

19 May 2023

RUSSIA SANCTIONS: 86 ENTRIES ADDED AND 3 DELETED BY UK AND ISLE OF MAN

On 19 May, the UK and the Isle of Man advised that 86 entries have been added to the consolidated list and are now subject to an asset freeze and trust services sanctions. The new designations target individuals and organisations connected to Russia's energy, metals, defence, transport, and financial sectors, including 9 organisations connected to Russia's state-owned nuclear energy company.

At the same time 3 existing entries had been deleted - Nikolay Yurievi PETRUNIN; Kyrylo Sergiyovich STREMOUSOV; and Vladimir Nikolayevich SUNGORKIN.

A separate news release from the Isle of Man advised that the Russian sanctions guidance had been updated.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1157892/Notice_Russia_190523.pdf

<https://www.gov.im/news/2023/may/19/financial-sanctions-russia/>

<https://www.gov.im/news/2023/may/19/sanctions-guidance-russia/>

<https://www.rferl.org/a/russia-uk-sanctions-diamonds-shipping/32418864.html>

<https://www.gov.uk/government/news/uk-sanctions-target-russias-theft-of-ukrainian-grain-advanced-military-technology-and-remaining-revenue-sources>

SHELL'S JOINT VENTURE IN IRAQ HAS SIGNED AN AGREEMENT THAT COULD BENEFIT A COMPANY WITH CLOSE TIES TO THE IRANIAN REGIME

On 14 May, Uearthed reported that leaked documents concerning Basra Gas Company, a joint venture founded by Shell with the Iraqi government, was set up to capture the gas produced by southern Iraq's vast oil fields. That joint venture has an agreement with another Iraqi company, owned by Iran, and most of the profits from that company flow to Iran. Both Basra Gas and Shell both said they have no relationship with Mapna, the Iranian company. Basra Gas said it pays the Iraqi electricity ministry for power and has had no contact with the Iranian owner, Shamara, since signing the 2019 agreement with the company. It notes that Mapna was sanctioned by the US as part of wide-ranging sanctions on Iranian companies following its withdrawal from the Iran nuclear deal.

<https://unearthed.greenpeace.org/2023/05/14/shell-iran-iraq-basrah-gas-company/>

EU IS EXPORTING MORE THAN 10,000 TONNES OF 'BEE KILLING' NEONICOTINOID PESTICIDES A YEAR TO POORER COUNTRIES, DESPITE HAVING BANNED THE USE OF THESE CHEMICALS IN ITS OWN FIELDS

On 16 May, Uearthed reported that a new investigation reveals for the first time the full scale of Europe's continued trade in banned 'neonic' pesticides. In 2021, EU companies issued plans to export more than 13,200 tonnes of banned insecticides containing around 2,930 tonnes of the neonicotinoid active ingredients thiamethoxam, imidacloprid or clothianidin. By far the biggest of these importers was Brazil.

<https://unearthed.greenpeace.org/2023/05/16/eu-bee-killing-pesticides/>

CHINA PUTS SPYMASTER IN CHARGE OF CORPORATE CRACKDOWN

On 18 May, the Wall Street Journal reported that the crackdown by China on overseas companies appears to value security over economic growth. To remove any doubt, state-security czar Chen Yixin has been put in charge. The campaign, which has included raids on Chinese offices of US due-diligence firms and questioning of staff at the Bain consulting firm, is said to be sending shock waves across global businesses.

<https://www.wsj.com/articles/china-crackdown-foreign-companies-chen-yixin-9b403893>

US SUPREME COURT REJECTS HOLDING TWITTER, GOOGLE AND FACEBOOK CULPABLE FOR ISLAMIC STATE ATTACKS BECAUSE THEY HOSTED TERRORIST MATERIAL ON THEIR SITES

On 18 May, the Wall Street Journal reported that the Court rejected the suit but sidestepped any fuller reckoning with Section 230, the foundational internet law that shields social-media platforms from liability for user-generated content.

<https://www.wsj.com/articles/supreme-court-says-twitter-didnt-aid-terrorism-78492128>

EMBARGOED JUDGMENTS – DOS AND DON'TS

On 18 May, an article from Taylor Wessing explained that an embargo is a prohibition, issued by the courts, in respect of draft judgments before they are handed down. Neither the judgment nor its substance can be disclosed.

<https://www.taylorwessing.com/en/insights-and-events/insights/2023/05/dqr-embargoed-judgments>

ANTIGUA: SANCTIONS PREVENTING SALE OF SUPERYACHT ALFA NERO ARE LIFTED

On 18 May, the Loop website reported that the government of Antigua and Barbuda has managed to have superyacht *Alfa Nero* delisted as a sanctioned vessel by the US. The yacht has been sitting in a harbour for over a year, and was deemed abandoned and a threat to both the marine environment and other vessels. It is believed to have been owned by sanctioned Russian fertiliser tycoon Andrey Guryev – a claim Guryev has denied.

<https://caribbean.loopnews.com/content/antigua-sanctions-preventing-sale-alfa-nero-lifted>

UK: NCA HAS DENIED IT HAS DRAWN UP A TARGET LIST OF SOLICITORS BELIEVED TO BE HELPING ORGANISED CRIME GROUPS

On 19 May, the Law Society Gazette reported the denial after the reported that the NCA is preparing a 'sweep' of up to 100 lawyers it believes are helping traffickers abuse modern slavery laws to secure asylum for people entering the UK.

<https://www.lawgazette.co.uk/news/no-target-list-of-solicitors-aiding-traffickers-nca/5116084.article>

RANSOMWARE REPRESENTS A MAJOR THREAT TO THE MARITIME INDUSTRY

On 16 May, Superyacht News carried an article saying that ransomware attacks continue to be the most common cyber attacks globally, amid indications that ransomware attacks are becoming more efficient. The first known instance of a ransomware attack happened in 1989. It says that one of the most common attacks seen in maritime is referred to as 'a man in the middle', typically a compromised email to divert a financial payment into the hacker's account. However, the most widespread type of cyber attack globally is ransomware.

<https://www.superyachtnews.com/operations/ransomware-represents-a-major-threat-to-the-maritime-industry>

UK SANCTIONS FOLLOWING RUSSIA'S INVASION OF UKRAINE

The Foreign Commonwealth and Development Office has a webpage which brings together the government's announcements of the UK's sanctions in response to Russia's illegal invasion of Ukraine.

<https://www.gov.uk/government/collections/uk-sanctions-following-russias-invasion-of-ukraine>

DUTCH FA IS PREPARING TO LAUNCH AN INVESTIGATION INTO ALLEGED FINANCIAL TIES BETWEEN THE TOP FOOTBALL CLUB VITESSE ARNHEM AND THE RUSSIAN OLIGARCH ABRAMOVICH

On 19 May, the Guardian reported that this comes after the Guardian and the Bureau of Investigative Journalism uncovered documents. The latest investigation marks the third effort by the KNVB to probe the funding of Vitesse and any ties to Abramovich, after previous inquiries in 2010 and 2014-15.

<https://www.theguardian.com/world/2023/may/19/knvb-launch-fresh-investigation-into-vitesse-arnhem-links-to-roman-abramovich>

KAZAKHSTAN HAS BECOME A PATHWAY FOR THE SUPPLY OF RUSSIA'S WAR MACHINE. HERE'S HOW IT WORKS

On 19 May, an article from OCCRP says that reporters traced several of these supply chains through Kazakhstan — and found that they run through companies newly established by Russians.

<https://www.occrp.org/en/investigations/kazakhstan-has-become-a-pathway-for-the-supply-of-russias-war-machine-heres-how-it-works>

UN: LIBYA SANCTIONS HUMANITARIAN EXEMPTION GRANTED

On 18 May, the UN advised that an exemption for 3 months had been granted to 3 persons from 1 June through 30 November. Accordingly, these 3 individuals may undertake unlimited travel for humanitarian purposes during the above-mentioned time frame. However, any State allowing any of the 3 individuals to travel into or through their territories shall be required to notify the Sanctions Committee within 48 hours after arrival or passage within their territory.

<https://press.un.org/en/2023/sc15289.doc.htm>

UN UPDATES ITS SOMALIA SANCTIONS GUIDANCE ON IMPLEMENTATION RELATING TO CHARCOAL

On 18 May, the UN advised that it had updated Implementation Assistance Notice (IAN) 1:

“Recommendations on procedures and notification requirements related to inspection of vessels suspected of carrying charcoal from Somalia and/or the seizure of charcoal suspected to originate in Somalia”.

<https://press.un.org/en/2023/sc15290.doc.htm>

NEW GUIDE LAUNCHED TO ENCOURAGE ETHICAL APPROACH TO DATA ANALYTICS

On 19 May, an Out-Law article said that a comprehensive new guide has been published to “demystify” data analytics and help organisations develop an ethical approach to data more

generally. It is said to be a practical manual designed primarily for small to medium-sized businesses that often lack the resources of larger companies.

<https://www.pinsentmasons.com/out-law/news/new-guide-launched-to-encourage-ethical-approach-to-data-analytics>

SEIZED TITANIUM RODS AT PIRAEUS PORT REPORTEDLY BOUND FOR IRAN

On 19 May, the Keep Talking Greece website reported that titanium rods and high-tech lathes, which are raw materials that are dual-use, have been seized by customs officers at the port of Piraeus. They were loaded at the port of Shanghai in China and, according to information from a foreign agency, were destined for Iran.

<https://www.keeptalkinggreece.com/2023/05/19/titanium-rods-seized-piraeus-greece-iran/>

TAIWAN AMENDS MONEY LAUNDERING LAW TO COMBAT FINANCIAL BANK FRAUD

On 19 May, Focus Taiwan reported that legal revisions to the money laundering law will penalise those who obtain access to people's bank accounts to commit fraud. The new offences include gaining access to bank accounts to commit illicit acts through posing as public officials, broadcasting misleading messages via TV, the internet or other media, using computer-generated technology or other equipment to create fake images or audio records, or using threats, scams, deceit or other improper means.

<https://focustaiwan.tw/politics/202305190015>

INFLUENCER EXTRADITED TO US IN CONNECTION WITH ALLEGED \$2 MILLION ROMANCE SCAM

On 17 May, NBC reported that Mona Faiz Montrage, 30, a Ghanaian influencer who boasts more than 4.2 million followers on Instagram, had been extradited to the US. She allegedly scammed followers out of more than \$2 million.

<https://www.nbcnews.com/news/us-news/influencer-extradited-us-connection-alleged-2-million-romance-scam-pro-rcna84851>

HEAD OF UKRAINE'S SUPREME COURT HELD IN ANTI-CORRUPTION INVESTIGATION

On 16 May, the Guardian reported that authorities have detained the head of the country's supreme court in an investigation they cast as an important step in Ukraine's fight against high-level graft. Authorities did not identify the judge by name but the head of the court is the chief justice, Vsevolod Kniaziev.

<https://www.theguardian.com/world/2023/may/16/head-of-ukraine-supreme-court-held-in-anti-corruption-investigation>

UK: SFO SECURES 10-MONTH SENTENCE (SUSPENDED FOR 2 YEARS) FOR FORMER CEO OF LONDON CAPITAL & FINANCE PLC FOLLOW BREACH OF A RESTRAINT ORDER IMPOSED ON HIS BANK ACCOUNT

On 17 May, a news release from the SFO advised that it had frozen the assets as part of its investigation into suspected fraud and money laundering at LCF, where 11,000 investors lost in excess of £237 million between 2014 and 2019 in a mini-bond scheme. However, Michael Thomson hid £95,000 he received after the order was imposed.

<https://www.sfo.gov.uk/2023/05/17/sfo-secures-10-month-sentence-for-former-london-capital-finance-plc-ceo/>

WEAPONS FROM CHINA AND RUSSIA FUEL MYANMAR'S BLOODY CIVIL WAR

On 18 May, RFA reported that a new report pinpoints the origins of the arms the junta relies on to retain power. Chinese and Russian entities have sent more than \$660 million in weaponry and other arms-related equipment to Myanmar's military since its coup 2 years ago,

<https://www.rfa.org/english/news/myanmar/arms-trade-05182023154949.html>

BEHIND A RISE IN LATIN AMERICA'S VIOLENT CRIME, A DEADLY FLOW OF ILLEGAL GUNS

On 15 May, an article from America's Quarterly says that weapons diverted from the US and from militaries are plaguing the region. Governments can do more to combat the phenomenon. Illegal weapons in the region come from several sources. For example, at the end of the civil wars in El Salvador, Guatemala and Nicaragua, thousands of weapons were left unaccounted for, fuelling a black market in Central America. Most analysts agree that a major source of trafficked weapons to the region is the US, in particular to Mexico.

<https://americasquarterly.org/article/behind-a-rise-in-latin-americas-violent-crime-a-deadly-flow-of-illegal-guns/>

THE LEADERS OF THE G7 REAFFIRMED THEIR COMMITMENT TO MAINTAINING AND INCREASING SANCTIONS AGAINST RUSSIA IN RESPONSE TO THE INVASION OF UKRAINE

On 19 May, the EU Sanctions blog reported a joint statement following the most recent G7 meeting.

<https://www.europeansanctions.com/2023/05/g7-vows-to-increase-sanctions-on-russia/>

<https://www.whitehouse.gov/briefing-room/statements-releases/2023/05/19/g7-leaders-statement-on-ukraine/>

<https://www.consilium.europa.eu/media/64494/g7-2023-statement-on-ukraine.pdf>

OFAC: NEW RUSSIA SANCTIONS GENERAL LICENSES

On 19 May, OFAC announced –

General License 13E - Authorizing Certain Administrative Transactions Prohibited by Directive 4 under Executive Order 14024;

General License 66 - Authorizing the Wind Down of Transactions Involving Public Joint Stock Company Polyus;

General License 67 - Authorizing Certain Transactions Related to Debt or Equity of, or Derivative Contracts Involving, Public Joint Stock Company Polyus; and

General License 68 - Authorizing the Wind Down of Transactions Involving Certain Universities and Institutes.

<https://ofac.treasury.gov/media/931786/download?inline>

<https://ofac.treasury.gov/media/931791/download?inline>

<https://ofac.treasury.gov/media/931796/download?inline>

<https://ofac.treasury.gov/media/931801/download?inline>

OFAC IMPOSES AN ADDITIONAL REPORTING REQUIREMENT ON US PERSONS TO IDENTIFY ASSETS OF ENTITIES SUBJECT TO RUSSIA-RELATED SANCTIONS

On 19 May, OFAC advised that Directive 4 - Prohibitions related to transactions involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation – had been amended. Amended FAQ 998 to 1002, 1004, 1005, and 1118 also refer. US persons must submit a report on or before 18 June, and annually thereafter, on property in their possession or control with an interest, direct or indirect of an entity subject to Russia-related Directive 4, as amended (see FAQ 998). Note that existing licenses or authorisations issued by OFAC pursuant to the prior version of Russia-related Directive 4 remain in effect.

<https://ofac.treasury.gov/media/918806/download?inline>

<https://ofac.treasury.gov/faqs/search/998+999+1000+1001+1002>

<https://ofac.treasury.gov/faqs/search/1004+1005>

<https://ofac.treasury.gov/faqs/1118>

OFAC: 2 NEW DETERMINATIONS OVER RUSSIA SANCTIONS

On 19 May, OFAC issued 2 new Determinations –

Architecture, Engineering, Construction, Manufacturing, and Transportation Sectors of the Russian Federation Economy; and

Prohibitions Related to Architecture Services and Engineering Services.

OFAC is also publishing 3 associated FAQ and removing FAQ 964, 1037, and 1085, which were incorporated into new FAQ 1126 to 1128. OFAC has also amended FAQ 1059, 1061 and 1062.

<https://ofac.treasury.gov/media/931771/download?inline>

<https://ofac.treasury.gov/media/931776/download?inline>

<https://ofac.treasury.gov/faqs/search/1126+1127+1128>

<https://ofac.treasury.gov/faqs/1059>

<https://ofac.treasury.gov/faqs/search/1061+1062>

OFAC: AMENDED FAQ RE BLOCKING SANCTIONS ISSUED BY THE STATE DEPARTMENT ON POLIMETALL AO

On 19 May, OFAC reported that FAQ 1129 had been amended. The FAQ says that the State Department designated Russia-based Polimetall AO on 19 May, and that the blocking sanctions apply only to this entity and any entities in which it owns, directly or indirectly, a 50% or greater interest.

<https://ofac.treasury.gov/faqs/1129>

US AND CANADIAN RUSSIAN SANCTIONS FOLLOWING THE G7 MEETING

On 19 May, the ever-useful carried a brief, but comprehensive, summary of the new US and Canadian sanctions measures.

<https://www.europeansanctions.com/2023/05/us-and-canada-extend-russia-sanctions-following-g7-statement/>

US TARGETS RUSSIA'S CIRCUMVENTION AND EVASION, MILITARY-INDUSTRIAL SUPPLY CHAINS, AND FUTURE ENERGY REVENUES

On 19 May, a news release from the US Treasury detailed actions following the recent G7 meeting.

<https://home.treasury.gov/news/press-releases/jy1494>

OFAC ADDS 22 INDIVIDUALS AND 104 ENTITIES TO RUSSIAN SANCTIONS LISTS

On 19 May, OFAC announced that a large number of individuals and entities had been added to its sanctions lists. Of interest to me is the listing of an Isle of Man company, Hanley Limited, among the names from a variety of countries, not just Russia.

<https://ofac.treasury.gov/recent-actions/20230519>

US IMPOSES ADDITIONAL SANCTIONS AND EXPORT CONTROLS ON RUSSIAN COORDINATION WITH PARTNERS

On 19 May, a news release from the US State Department was also concerned with the follow-up to the recent G7 meeting. It includes an Annex listing a large number of Russian-registered airliner subject to restrictions.

<https://www.state.gov/united-states-imposes-additional-sanctions-and-export-controls-on-russia/>

FinCEN AND COMMERCE DEPARTMENT JOINT ALERT ON RUSSIA SANCTIONS CIRCUMVENTION

On 19 May, FinCEN and the US Commerce Department Bureau of Industry and security issued a joint Supplementary Alert urging continued vigilance for potential Russian export control evasion. This builds on FinCEN and BIS's first Joint Alert, issued in June 2022, and provides financial institutions additional information with respect to new BIS export control restrictions relating to Russia.

[https://www.fincen.gov/sites/default/files/shared/FinCEN%20and%20BIS%20Joint%20Alert%20 FIN AL 508C.pdf](https://www.fincen.gov/sites/default/files/shared/FinCEN%20and%20BIS%20Joint%20Alert%20FIN%20AL%20508C.pdf)

CANADA: NEW RUSSIA SANCTIONS LISTINGS

On 19 May, Canada announced that it was adding 17 individuals and 18 entities said to be linked to Russian companies that provide military technology and know-how to Russia's armed forces, family members of listed persons. It also designated 30 individuals and 8 entities allegedly involved in Russia's ongoing human rights violations, including the transfer and custody of Ukrainian children in Russia.

https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/russia-russie.aspx?lang=eng

US: MAN CHARGED FOR ALLEGED PARTICIPATION IN \$45 MILLION COINDEAL INVESTMENT FRAUD SCHEME INVOLVING OVER 10,000 VICTIMS

On 19 May, a release on Mondo Visione advised that a Nevada man, Bryan Lee, 57, of Las Vegas, has been charged for his alleged participation in CoinDeal, an investment fraud scheme that defrauded more than 10,000 victims of over \$45 million.

<https://mondovisione.com/media-and-resources/news/us-department-of-justice-man-charged-for-alleged-participation-in-45m-coindeal/>

ISLE OF MAN FINANCIAL SERVICES AUTHORITY WEBINAR TO DISCUSS THE FINDINGS OF ITS THEMATIC REVIEW OF FOREIGN POLITICALLY EXPOSED PERSONS (PEP)

On 19 May, the FSA released on You Tube a recording of a live webinar held on 17 May, and which discussed the findings of a review involving key data from 91 firms and 29 inspections between 2021 and 2023.

<https://www.youtube.com/watch?v=ZpGrkAmXpZ8>

<https://www.iomfsa.im/media/3154/foreign-pep-thematic-slides.pdf>

The Thematic Report is available at –

<https://www.iomfsa.im/media/3147/aml-pep-thematic-report-05-05-2023.pdf>

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

