The Independent reported that the House of Commons Treasury Committee has called for consumer trading in unbacked crypto assets to be treated in regulation as gambling.

<https://www.independent.co.uk/tech/cryptocurrency-trading-regulation-treasury-committees-b2340266.html>

<https://mondovisione.com/media-and-resources/news/uk-house-of-commons-treasury-select-committee-report-regulating-crypto-report/>

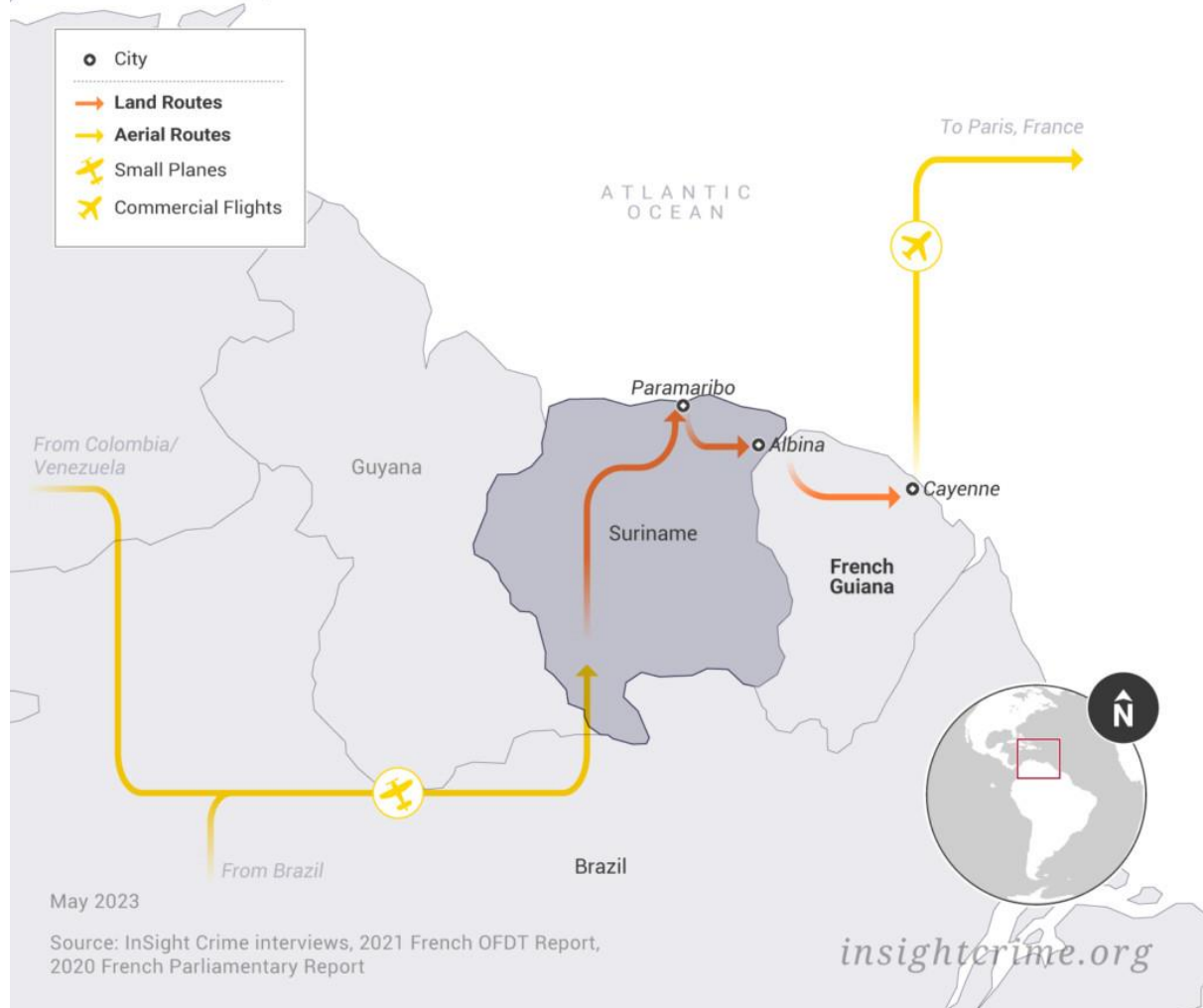
<https://mondovisione.com/media-and-resources/news/cryptouk-strongly-rejects-treasury-committees-crypto-gambling-claim-cryptou/>

#### **EUROPE'S WEAKEST BORDER? SMUGGLING BETWEEN SURINAME AND FRENCH GUIANA**

On 16 May, an article from Insight Crime says that cocaine trafficking into French Guiana has recently boomed. Overwhelmed, understaffed, and with corruption within their ranks, Surinamese

authorities struggle to combat all kinds of illicit trade across what is possibly Europe's weakest border.

## The Suriname – French Guiana Cocaine Air Route



<https://insightcrime.org/news/europes-weakest-border-smuggling-between-suriname-and-french-guiana/>

### MONEY LAUNDERING IN CRYPTO AND REAL ESTATE IN THE UAE

On 12 May, Finance Magnates published an article saying that payment agents and real estate brokers are cashing in on the unreported crypto funds of investors, and the UAE FIU are trying to locate these facilitators.

<https://www.financemagnates.com/cryptocurrency/house-of-cards-money-laundering-in-crypto-and-real-estate-in-the-uae/>

### **ECUADOREAN AUTHORITIES DETAIN FORMER ENERGY MINISTER IN BRIBERY PROBE**

On 15 May, yahoo News reported that Ecuadorean authorities have detained Xavier Vera, a former energy minister, amid an investigation into alleged bribery linked to state oil firm Petroecuador.

<https://news.yahoo.com/ecuadorean-authorities-detain-former-energy-185114806.html>

### **UK: FRAUD WARNING AS INSOLVENCY SURGE SEES MORE DIRECTORS INVESTIGATED FOR CORPORATE MISCONDUCT**

On 15 May, City AM reported that the Insolvency Service last year launched 36% more investigations into the alleged misconduct of directors of insolvent companies than the year before. In addition, the number of cases referred to the Insolvency Service compliance and targeting department, which investigates corporate abuse, more than doubled from an average of 528 per month to 1,077 in the same period.

<https://www.cityam.com/fraud-warning-as-insolvency-surge-sees-more-directors-investigated-for-corporate-misconduct/>

### **UK MEN OFFERED £10,000 TO POSE AS FATHERS IN VISA SCAM**

On 16 May, the BBC reported the outcome of an investigation, saying that British men are taking payments of thousands of pounds to pose as fathers for migrant women's babies. They are being offered up to £10,000 to add their names to birth certificates - enabling a child to get UK citizenship and giving mothers a residency route.

Scammers are using Facebook to tout for business and claim to have helped thousands of women in this way.

<https://www.bbc.com/news/uk-65556437>

### **AUSTRALIAN BANKS ANNOUNCE NEW ANTI-FRAUD PLATFORM TO HELP QUICKLY FREEZE SCAM PAYMENTS**

On 15 May, the Guardian reported that banks had announced a new platform to assist in freezing funds quickly.

<https://www.theguardian.com/australia-news/2023/may/16/australian-banks-announce-new-anti-fraud-platform-to-help-quickly-freeze-scam-payments>

## **TYCOON JAILED IN ANGOLA FAILS IN BID TO HAVE MONEY RELEASED FROM \$749 MILLION KEPT IN SINGAPORE ACCOUNT**

On 17 May, the Straits Times reported that Carlos Manuel De Sao Vicente had a Bank of Singapore account containing more than US\$558 million that was seized by the Commercial Affairs Department (CAD) in 2021. He has been sentenced to 9 years' jail in Angola for embezzlement, money laundering and tax fraud. He is the son-in-law of Angola's first President, Agostinho Neto.

<https://www.straitstimes.com/singapore/courts-crime/tycoon-jailed-in-angola-fails-in-bid-to-have-money-released-from-us558m-kept-in-s-pore-account>

## **THE VANUATU CITIZENSHIP PROGRAMME**

On 17 May, an article from the IFC Review considers this programme, opining that Vanuatu has found it impossible to diversify or to escape its tax haven past. It is trapped in a revolving door, and has staked almost everything on one product relationship.

<https://www.ifcreview.com/articles/2023/may/the-vanuatu-citizenship-programme/>

## **PODCAST: THE CURRENT STATE OF COMPLIANCE IN BATTERY METAL MINING**

In the latest TRACE podcast, journalist and author Nicolas Niarchos at the TRACE Forum discusses the current state of compliance in battery metal mining, political and regional challenges in the industry, and his forthcoming book on the topic.

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

## **OFAC: PUBLICATION OF SOUTH SUDAN SANCTIONS REGULATIONS**

On 17 May, OFAC advised that it had amended the South Sudan Sanctions Regulations and was reissuing them in their entirety.

<https://ofac.treasury.gov/recent-actions/20230517>

## **US: TEMPORARY DENIAL ORDER (TDO) SUSPENDING THE EXPORT PRIVILEGES OF CERTAIN PEOPLE AND ENTITIES FOR DIVERTING CIVILIAN AIRCRAFT PARTS TO RUSSIA**

On 17 May, the EU Sanctions blog reported that 2 Russian nationals, a Russian airline, a freight forwarder in the Maldives and a Florida company controlled by the Russians allegedly attempted to deceive US industry and government officials by claiming that the end-user for their purchases was in Turkey rather than Russia, and then attempted to illicitly tranship items through the Maldives.

<https://www.europeansanctions.com/2023/05/bis-issues-tdo-against-people-and-entities-for-diverting-civilian-aircraft-parts-to-russia/>

## **LOAD BOARD FRAUD IN ROAD HAULAGE**

On 16 May, Freight Waves reported on what it called the load board fraud crisis and the proliferation of double brokering. It says that there here are two major types of load board fraud - double brokering, and load phishing. It said that double brokering has been around for years, while load phishing is relatively new. It explained that load boards work more like Craigslist than Amazon in that the load board will list potential jobs for truckers, but the transaction is executed outside the load board platform, often through email or on the phone. In double-brokering, someone intervenes the transactions, taking payment for a freight movement, purporting to be a carrier while actually subcontracting the load to a carrier. Load phishing is where a fake carrier bids for a job, and then absconds with the load.

<https://www.freightwaves.com/news/its-time-for-massive-load-board-players-to-take-responsibility-for-fraud>

## **RETAINED EU LAW (REVOCATION AND REFORM) BILL – WHICH RETAINED EU EMPLOYMENT LAWS WILL MAKE THE LIST?**

On 17 May, an article from Field Fisher posed this question after the Business & Trade Secretary announced amendments to the "sunset clause" in the Retained EU Law (Revocation and Reform) Bill, which would have seen up to 4,000 EU-related regulations automatically scrapped by 31 December 2023. Instead, the Bill will now list about 600 EU retained laws, which will either be amended or revoked.

<https://www.fieldfisher.com/en/insights/retained-eu-law-revocation-and-reform-bill-which-retained-eu-employment-laws-will-make-the-list>

Proskauer has also produced an article on the same topic, and about a consultation that outlines a series of upcoming employment related regulatory reforms said to be designed, in part, to take advantage of the UK's post-Brexit regulatory freedom. The stated aim is to reduce unnecessary regulation for businesses to ensure economic growth whilst maintaining existing UK labour standards.

<https://www.internationallaborlaw.com/2023/05/16/post-brexit-uk-employment-reform-three-month-cap-on-non-competes-and-other-changes/>

## **OFAC: IRAN SANCTIONS - SETTLEMENT AGREEMENTS WITH MURAD LLC AND AN INDIVIDUAL**

On 17 May, OFAC advised a \$3,334,286 settlement with Murad LLC and a \$175,000 settlement with a US individual. Murad agreed to settle its potential civil liability for 1 apparent violation of OFAC



sanctions on Iran arising from an apparent conspiracy to export goods from the US to Iran between 2009 and 2018.

[https://ofac.treasury.gov/recent-actions/20230517\\_33](https://ofac.treasury.gov/recent-actions/20230517_33)

### **TAXATION OF THE DIGITALIZED ECONOMY**

On 17 May, KPMG released the latest update on developments involving direct and indirect taxes around the world and involving digital transactions, digital platforms etc.

<https://tax.kpmg.us/content/dam/tax/en/pdfs/2023/digitalized-economy-taxation-developments-summary.pdf>

### **US SUPREME COURT REJECTS CHALLENGE TO CALIFORNIA LAW ALLEGED TO BURDEN OUT-OF-STATE INDUSTRY**

On 17 May, a post from the Compliance & Enforcement blog from the Program on Corporate Compliance and Enforcement at the New York University School of Law advised that a divided Supreme Court upheld the constitutionality of a California law banning the in-state sale of meat from pigs confined under specified “cruel” conditions. All 9 Justices rejected petitioners’ argument that there exists an “almost *per se*” rule forbidding enforcement of state laws that have the practical effect of imposing prescriptions on commerce outside the state. It says that the decision, of course, has major implications for the multi-billion-dollar pork industry; but as suggested in a partial concurrence authored by Justice Kavanaugh, the ruling’s implications could extend much further.

[https://wp.nyu.edu/compliance\\_enforcement/2023/05/17/supreme-court-rejects-challenge-to-california-law-alleged-to-burden-out-of-state-industry/](https://wp.nyu.edu/compliance_enforcement/2023/05/17/supreme-court-rejects-challenge-to-california-law-alleged-to-burden-out-of-state-industry/)

### **BRITISH FINANCIER ORDERED TO PAY DANISH TAXMAN £1.36 BILLION OVER FRAUD**

On 17 May, LBC and others reported that a court in Dubai has ordered a British hedge fund trader convicted of massive fraud to pay Denmark's tax authority more than \$1.2 billion. Sanjay Shah was arrested in the UAE in June upon request by Danish authorities who accuse him of helping companies fraudulently claim tax refunds. He supposedly ran the scheme for 3 years starting in 2012, in which foreign firms pretended to own shares in Danish companies and claimed refunds in the so-called “Cum-Ex” fraud.

<https://www.dailymail.co.uk/news/article-12095609/British-hedge-fund-trader-ordered-pay-1BILLION-Danish-authorities-tax-fraud.html>

<https://www.lbc.co.uk/world-news/b49659f0a662487bad4fee2b8d163150/>

### **MACHINE LEARNING IN FINANCE: IS IT THE SILVER BULLET FOR PREVENTING FRAUD?**

On 17 May, a post on Finextra asked this question, explaining that ML is a process that involves teaching machines to identify patterns in large volumes of data, often associated with artificial intelligence (AI). The post sets out to provide evidence of how ML has been successful thus far in preventing fraud in the finance industry.

<https://www.finextra.com/blogposting/24221/ml-in-finance-is-it-the-silver-bullet-for-preventing-fraud>

### **PORTUGAL: BENFICA, PORTO, SPORTING FOOTBALL CLUB OFFICES SEARCHED IN CORRUPTION PROBE**

On 17 May, ESPN reported that Portuguese prosecutors and tax authorities investigating €58 million in illegal payments relating to transfer deals have carried out 60 searches. The Public Prosecutor's Office of the Central Department of Investigation and Criminal Action (DCIAP) said the searches had been carried out on business premises, including the offices of lawyers and accountants, as well as residences. It notes that more than 100 searches have been carried out in offices, residences and soccer clubs in recent years.

<https://www.espn.co.uk/football/benfica-porbenfica/story/4950406/benfica-porto-sporting-offices-searched-in-corruption-probe>

### **EMPLOYMENT LAW ISSUES IN CHANNEL ISLANDS INSOLVENCIES**

On 17 May, an article from Walkers said that a recent English law case has highlighted an issue relevant to those involved in Channel Islands-related insolvencies – and particularly to insolvency practitioners who take on appointments as administrators – about the interplay between insolvency legislation and employment law. It says that it is a good reminder that a number of different employment law issues can arise where insolvency practitioners are appointed in respect of trading companies and have to take decisions about potential redundancies.

<https://www.jdsupra.com/legalnews/employment-law-issues-in-channel-7313999/>

### **CANADA PASSES MODERN SLAVERY ACT**

On 17 May, Littler reported that, on 11 May, Canada passed *An Act to enact Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*. It is said that the Act will create supply chain transparency and reporting obligations for certain companies as part of Canada's efforts to fight against forced labour and child labour in Canadian supply chains.

<https://www.jdsupra.com/legalnews/canada-passes-modern-slavery-act-2225605/>

### **FRANCE ISSUES ARREST WARRANT AGAINST LEBANESE CENTRAL BANK GOVERNOR**

On 17 May, OCCRP reported that France had issued an international arrest warrant against Lebanon's controversial central bank governor, Riad Salame, after he failed to attend his trial for money laundering and embezzlement.

<https://www.occrp.org/en/daily/17640-france-issues-arrest-warrant-against-lebanese-central-bank-governor>

### **PANAMA: SEIZURE OF THE LARGEST AMOUNT OF COUNTERFEIT BRAND PRODUCTS IN ITS HISTORY**

On 17 May, La Estrella de Panama reported that, in May 2022, authorities raided a warehouse in Panama City. Now, after a year of investigations, details have been revealed. It is said that authorities seized more than 326,000 products of counterfeit brands, including such as Nike and Louis Vuitton, worth \$4 million.

<https://www.laestrella.com.pa/nacional/230517/panama-incauta-mayor-cantidad-productos-marcas-falsificadas-historia>

### **PROSECUTING COMPANIES FOR CRIMINALITY IN THEIR SUPPLY CHAINS – AN IMPOSSIBLE PROSPECT?**

In the latest edition of The Knowledge from law firm Corker Bining an article poses this question, asking does English law criminalise multinational companies and their executives if they profit from international crimes committed outside the UK in their supply chains? It says that there is an emerging trend in other jurisdictions to seek to impose criminal liability in these circumstances.

[https://corkerbinning.com/wp-content/uploads/2023/05/The-Knowledge\\_May-2023-Issue\\_V4-Web.pdf](https://corkerbinning.com/wp-content/uploads/2023/05/The-Knowledge_May-2023-Issue_V4-Web.pdf)

### **SWITZERLAND TO RETURN \$8.5 MILLION TO PERU IN PRECEDENT-SETTING CASE OF NON-CONVICTION BASED FORFEITURE**

On 17 May, the Basel Institute on Governance reported that it has taken nearly 20 years, but a decision by the Swiss Federal Supreme Court has cleared the way for the return of around \$8.5 million in corruptly obtained assets to Peru. The money to be returned is part of a complex of cases linked to Vladimiro Montesinos, Head of Intelligence under former President Alberto Fujimori. It is said that it sets an important precedent for the use of non-conviction based forfeiture laws to

recover illicit assets. Such laws enable the confiscation of these assets without a criminal conviction of the defendant.

<https://baselgovernance.org/news/switzerland-return-usd-85-million-peru-precedent-setting-case-non-conviction-based-forfeiture>

### **PANAMA: AN OVERVIEW**

For anyone who wants a snapshot of Panama, the US Congressional Research Service has issued an updated 2-page factsheet on 17 May.

<https://crsreports.congress.gov/product/pdf/IF/IF10430>

### **US: CRIMINAL PROHIBITIONS ON LEAKS AND OTHER DISCLOSURES OF CLASSIFIED DEFENCE INFORMATION**

On 11 May, the US Congressional Research Service released this updated briefing, saying that high-profile leaks and disclosures of protected government information have prompted frequent congressional interest in the criminal penalties for disclosing government secrets. It points out that no single statute criminalizes all unauthorized disclosure of protected government information. The briefing includes a summary of previous legislative efforts to criminalize the unauthorised disclosure of classified information and to address potential gaps or ambiguities in current statutes.

<https://crsreports.congress.gov/product/pdf/R/R41404>

<https://www.buymeacoffee.com/KoLvM842y>

