

14 March 2024

**US: DOUBLE BROKERING HAS EMERGED AS A HOT TOPIC IN THIS ERA OF SUPPLY CHAIN FRAUD, HOSTAGE LOADS, AND CARGO THEFT**

On 11 March, an article from Benesch Friedlander Coplan & Aronoff LLP explained that the term “double brokerage” is used sweepingly as a reference to a wide range of operational practices where the acting motor carrier is a different company than the party originally intended to haul. It is increasingly derided and often referred to as illegal. The article breaks down the true story of these practices when viewed from their legal foundations.

<https://www.beneschlaw.com/resources/transportation-brokering-double-brokering-co-brokering-interchange-and-interlining-legal-rules-in-the-era-of-fraud.html>

**APP FRAUD: UK GOVERNMENT PUBLISHES DRAFT LEGISLATION ALLOWING PSP TO DELAY PAYMENTS FOR FRAUD CONCERNS**

On 12 March, Hogan Lovells reported that, in its 2023 Fraud Strategy, the UK Government committed to looking at changes to allow payment service providers (PSP) more time to investigate suspicious payments to help tackle authorised push payment (APP) fraud. HM Treasury has now published draft regulations. The Government intends that the changes will take effect on 7 October, at the same time as the Payment Systems Regulator's new rules on mandatory reimbursement for APP fraud go live.

<https://www.engage.hoganlovells.com/knowledgeservices/viewContent.action?key=Ec8teaJ9VaqXVQqQRulleF7eOOGbnAEFKCLOG72fHz0%2BNbpi2jDfaB8lgiEY1JAvAvaah9lF3dzoxprWhl6w%3D%3D&nav=FRbANEucS95NMLRN47z%2BeeOgEFct8EGQqFfoEM4UR4%3D&emailtofriendview=true&reviewlink=true>

**UK: WITHOUT PREJUDICE RULE - HIGH COURT EMPHASISES NARROW SCOPE OF EXCEPTIONS**

On 12 March, Herbert Smith Freehills LLP reported on a High Court decision which highlights that the burden is on the party seeking to establish that an exception to the without prejudice rule applies; and establishing that an exception applies to some part of the negotiations will not necessarily mean that protection is lost for the whole of those negotiations. It also emphasises the narrow scope of the exceptions to the rule, including the recognised exception where the rule is used to cloak “unambiguous impropriety”.

<https://hsfnotes.com/litigation/2024/03/12/without-prejudice-rule-high-court-emphasises-narrow-scope-of-exceptions/#page=1>

## **UK: SANCTIONS AND MONEY LAUNDERING ACT AFTER 6 YEARS, AND 2 YEARS AFTER THE RUSSIAN INVASION OF UKRAINE**

On 8 March, Wilmer Hale published an article saying that the Foreign Commonwealth and Development Office's strategy paper (*Deter, disrupt and demonstrate — UK sanctions in a contested world*), published in February, reflects on some of the successes, challenges and future developments of the UK sanctions regime. It concludes that the UK sanctions landscape has undergone significant and rapid transformation since the introduction of the Sanctions and Money Laundering Act 6 years ago. New and upcoming developments flagged in the strategy, such as the introduction of a new trade regulator and potential clarification of the ownership and control test, show that that landscape will continue to evolve in 2024.

<https://www.wilmerhale.com/en/insights/blogs/wilmerhale-w-i-r-e-uk/20240308-the-good-the-bad-and-the-new-of-the-uk-sanctions-regime#page=1>

See also –

## **UK GOVERNMENT PUBLISHES POST-LEGISLATIVE SCRUTINY MEMORANDUM FOR THE SANCTIONS AND ANTI-MONEY LAUNDERING ACT 2018**

On 12 March, an article from Baker McKenzie said that the Memorandum provides an assessment of the functioning of SAMLA and UK sanctions regimes underpinned by SAMLA, following the UK's introduction of an autonomous sanctions framework post-Brexit. The Memorandum covers a broad range of areas relating to SAMLA and the UK's sanctions framework.

<https://sanctionsnews.bakermckenzie.com/uk-government-publishes-post-legislative-scrutiny-memorandum-for-the-sanctions-and-anti-money-laundering-act-2018/#page=1>

## **JAPAN IS IN TALKS WITH OTHER COUNTRIES TO ENABLE JOINT USE OF QR CODE PAYMENT SERVICES FOR INTERNATIONAL TRAVELLERS**

On 14 March, Nikkei Asia reported that Japan is in talks with SE Asian countries to enable joint use of QR code payment services, which would let international travellers make purchases abroad using their own payment methods. This would make QR code systems compatible with each other by fiscal 2025, allowing cashless payments in different countries without having to change money.

<https://asia.nikkei.com/Business/Retail/Japan-ASEAN-to-launch-joint-QR-code-payment-services-in-FY2025>

## **MONEY LAUNDERING IN AFRICA**

ON 13 March, KYC Lookup released this video examining the problem of money laundering in Africa.

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

#### **MALTA: MFSA ISSUES GUIDANCE FOR MONEY LAUNDERING REPORTING OFFICERS**

On 14 March, the Times of Malta reported that the Malta Financial Services Authority (MFSA) has issued its Guidance for Money Laundering Reporting Officers (MLRO) in the financial services sector.

<https://timesofmalta.com/article/mfsa-issues-guidance-money-laundering-reporting-officers.1089149>

<https://www.mfsa.mt/news-item/mfsa-guides-mlros-on-best-practices-drawing-insights-from-300-interviews-and-supervisory-interactions/>

#### **MUNICH PROSECUTOR OPENS MONEY LAUNDERING PROBE INTO SIGMA**

On 14 March, the Financial Times reported that the prosecutor had opened an investigation into the collapsed Bavarian luxury property empire.

<https://www.ft.com/content/7fe633d2-daf2-480b-9442-99186a504dfe>

#### **FATF UPDATED CONSOLIDATED AML/CFT RATINGS SCHEDULE**

On 13 March, FATF issued an updated schedule of all AML/CFT ratings to date.

<https://www.fatf-gafi.org/content/dam/fatf-gafi/Global-Network/4th-Round-Ratings.pdf.coredownload.inline.pdf>

#### **UK: RUSSIA (SANCTIONS) (OVERSEAS TERRITORIES) (AMENDMENT) ORDER 2024**

This Order extends with modifications the amended UK's Russia (Sanctions) (EU Exit) Regulations 2019 to all British Overseas Territories, except Bermuda and Gibraltar (which implement sanctions under their own legislative arrangements).

<https://www.legislation.gov.uk/uksi/2024/370/contents/made>

#### **EU: DEAL ON MAKING FIREARMS IMPORT AND EXPORT MORE TRANSPARENT TO FIGHT TRAFFICKING**

On 14 March, the EU advised that negotiators from the EU Parliament and Council reached a provisional agreement on updating rules to trace import and export of civilian firearms more effectively. An updated EU Regulation aims to make import and export of firearms in the EU more transparent and more traceable, reducing the risk of trafficking. Under the updated and more harmonised rules, all imports and a vast majority of export of firearms for civilian use will be subject to closer supervision without compromising trade. It would also set up an EU-wide electronic

licensing system (ELS) for manufacturers and dealers, replacing the predominantly paper-based national ones. The proposed Regulation must now be formally adopted by the European Parliament and the Council before it enters into force.

<https://www.europarl.europa.eu/news/en/press-room/20240313IPR19328/deal-on-making-firearms-import-and-export-more-transparent-to-fight-trafficking>

[https://ec.europa.eu/commission/presscorner/detail/en/IP\\_24\\_1477](https://ec.europa.eu/commission/presscorner/detail/en/IP_24_1477)

### **REPORT EXAMINES THE TRADE IN RUSSIAN ENRICHED URANIUM**

On 14 March, RUSI published a report which examines the extent of Western (European and US) dependencies on Russian enriched uranium and identifies ways in which Rosatom may be continuing to access global, including Western, nuclear fuel supply chains, despite some efforts in the US and Europe to diversify away from Russian supply. The report studies changes in Russian enriched uranium trade patterns since the start of 2022 to identify possible indicators of efforts to adapt to restrictions on Russian uranium supply that have been or may be introduced by governments and companies. The practices described in this report raise questions over the extent of Western dependencies on Russian enriched uranium supply, the implications for Western energy security, the imbalance of vulnerability this may create between some Western governments and Moscow, and the effectiveness of efforts to cut Russia out of global, or even Western, nuclear supply chains.

<https://static.rusi.org/SR-power-plays-web-final.pdf>

### **CHINA IN SUB-SAHARAN AFRICA: SANCTION-PROOF SUPPLY LINES AND DUAL-USE PORTS**

On 14 March, a Commentary from RUSI says that Chinese development financing in sub-Saharan Africa has sought, among other aims, to bolster Beijing's supply chain resilience and dual port maritime strength. While this may enhance its ability to raise geopolitical tensions or conduct territorial expansion, complications remain around the execution of such a strategy. China has developed significant global influence through the use of development financing, spending \$1 trillion since 2013, including \$160 billion in Africa. Development of ports to a 'dual port use specification' is to avoid Western suspicion of PLA Navy (PLAN) build-up.

<https://rusi.org/explore-our-research/publications/commentary/china-sub-saharan-africa-sanction-proof-supply-lines-and-dual-use-ports>

### **UK: THE JOURNEY OF THE THREAT AND RESPONSE TO DRUGS**

On 13 March, a Commentary from RUSI is the seventh in a series of articles analysing the top 10 serious and organised crime threats to the UK and how they have evolved over a decade. Over the last 10 years, rates of drug use, drug offences and drug-related harms have all increased.

<https://rusi.org/explore-our-research/publications/commentary/drugs-old-threat-made-new>

### **UK: HAITI SANCTIONS GUIDANCE UPDATED**

On 13 March, the Foreign Commonwealth and Development Office published updated guidance, saying it reflects the fact that the arms embargo has been updated to reflect the Haiti (Sanctions) (Amendment) Regulations 2024 in accordance with the UN Security Council Resolutions 2699 (2023) and 2700 (2023).

<https://www.gov.uk/government/publications/haiti-sanctions-guidance/haiti-sanctions-guidance>

### **BELGIUM: LARGE-SCALE OPERATION TO DISMANTLE AN ISRAELI ORGANISED CRIMINAL GROUP WHICH ALLEGEDLY PRODUCED AND IMPORTED COUNTERFEIT LUXURY WATCHES AND DIAMONDS TO ANTWERP'S "DIAMOND DISTRICT"**

On 14 March, a news release from Europol advised that it had supported a large-scale operation led by Belgian law enforcement authorities to dismantle an Israeli organised criminal group. The successful operation led to the arrest of 15 suspects in Belgium (11), Israel (2), Netherlands (1) and Slovakia (1).

<https://www.europol.europa.eu/media-press/newsroom/news/time-for-criminal-organisation-counterfeiting-luxury-watches-in-antwerp>

### **US: REVISIONS TO THE EXPORT ADMINISTRATION REGULATIONS TO REMOVE EXPORT CONTROL OBSTACLES FOR OFFICIAL US GOVERNMENT BUSINESS, INCLUDING THE DEPARTMENTS OF DEFENSE AND ENERGY**

On 14 March, Sandler Travis Rosenberg reported on a Final Rule from BIS which expands licence exception GOV to authorise the export, reexport, or transfer (in-country) of microelectronics; revises certain control list entries; and provides guidance about the classification of integrated circuits on the Commerce Control List when there is US Government involvement in the fabrication of the circuit.

<https://www.strtrade.com/trade-news-resources/str-trade-report/trade-report/march/bis-expands-license-exception-clarifies-export-controls>

## **VICTIMS' GUIDE – WHAT HAPPENS WHEN A CASE COMES TO THE CPS**

The Crown Prosecution Service in the UK has produced a guide which explains what you can expect from the criminal justice system if you decide to report what has happened to the police.

<https://www.cps.gov.uk/victims-guide>

## **UK: THE INIQUITY “EXCEPTION” TO LEGAL PROFESSIONAL PRIVILEGE (LPP)**

On 4 February, Dechert Chambers published an article saying that a recent Court of Appeal case provided the Court with an opportunity to explore the operation and scope of the iniquity principle in the context of LLP.

<https://gatehouselaw.co.uk/the-iniquity-exception-to-legal-professional-privilege-al-sadeq-v-dechert-llp/>

## **WHEN VICTIMS OF MODERN SLAVERY BECAME OFFENDERS: THE UNRAVELLING OF THE UK’S MODERN SLAVERY AGENDA**

On 27 February, an article in the Journal of Human Trafficking reviews recent criminal cases decided by the Court of Appeal in England and Wales to explore why it is that some victims of trafficking break the law. While victims of trafficking who commit crimes have a defence in law, this has not been without controversy in the courts and is increasingly threatened in practice. It examines the cases of 3 people convicted of modern slavery and allied immigration crimes that are excluded from the statutory defence.

<https://www.tandfonline.com/doi/full/10.1080/23322705.2024.2303254>

## **THE SURINAMESE COCAINE TRAFFICKER ENDLESSLY EVADING JUSTICE**

On 13 March, an article from Insight Crime said that drug trafficker Brian Blue remains at large months after Insight Crime exposed his suspected ties to the country’s Vice-President, showcasing his ability to stay off the radar of Surinamese authorities despite his rising international profile.

<https://insightcrime.org/news/surinamese-cocaine-trafficker-endlessly-evading-justice/>

## **PANAMA IS REMOVED FROM EU LIST OF COUNTRIES WITH DEFICIENCIES IN THE PREVENTION OF MONEY LAUNDERING**

On 14 March, La Estrella de Panama reported that the EU Commission has announced the removal of Panama from the list of high-risk countries due to strategic deficiencies in the prevention of money laundering and terrorist financing.

<https://www.laestrella.com.pa/panama/nacional/panama-sale-de-la-lista-de-paises-con-deficiencias-en-la-prevencion-de-blanqueo-de-capitales-de-la-ue-IE6413758>

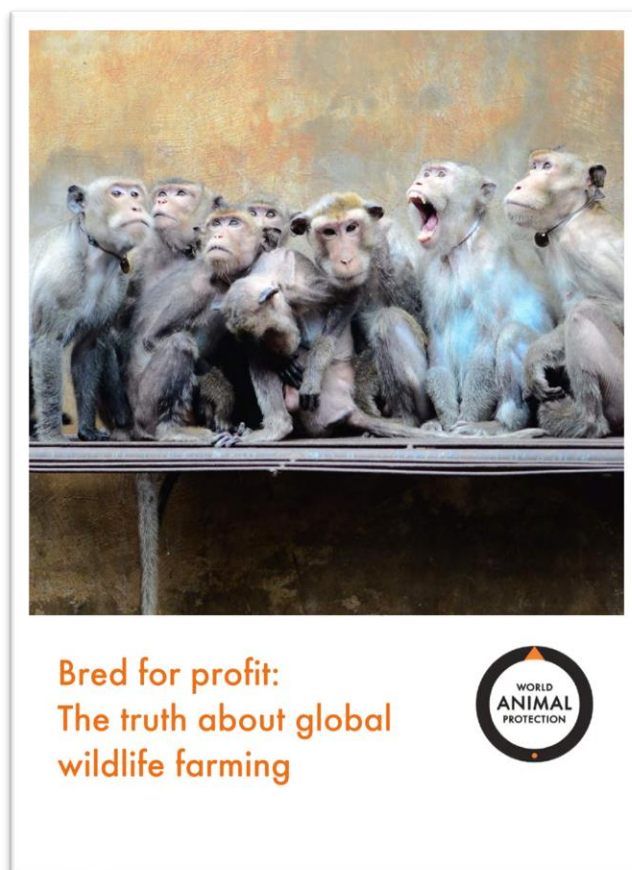
### **CYPRUS: THE FAR-RIGHT PARTY, A MONASTERY, CONCERNS OF TAX EVASION, AND ACCUSATIONS OF MONEY LAUNDERING**

On 14 March, the Cyprus Mail carried an article about a scandal surrounding the Osiou Avakoum monastery.

<https://cyprus-mail.com/2024/03/14/calls-to-investigate-elams-involvement-in-monk-scandal/>

### **PET AND WILDLIFE TRAFFICKING: A DARK TRUTH ABOUT WILD FARMS EXPOSED BY UK NONPROFIT**

On 7 March, OCCRP reported that wildlife “farming”, the term for breeding wild species in controlled environments, has been touted for helping protect both the animals and their often fragile ecosystems. However, it hides some secrets, including a dark relationship with illegal species trafficking, according to a new report.



<https://www.occrp.org/en/daily/18531-pet-and-wildlife-trafficking-a-dark-truth-about-wild-farms-exposed-by-uk-nonprofit>

<https://www.worldanimalprotection.org.uk/latest/news/profit-driven-wildlife-farms/>

### **FUGITIVE WIRECARD COO JAN MARSALEK EXPOSED AS DECADE-LONG GRU SPY**

On 1 March, The Insider reported allegations that fugitive Wirecard COO Jan Marsalek wasn't just responsible for Germany's largest financial fraud in history; he was also a decade-long spy for Russian military intelligence.

<https://theins.ru/en/politics/269612>

### **SWITZERLAND UPDATES RUSSIA SANCTIONS GUIDANCE**

On 14 March, the Global Sanctions blog reported that Switzerland has updated guidance on sanctions reporting requirements, the Russia diamond ban, the cryptocurrency ownership ban on Russian nationals and exceptions to the prohibitions on certain services.

<https://globalsanctions.co.uk/2024/03/switzerland-updates-russia-sanctions-guidance-see-our-new-swiss-sanctions-info/>

[https://www.seco.admin.ch/dam/seco/de/dokumente/Aussenwirtschaft/Wirtschaftsbeziehungen/Exportkontrollen/Sanktionen/Verordnungen/Rusland,%20Ukraine/auslegungshilfe\\_sanktionsmassnahmen\\_korrekturmodus\\_11-03-2024.pdf.download.pdf/Auslegungshilfe%20Sanktionsmassnahmen%20im%20Korrekturmodus\\_11-03-2024.pdf](https://www.seco.admin.ch/dam/seco/de/dokumente/Aussenwirtschaft/Wirtschaftsbeziehungen/Exportkontrollen/Sanktionen/Verordnungen/Rusland,%20Ukraine/auslegungshilfe_sanktionsmassnahmen_korrekturmodus_11-03-2024.pdf.download.pdf/Auslegungshilfe%20Sanktionsmassnahmen%20im%20Korrekturmodus_11-03-2024.pdf)

### **EU SANCTIONS: 3 INDIVIDUALS AND 9 DECEASED RUSSIANS REMOVED FROM SANCTIONS LISTS**

On 14 March, the Global Sanctions blog reported that Arkady Volozh (the founder of Yandex, a large internet company); Serguey Mndoiants; and Jozef Hambálek (a Slovakian national) have been removed from Russia sanctions lists. 9 other Russian politicians and military officials who have died are also delisted.

<https://globalsanctions.co.uk/2024/03/eu-de-lists-volozh-mndoiants-slovakian-leader-of-motorcycle-club-amends-russia-listings/>

### **OFAC ANNOUNCES ISRAEL WEST BANK SANCTIONS**

On 14 March, OFAC advised that 3 individuals and 2 entities had been added to its sanctions lists.

<https://ofac.treasury.gov/recent-actions/20240314>



**OFAC: AMENDMENTS TO RUSSIA, COUNTER TERRORISM AND TRANSNATIONAL CRIMINAL ORGANISATION SANCTIONS LISTS**

On 14 March, OFAC advised that the existing entries for 3 individuals and 1 entity had been amended.

<https://ofac.treasury.gov/recent-actions/20240314>

**OFAC: SETTLEMENT WITH SWISS PRIVATE BANK OVER SANCTIONS VIOLATIONS**

On 14 March, OFAC announced that EFG International AG, a global private banking group based in Switzerland with approximately 40 global subsidiaries had agreed to pay \$3,740,442 to settle its potential civil liability for apparent violations of multiple sanctions programs administered by OFAC. The alleged violations included Cuba-related transactions, dealings with a designated Russian and a Chinese national that OFAC later designated as a Specially Designated Narcotics Trafficking Kingpin (SDNTK).

<https://ofac.treasury.gov/media/932766/download?inline>

**OFAC SANCTIONS MEMBER OF A BRAZIL-BASED CRIMINAL ORGANISATION**

On 14 March, OFAC announced that it had designated Diego Macedo Gonçalves do Carmo, a member of *Primeiro Comando da Capital* (PCC). The PCC is the most notorious organised crime group in Brazil and among the largest in Latin America, and Gonçalves is a key operative responsible for laundering hundreds of millions of dollars for the organisation.

<https://ofac.treasury.gov/recent-actions/20240314>

**HAIRDRESSER TO PORTUGAL'S 'FAMOUS' CONDEMNED TO 7 YEARS JAIL FOR TAX FRAUD**

On 14 March, Portugal Resident reported that Inês Pereira, a well-known hairdresser of 'various public figures', was condemned to 7 years in prison over a scheme maintained between 2011 and 2018.

<https://www.portugalresident.com/hairdresser-to-portugals-famous-condemned-to-seven-years-jail-for-tax-fraud/>

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