

7 March 2024

TRI-SEAL COMPLIANCE NOTE: OBLIGATIONS OF FOREIGN-BASED PERSONS TO COMPLY WITH US SANCTIONS AND EXPORT CONTROL LAWS

On 6 March, the DoJ, Department of Commerce, and OFAC, have issued this Note which says that companies outside of the US should be aware of how their activities may implicate US sanctions and export control laws. This Note highlights the applicability of US sanctions and export control laws to persons and entities located abroad, as well as the enforcement mechanisms that are available for the US Government to hold non-US persons accountable for violations of such laws, including criminal prosecution. It further provides an overview of compliance considerations for non-US companies and compliance measures to help mitigate their risk.

<https://ofac.treasury.gov/media/932746/download?inline>

A JAPANESE MARINE SHIPPING GROUP HAS FILED A LAWSUIT AGAINST PORSCHE, BLAMING AN ELECTRIC-VEHICLE BATTERY FOR A FIRE THAT SANK A CAR CARRIER 2 YEARS AGO

On 7 March, Nikkei Asia reported that OSK Lines filed the lawsuit referencing the *Felicity Ace*, operated by Mitsui OSK, which sank near the Azores in February 2022.

<https://asia.nikkei.com/Business/Transportation/Porsche-EV-battery-blamed-for-ship-fire-in-Mitsui-O.S.K.-lawsuit>

AVIATION: GUIDANCE ON EU 'NO RE-EXPORT TO RUSSIA' CLAUSES

On 5 March, an article from Irish law firm Arthur Cox LLP said that the EU Commission had published its much-anticipated guidance on the requirement in Article 12g of EU Regulation 833/2014/EU for EU-based exporters to include a 'no re-export to Russia' clause in contracts for the export of specific types of goods from the EU to certain third countries.

<https://www.arthurcox.com/knowledge/aviation-guidance-on-no-re-export-to-russia-clauses/>

UK SIGNS UP TO 2019 HAGUE CONVENTION

On 5 March, Jones Day reported that on 12 January, the UK signed up to the 2019 Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters. This will facilitate the mutual recognition and enforcement of judgments across the world (but, in particular, in Europe). It will come into effect a year after being ratified, which could be as early as 2025.

https://www.jonesday.com/en/insights/2024/03/new-global-enforcement-regime_uk-signs-up-to-2019-hague-convention

UK: DIRECTORS' DUTIES - HIGH COURT GIVES FURTHER GUIDANCE ON 'CREDITOR DUTY' FOR DIRECTORS

On 6 March, William Fry reported that the Court considered whether the so-called "creditor duty" arose when a company was insolvent in circumstances where the directors believed (wrongly) that the liability giving rise to the insolvency had been avoided.

<https://www.mondaq.com/uk/directors-and-officers/1432262/directors-duties-uk-high-court-gives-further-guidance-on-creditor-duty-for-directors->

GUIDE TO THE CHANGES TO THE GREEK GOLDEN VISA

On 6 March, an article from Giambrone & Partners outlined changes to the visa providing residency by investment, aimed at non-EU countries and developed to bring foreign direct investment to boost the Greek economy.

<https://www.mondaq.com/uk/investment-immigration/1432288/a-guide-to-the-changes-to-the-greek-golden-visa>

LIBYA'S UPHILL STRUGGLE TO ATTRACT OIL INVESTMENT

On 7 March, Dryad Global reported that the country, once a major player in global oil markets, faces challenges in realising its oil potential due to a tumultuous history characterised by political instability, sanctions, and civil unrest.

<https://channel16.dryadglobal.com/libyas-uphill-struggle-to-attract-oil-investment>

JAPAN DESIGNATES ADDITIONAL HAMAS OFFICIALS

On 7 March, the Global Sanctions blog reported that Japan had listed a further 8 individuals connected to Hamas on its terrorist sanctions list, including 5 senior members and 3 involved in money transfers.

<https://globalsanctions.co.uk/2024/03/japan-designates-additional-hamas-officials/>

WEST AFRICA'S COAST WAS A HAVEN FOR PIRACY AND ILLEGAL FISHING – HOW TECHNOLOGY IS CHANGING THE PICTURE

On 7 March, an article in Defence Web said that, since the Yaoundé Code of Conduct was signed in 2013, there has been some progress. As was found in a new study, tech-driven tools have been playing a vital role in addressing security threats at sea in west and central African countries. It says that tech tools have helped countries to manage and monitor the marine environment more

efficiently. They also support information sharing among law enforcement agencies. This has led to successful interdictions and enabled the prosecution of pirates in the region.

<https://www.defenceweb.co.za/sea/sea-sea/west-africas-coast-was-a-haven-for-piracy-and-illegal-fishing-how-technology-is-changing-the-picture/>

CHANGES TO THE TAXATION OF NON-UK DOMICILED INDIVIDUALS FROM APRIL 2025

On 7 March, HM Treasury published a technical note that describes the main changes that will apply from 6 April 2025 to the taxation of non-UK domiciled individuals.

<https://www.gov.uk/government/publications/changes-to-the-taxation-of-non-uk-domiciled-individuals/technical-note-changes-to-the-taxation-of-non-uk-domiciled-individuals>

US: COURT DISMISSES CHILD LABOUR CASE AGAINST TECHNOLOGY COMPANIES AND REFUSED TO HOLD THEM ACCOUNTABLE FOR THEIR ALLEGED SUPPORT OF THE USE OF CHILDREN IN COBALT MINING IN THE DEMOCRATIC REPUBLIC OF CONGO (DRC)

On 7 March, Jurist reported that former cobalt miners and their representatives had filed a lawsuit against 5 big technology companies - Alphabet, Apple, Dell Technologies, Tesla and Microsoft under the Trafficking Victims Protection Reauthorization Act 2008 (TVPRA). They claimed that the companies, by purchasing cobalt through the global supply chain, were involved in a “venture” with their suppliers that engaged in forced labour of children to obtain the metal.

<https://www.jurist.org/news/2024/03/us-appeals-court-dismisses-drc-child-labor-case-against-tesla-other-tech-companies/>

UK: LAWYERS AND THE MISUSE OF NDA

On 4 March, the Law Society Gazette published an article about a Legal Services report on the misuse of non-disclosure agreements (NDA). It focuses on the conduct of lawyers and forms part of the LSB’s Reshaping Legal Services strategy, which centres on the delivery of high-quality legal advice with strong professional ethics. The LSB is interested in the role of legal professionals in constructing and using NDA while ensuring ethical professional conduct, and also the role regulation can play.

<https://www.lawgazette.co.uk/legal-updates/lawyers-and-the-misuse-of-ndas/5118935.article>

UK: SFO SECURES CONVICTION OF FORMER MoD OFFICIAL FOR TAKING £70,000 IN SECRET KICKBACKS

On 6 March, a news release from SFO advised that it had secured the conviction of former Ministry of Defence (MoD) official Jeffrey Cook for misconduct in public office, by taking secret payments in

exchange for commissioning work from offshore consultants for the MoD; while he was employed at the MoD and seconded to a defence contractor, called Paradigm, that was owned by Airbus.

<https://www.sfo.gov.uk/2024/03/06/sfo-secures-conviction-of-former-mod-official-for-taking-70k-in-secret-kickbacks/>

UK: MoD SIGNED £8 MILLION DEAL WITH COMPANY LATER ALLEGED TO BE CONDUIT FOR SECRET PAYMENTS TO SAUDI PRINCE

On 7 March, with the acquittal of 2 men prosecuted for alleged bribery in a connected case, the Guardian published reports on *Project Arrow*, which ran until 2017 and involved millions of pounds being paid to a company later alleged to have been a conduit for secret payments to high-ranking Saudi Arabian officials including a member of the royal family.

<https://www.theguardian.com/world/2024/mar/07/mod-signed-deal-firm-later-alleged-conduit-secret-payments-saudi-prince>

See also –

CALLS FOR INQUIRY AFTER BRITONS CLEARED OF BRIBING SAUDI OFFICIALS

On 7 March, OCCRP reported that, following the verdict at Southwark Crown Court, the non-profit Spotlight on Corruption called for an inquiry into the extent of the UK Government's alleged involvement in facilitating the payments at the heart of the case, through now-defunct Airbus subsidiary, GPT.

<https://www.occrp.org/en/daily/18540-calls-for-inquiry-after-britons-cleared-of-bribing-saudi-officials>

REPORT: OVER 60% OF ILLEGAL CRYPTO ACTIVITY IS TIED TO SANCTIONED GROUPS OR TERRORIST ORGANISATIONS

On 29 February, NBC reported that the Chainalysis "2024 Crypto Crime Report" found that \$24.2 billion of illicit cryptocurrency was transferred in 2023.

<https://www.nbclosangeles.com/news/business/money-report/over-60-of-illegal-crypto-activity-is-tied-to-sanctioned-groups-or-terrorist-organizations-report-finds/3351220/>

FORMER CRYPTO DIRECTOR BANNED FROM LEAVING AUSTRALIA AFTER BLOCKCHAIN GLOBAL COLLAPSED OWING \$58 MILLION

On 28 February, the Guardian reported that a former director of the Australian crypto company Blockchain Global, which collapsed owing creditors \$58 million, has been banned from leaving the country. The Australian Securities and Investments Commission secured the interim travel ban in the

federal court on 20 February after successfully arguing the director, Liang “Allan” Guo, a Chinese citizen, posed a flight risk.

<https://www.theguardian.com/technology/2024/feb/29/former-crypto-director-banned-from-leaving-australia-after-blockchain-global-collapsed-owing-58m>

ISLE OF MAN TAX STRATEGY 2024-26

The Order paper for the March sitting of the Island’s parliament included this report which describes the tax policies and actions the Isle of Man will follow for the remainder of the current administration to maintain the Island’s international position, remain competitive and collect the required levels of taxation.

<https://www.tynwald.org.im/spfile?file=/business/opqp/sittings/20212026/2024-GD-0021.pdf>

RISE OF DIGITAL MONEY: IMPLICATIONS FOR PACIFIC ISLAND COUNTRIES

On 25 February, a Departmental paper from the IMF considered the fast-evolving landscape of digital money in a diverse region of extremes in size, remoteness, and dispersion, highlighting its significant macroeconomic and financial consequences. It provides an overview of the development of digital money and payment systems in Pacific Island Countries (PIC), assessing potential benefits and risks, with a focus on how they can harness digital technology to enhance financial inclusion and payment efficiency while minimising risks.

<https://www.imf.org/-/media/Files/Publications/DP/2024/English/RDMEA.ashx>

OVER 260 TONNES OF RUSSIAN TIMBER ENTERED BELGIUM IN BREACH OF EU SANCTIONS

On 2 March, the Brussels Times reported that at least 261 tonnes of timber were imported into Belgium from Russia despite sanctions following the invasion of Ukraine in February 2022. It explained that Russian timber imports were banned in the fifth round of EU sanctions, ratified by Member States in April 2022. After a period of grace allowing importers to honour contracts, a strict embargo has been in force since July 2022.

<https://www.brusselstimes.com/belgium/947366/over-26-tonnes-of-russian-timber-entered-belgium-in-breach-of-eu-sanctions>

AUSTRAC LAUNCHES INVESTIGATION INTO BET365 OVER POTENTIAL AML FAILINGS

On 7 March, iGB reported that the Australian Transaction Reports and Analysis Centre (Austrac) has commenced an investigation into Bet365 over potential breaches of AML/CFT laws.

<https://igamingbusiness.com/legal-compliance/compliance/austrac-launches-investigation-bet365-potential-aml-ctf-failings>

EU COURT REJECTS CHALLENGES TO BELARUS IMPORT RESTRICTIONS

On 7 March, the Global Sanctions blog reported on 2 cases before the ECJ saw challenges to the EU's restrictions on the import of wood and iron and steel from Belarus rejected.

<https://globalsanctions.co.uk/2024/03/eu-court-rejects-challenges-to-belarus-import-restrictions/>

ETHIOPIAN AIRLINES HAS INVESTED \$55 MILLION IN A NEW E-COMMERCE FACILITY IN RESPONSE TO RISING DEMAND IN AFRICA

On 7 March, Loadstar reported that the facility in Addis Ababa has capacity for 150,000 tonnes of goods a year and the airline claims it represents a significant change in the way e-commerce will be facilitated.

<https://theloadstar.com/ethiopian-cargo-facility-will-kickstart-africas-e-commerce-sector/>

ISOLATIONISM: A HISTORY OF AMERICA'S EFFORTS TO SHIELD ITSELF FROM THE WORLD

To put the Trump and MAGA people in perspective, one might listen to this 5 March podcast from War on the Rocks, which emphasises that US isolationism is, historically speaking, the rule rather than the exception, with the postwar period having been very much an exception. The conversation is based on the most recent book by Charles Kupchan, a senior fellow at the Council on Foreign Relations and professor of international affairs at Georgetown University in the Walsh School of Foreign Service and Department of Government.

<https://warontherocks.com/2024/03/americas-effort-to-shield-itself/>

CLIMATE CHANGE: HUNTING FOR SUBMARINES IN THE WARMING OCEANS

The Spring 2024 edition of the Texas National Security Review contained an article on a subject that I had not come upon before. It investigates the effects of changing ocean conditions on anti-submarine warfare, where capabilities exploit various physical phenomena to detect enemy submarines. In estimating the effect of climate change on the detection range of enemy submarines in the North Atlantic and in the Western Pacific, studies are said to show that, in most areas, the range of detection through underwater acoustics is contracting due to climate change.

<https://tnsr.org/2024/03/climate-change-and-military-power-hunting-for-submarines-in-the-warming-ocean/>

EU: EUROPEAN PUBLIC PROSECUTOR'S OFFICE (EPPO) ESTIMATES SERIOUS VAT FRAUD AMOUNTING TO €11.5 BILLION

On 5 March, KPMG reported that the EPPO annual report mentioned the launch of 1,371 investigations during the year and €19.2 billion in overall estimated damages, with 59% of that amount or €11.5 billion linked to serious value added tax (VAT) fraud—a 71% increase from the 2022 report.

<https://kpmg.com/us/en/home/insights/2024/03/tnf-eu-eppo-estimates-vat-fraud.html>

<https://www.eppo.europa.eu/en/2023-numbers>

INTERPOL LAUNCHES MISSING PERSONS UNIT

On 6 March, Homeland Security Today carried an interview with Assistant Director Daniel Vizzi, a US Marshal running the new unit to find missing persons all over the world.

<https://www.hstoday.us/featured/interview-interpol-launches-missing-persons-unit/>

CHINA'S SEMICONDUCTOR INDUSTRY ADVANCES DESPITE US EXPORT CONTROLS

On 7 March, an article from CSIS reflected on developments and changes as the situation has changed dramatically since the imposition of unprecedented end-use and US persons controls on semiconductor manufacturing equipment in 2022 and 2023.

<https://www.csis.org/analysis/chinas-semiconductor-industry-advances-despite-us-export-controls>

CANADIANS URGED TO REMAIN VIGILANT IN THE FACE OF RISING INVESTMENT FRAUD

On 7 March, a release on Mondo Visione said that, to mark Fraud Prevention Month, the Canadian Securities Administrators (CSA) is reminding Canadians to remain vigilant about potential investment scams and misleading advice. While online financial advice is readily available, the CSA encourages investors to verify information sources and work with registered professionals to reduce the risk of becoming victims of fraud.

<https://mondovisione.com/media-and-resources/news/canadians-urged-to-remain-vigilant-in-the-face-of-rising-investment-fraud/>

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