

23 April 2024

KENYA BOLSTERS AML AND CFT REGULATION FRAMEWORK

On 22 April, an article from Clyde & Co LLP was conacred with the Anti-Money Laundering and Combating of Terrorism Financing (AML and CFT) Laws (Amendment) Act 2023, which came into force on 15 September. The amendments it makes are said to collectively aim to enhance transparency, accountability, and effectiveness in the fight against money laundering and terrorism financing.

<https://www.clydeco.com/en/insights/2024/04/kenya-bolsters-aml-and-cft-regulation-framework-wi>

EU: THE WAYS IN WHICH MEMBER STATES HAVE IMPLEMENTED AND ENFORCED THE LATE PAYMENT DIRECTIVE

On 9 April, the Centre for European Policy Studies published a thematic report, explaining that the Late Payments Directive allows creditors to claim interest and recovery costs when facing delayed payments. However, it says, most late payments in the EU go unpunished and companies delay their payments without fearing any consequences.

https://www.ceps.eu/ceps-publications/enforcement-measures-combating-late-payments-in-commercial-transactions/?mc_cid=c58839e0ac&mc_eid=0f15a4b9a9

FOCUS ON NEW US MARITIME CYBER SECURITY REGULATIONS

On 23 April, Seatrade Maritime referred one to a Port of Los Angeles webinar in which a broad overview of the ongoing Federal initiative was provided, and the efforts at the Port of LA to get ahead of cyber-related risks.

<https://www.seatrade-maritime.com/ports/focus-new-us-maritime-cyber-security-regulations>

POLICE IN BOSNIA ARREST 23 PEOPLE SUSPECTED OF BEING PART OF GLOBAL DRUG KINGPIN'S 'INNER CIRCLE'

On 23 April, The Independent reported that those arrested include police and security officials, in a clampdown on criminal networks controlling much of Europe's cocaine trade.

<https://www.msn.com/en-gb/news/uknews/police-in-bosnia-arrest-23-people-suspected-of-being-part-of-global-drug-kingpin-s-inner-circle/ar-AA1nvFbs>

<https://www.occrp.org/en/27-ccwatch/cc-watch-briefs/18674-bosnia-cracks-down-on-international-drug-cartel-police-officials-among-suspects>

<https://www.europol.europa.eu/media-press/newsroom/news/global-drug-kingpins-inner-circle-taken-down>

VENEZUELA LOOKS TO TETHER TO BYPASS SANCTIONS

On 22 April, CoinDesk reported that Reuters has said that state oil company PDVSA is trying to integrate more usage of USDT as a hedge against having foreign bank accounts frozen. Tether is the world's largest dollar-pegged stablecoin.

<https://www.coindesk.com/policy/2024/04/23/venezuela-looks-to-tether-to-bypass-sanctions-reuters/>

US: LUXURY HANDBAG DESIGNER TO THE STARS WHO SMUGGLED BAGS MADE FROM PYTHONS JAILED

On 23 April, the Evening Standard reported that Nancy Gonzalez, 71, had pleaded guilty to illegally importing bags made from caimans and pythons into the US from her native Colombia. She was arrested in 2022 in Cali, and later extradited to the US. She was sentenced to 18 months in a federal court in Miami for breaking US wildlife laws.

<https://www.standard.co.uk/news/world/luxury-handbag-designer-nancy-gonzalez-jailed-colombia-reptiles-b1153241.html>

CHINA MULLS REVISING AML LAW

On 23 April, Xinhua reported that lawmakers have started deliberating a draft revision to the Anti-Money Laundering Law, with rules specifying AML obligations for specific non-financial institutions.

<https://english.news.cn/20240423/f8d0de2c78ce4dd6bf28862a9e094a06/c.html>

CRIMINALS AND OLIGARCHS IN EU'S SIGHTS AS IT TARGETS FOOTBALL FRAUD

On 23 April, the Guardian reported claims that criminals, oligarchs and the rich and powerful have privileged ways of laundering their dirty money, and football is one of them as expert assessments and scandals have shown time and again. The European Parliament is to vote to include the football industry in its 6th AML Directive. If approved, as expected, from 2029, most professional clubs and every agent within the EU will be required to verify their customers' identities, monitor transactions – including player transfers – and report suspicious transactions to their relevant FIU.

<https://www.theguardian.com/football/2024/apr/23/european-union-money-laundering-crime-corruption-uefa>

BOLIVIAN POLICE RAID BISHOP'S HOUSE AFTER MONEY LAUNDERING ALLEGATION

On 23 April, Crux reported that a German-born bishop emeritus in Bolivia had his house raided by prosecutors and police officers.

<https://cruxnow.com/church-in-the-americas/2024/04/bolivian-police-raid-bishops-house-after-money-laundering-allegation>

5 KEYS TO BETTER PORT SECURITY IN LATIN AMERICA

Americas Quarterly has published this article containing 5 recommendations for improving security at ports in the Americas, based on conversations with sector experts and executives. It says that Latin America's ports face an array of security challenges, from narcotics to cyberattacks, often with national implications. These include improved anti-corruption efforts and information-sharing.

Ports seizing the most EU-bound cocaine

OF ALL LATIN AMERICAN PORTS, THESE 10 INTERDICTED THE MOST COCAINE HEADED TO THE EU IN 2020 (METRIC TONS)



SOURCE: EUROPEAN MONITORING CENTRE FOR DRUGS AND DRUG ADDICTION AND EUROPOL, "EU DRUG MARKET: COCAINE – IN-DEPTH ANALYSIS" (2022)



<https://americasquarterly.org/article/five-keys-to-better-port-security-in-latin-america/>

This article is one of a series - Ports Are Latin America's New Geopolitical Hotspot

<https://americasquarterly.org/article/new-aq-ports-are-latin-americas-new-geopolitical-hotspot/>

AUSTRALIA'S CRITICAL MINERALS STRATEGY AMID US–CHINA GEOPOLITICAL RIVALRY

On 22 April, a Commentary from RUSI says that, as tensions between the US and China continue to grow and efforts to 'friend-shore' supply chains gather pace, Australia is being forced to make a difficult choice when it comes to the future of its critical minerals strategy.

<https://rusi.org/explore-our-research/publications/commentary/australias-critical-minerals-strategy-amid-us-china-geopolitical-rivalry>

COMBATING KLEPTOCRACY: LESSONS FROM THE RESPONSE TO RUSSIA'S WAR IN UKRAINE

On 23 April, an Occasional Paper from RUSI explores the state of efforts to combat modern kleptocracy before February 2022 and assesses how the war has catalysed a range of responses from Western allies.

<https://rusi.org/explore-our-research/publications/occasional-papers/combating-kleptocracy-lessons-response-russias-war-ukraine>

EU AMENDS MALI SANCTIONS REGIME

EU Regulation 2024/1205/EU amended existing Regulations to remove certain provisions relating to UN measures, and amends the existing exemption to asset freeze measures for certain humanitarian actors, expanding the scope of the exemption to cover additional actors and replacing the related derogation.

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401205

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401204

ANTI-SUIT INJUNCTION ISSUED BY ENGLISH COURT TO HALT RUSSIAN PROCEEDINGS

On 23 April, an Out-Law article reported that a ruling requiring a Gazprom entity to bring an end to litigation proceedings in Russia was upheld by the UK Supreme Court. The underlying case involves a dispute over money relating to a major energy infrastructure project. The Court of Appeal had said that initiating and pursuing the Russian proceedings had been in breach of its agreement to arbitrate.

<https://www.pinsentmasons.com/out-law/news/anti-suit-injunction-issued-by-court-halt-russian-proceedings>

4 TIPS FOR DIGITAL EVIDENCE PRESERVATION

On 22 April, an article from Control Risks provided some recommended actions that can be taken in different types of incidents.

<https://www.controlrisks.com/our-thinking/insights/four-tips-for-evidence-preservation>

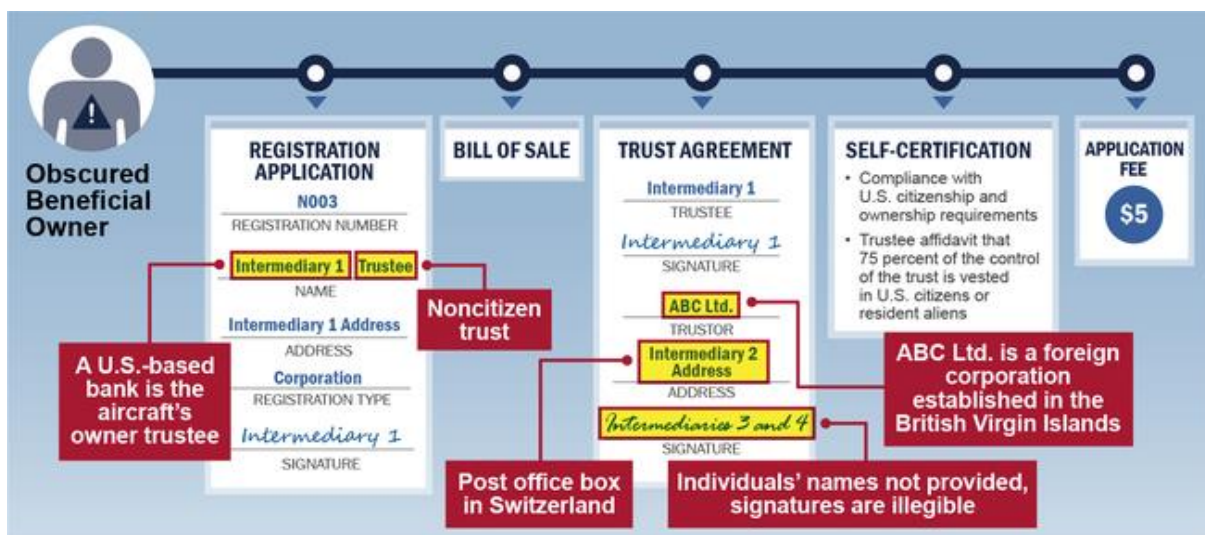
SMUGGLING OF USED CARS INTO NORTH KOREA RISES AMID POST-COVID DEMAND

On 22 April, RFA reported that a recent surge in demand for used cars in North Korea has triggered an increase in car smuggling from China.

<https://www.rfa.org/english/news/korea/used-cars-smuggling-04222024144405.html>

US: AIRCRAFT REGISTRATION - RISKS REMAIN FROM EFFORTS TO OBSCURE OWNERSHIP INFORMATION

On 9 April, the Governmental Accountability Office reported that, to register civil aircraft with the FAA, applicants can provide opaque information on beneficial owners resulting in criminal and national security risks through aircraft registry fraud and abuse. Additionally, FAA generally relies on self-certification of registrants' eligibility and does not verify key information. In March 2020, GAO made 15 recommendations to FAA. As of April 2024, FAA addressed 3 recommendations but needs to take additional actions to implement the remaining 12.



Sources: GAO analysis of Federal Aviation Administration information; GAO (icons). | GAO-24-107495

<https://www.gao.gov/products/gao-24-107495>

CHINESE ORGANISED CRIME'S LATEST US TARGET: GIFT CARDS

On 10 April, ProPublica published an article saying that a federal task force is investigating their role in a burgeoning form of gift card fraud. It refers to a scheme known as “card draining”, in which thieves use stolen or altered card numbers to siphon off money before the owner can spend it.

<https://www.propublica.org/article/chinese-organized-crime-gift-cards-american-retail>

HOW AI IS BEING USED TO PREVENT ILLEGAL FISHING

On 3 April, the BBC reported on how the NGO Global Fishing Watch is now using increasingly sophisticated AI software, and satellite imagery, to globally map the movements of more than 65,000 commercial fishing vessels, both those with - and without - AIS.

<https://www.bbc.com/news/business-68564249>

P+I CLUBS INTERNATIONAL GROUP EMPHASISES IMPORTANCE OF NEW RUSSIAN OIL PRICE CAP RULES

On 23 April, Insurance Marine News reported that the International Group of P&I Clubs has issued a circular re-emphasising the importance of the Circular it sent out at the beginning of February from 1 February relating to the changes to the Oil Price Cap (OPC) scheme (which regulates the transport and insurance of certain Russian cargoes) that came into effect as of 19 February (UK and US) and for cargoes loaded on or after 20 February (EU).

<https://insurancemarinenews.com/insurance-marine-news/international-group-emphasizes-importance-of-new-russian-oil-price-cap-rules/>

ANTI-PIRACY LESSONS FROM THE SEYCHELLES

On 23 April, an article from War on the Rocks says that the pirates of Somalia have returned, and small states in the region may hold the key to stopping them. It argues that the success of the Seychelles Coast Guard shows how regional states, however tiny, can play an outsized role not only in countering piracy but also in maritime security in general. By taking quick and sharp action against malicious actors, small states can make a major contribution to regional maritime security.

<https://warontherocks.com/2024/04/anti-piracy-lessons-from-the-seychelles>

JERSEY PUBLISHES GUIDANCE ON RUSSIA REPORTING OBLIGATIONS

On 23 April, the Global Sanctions blog reported that the Jersey had issued updated guidance relating to Russian sanctions.

<https://globalsanctions.co.uk/2024/04/jersey-publishes-guidance-on-russia-reporting-obligations/>

OFAC DESIGNATES IRANIAN CYBER ACTORS TARGETING US COMPANIES AND GOVERNMENT AGENCIES

On 23 April, OFAC advised that it had sanctioned 2 companies and 4 individuals involved in malicious cyber activity on behalf of the Iranian Islamic Revolutionary Guard Corps Cyber Electronic Command (IRGC-CEC). These actors targeted more than a dozen US companies and government entities through cyber operations, including spear phishing and malware attacks.

In conjunction with today's action, the DoJ and FBI are unsealing an indictment against the 4 individuals for their roles in cyber activity targeting US entities.

<https://ofac.treasury.gov/recent-actions/20240423>

<https://home.treasury.gov/news/press-releases/jy2292>

<https://www.justice.gov/opa/pr/justice-department-charges-four-iranian-nationals-multi-year-cyber-campaign-targeting-us>

OFAC TARGETS WEST AFRICAN HOSTAGE TAKERS - THE JAMA'AT NUSRAT AL-ISLAM WAL-MUSLIMIN TERRORIST GROUP

On 23 April, OFAC advised that it had sanctioned 2 leaders of al-Qaida-aligned terrorist group Jama'at Nusrat al-Islam wal-Muslimin (JNIM) for hostage-taking of US persons in West Africa.

<https://ofac.treasury.gov/recent-actions/20240423>

<https://home.treasury.gov/news/press-releases/jy2293>

A CASE STUDY ON THE "CRIME-FRAUD" EXCEPTION TO THE US "ATTORNEY-CLIENT PRIVILEGE"

On 22 April, Field Fisher published an article saying that such privilege protection is not absolute. For example, when a client seeks an attorney's legal services for criminal or fraudulent purposes, he or she is not entitled to privilege protection. This is the "crime-fraud exception" to the attorney-client privilege. The case described in the article involves the "fraud" exception.

<https://www.fieldfisher.com/en/services/intellectual-property/intellectual-property-blog/a-case-study-on-the-crime-fraud-exception-to-the-us-attorney-client-privilege>

THE STATE OF RUSSIA'S DEFENCE INDUSTRY AFTER 2 YEARS OF THE WAR

On 22 April, CSIS published a report which examines Russia's evolving defence industrial capabilities and limitations during the second year of the Russia-Ukraine war and analyses how these changes have affected and will continue to affect battlefield outcomes in Ukraine.

<https://www.csis.org/analysis/back-stock-state-russias-defense-industry-after-two-years-war>

TAXATION OF THE DIGITALIZED ECONOMY

On 23 April, KPMG published the latest edition of this update.

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

EXPLORING LAW ENFORCEMENT HACKING AS A TOOL AGAINST TRANSNATIONAL CYBER CRIME

On 23 April, a Paper from the Carnegie Endowment for International Peace says that Western law enforcement agencies also have been expanding their own abilities to cross both technical and national boundaries to take on cyber criminals. This trend is creating new opportunities and challenges for both domestic and international cyber policy. The Paper explore how and when it is appropriate for law enforcement agencies to use disruptive cyber operations and the need to incorporate these operations within broader domestic and international cybersecurity strategies.

<https://carnegieendowment.org/2024/04/23/exploring-law-enforcement-hacking-as-tool-against-transnational-cyber-crime-pub-92263>

SOUTH AFRICA: FOLLOWING THE ARREST OF A FORMER DEFENCE AND MILITARY VETERANS MINISTER, THE NATIONAL DEFENCE FORCE (SANDF) IS ONCE AGAIN IN THE SPOTLIGHT OVER FRAUD AND CORRUPTION

On 23 April, Defence Web reported the court appearance of retired Brigadier General Mendis Eddy Mondlane alongside a co-accused.

<https://www.defenceweb.co.za/sa-defence/sa-defence-sa-defence/sandf-officials-arrested-as-more-corruption-allegations-surface/>

UK: REPLACING THE NON-DOM TAX RULES – AN EXPLAINER

On 22 April, the Chartered Institute of Taxation issued this Explainer, saying that in the Budget of 6 March, the Chancellor announced that the government will be prospectively abolishing the remittance basis of taxation for non-UK domiciled individuals with effect from April 2025. This note explains what is proposed.

<https://www.tax.org.uk/replacing-non-dom-tax-rules-explainer>

ZAMBIA: DRUG ENFORCEMENT COMMISSION (DEC) HAS ANNOUNCED THE ARREST AND CHARGING OF THE FAZ PRESIDENT, HIS DEPUTY, AND 2 OTHER INDIVIDUALS FOR MONEY LAUNDERING OFFENCES

On 23 April, the Lusaka Times reported that the fraudulent activities allegedly involving the football officials took place in January and February 2024, coinciding with the dates of the Africa Cup of Nations held in Ivory Coast.

<https://www.lusakatimes.com/2024/04/23/andrew-kamanga/>

LUXEMBOURG: FINANCIAL SERVICES REGULATOR REPORTS AN ADMINISTRATIVE PENALTY IMPOSED ON FUCHS & ASSOCIÉS FINANCE SA

On 23 April, a post from Duane Morris reported that the CSSF had imposed the €785,000 penalty for AML/KYC and sanctions failings.

<https://blogs.duanemorris.com/europeansanctionsenforcement/2024/04/23/luxembourg-cssf-imposes-e785000-fine-for-sanctions-compliance-failings/>

EU PARLIAMENT OPPOSES REMOVING PANAMA, UAE, BARBADOS, AND UGANDA FROM MONEY LAUNDERING BLACKLIST

On 23 April, La Prensa in Panama reported that the EU Parliament rejected by 490 votes in favour, 64 against and 56 abstentions the update of the list proposed by the EU Commission, which also asked to include Namibia and Kenya in this register, so that it cannot enter into force and the Commission will have to make a new proposal.

<https://www.prensa.com/economia/el-parlamento-europeo-se-opone-a-sacar-a-gibraltar-y-panama-de-la-lista-europea-de-riesgo-de-blanqueo/>

UK: NEW PROCEEDS OF CRIME AND TERRORISM CODES OF PRACTICE

- **The** Proceeds of Crime Act 2002 (Search, Recovery of Cryptoassets and Investigations: Codes of Practice) Regulations 2024 bring into operation 2 revised codes of practice and 1 new code of practice issued by the Secretary of State under the Proceeds of Crime Act 2002. This follows amendments made to the Act by recent legislation that concern unexplained wealth orders and cryptoassets.
- Proceeds of Crime Act 2002 and Terrorism Act 2000 (Certain Information Orders: Code of Practice) Regulations 2024 – introduces a new code of practice in relation to powers exercisable by the Director General of the NCA or an authorised officer of the NCA.

- Terrorism Act 2000 (Code of Practice for Authorised Officers) Order 2024 – amends the Code following amendments to legislation concerning cryptoassets made by the Economic Crime and Corporate Transparency Act 2023.

<https://www.legislation.gov.uk/uksi/2024/551/contents/made>

<https://www.legislation.gov.uk/uksi/2024/552/contents/made>

<https://www.legislation.gov.uk/uksi/2024/550/contents/made>

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