

12 April 2024

US ADDITIONS TO EXPORT ADMINISTRATION REGULATIONS (EAR) ENTITY LIST

On 10 April, KPMG reported that the Commerce Department is to add 11 entries to the entity list from China (6), Russia (3), and UAE (2), to impose export control restrictions.

<https://kpmg.com/us/en/home/insights/2024/04/tnf-us-additions-ear-entity-list.html>

<https://www.strtrade.com/trade-news-resources/str-trade-report/trade-report/april/exports-to-11-more-entities-restricted>

See also –

CHINESE COMPANIES HELPING MILITARY GET AI CHIPS ADDED TO US EXPORT BLACKLIST

<https://www.reuters.com/business/us-restricts-trade-with-11-entities-russia-china-uae-government-notice-says-2024-04-10>

EU: CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE - FINAL SPRINT TO THE FINISH LINE

On 11 April, a Client Alert from Wilmer Hale said that the EU has finally reached an agreement on the text of the Corporate Sustainability Due Diligence Directive (CS3D). The CS3D profoundly affects the ways companies active in Europe will manage their supply relationships and supply chains worldwide. The CS3D also establishes legal liability for companies regarding both environmental and human rights harm within their supply chain.

<https://www.wilmerhale.com/insights/client-alerts/20240411-corporate-sustainability-due-diligence-directive-final-sprint-to-the-finish-line>

See also –

UNDERSTANDING EU AND UK CLIMATE DISCLOSURE AND ANTI-GREENWASHING REGIMES

On 10 April, Morgan Lewis published an article saying that, amid a rise of environmental, social, and governance (ESG) investing and initiatives, the EU and UK have set their sights on efforts to combat greenwashing in the financial sector. It looks at ways in which fund managers can navigate the complex, multijurisdictional regulatory framework that shapes ESG investing in Europe.

<https://www.morganlewis.com/pubs/2024/04/understanding-eu-and-uk-climate-disclosure-and-anti-greenwashing-regimes>

COUNTRIES FROM CENTRAL ASIA TO SOUTH AMERICA ARE BUILDING THEIR OWN DRONES BASED ON IRANIAN DESIGNS — OFTEN WITH US COMPONENTS

On 8 April, Bloomberg reported that Russia has started making Iranian drones for its war in Ukraine, bringing the number of countries using Iranian technology, assistance, or parts to at least a dozen.

<https://www.bloomberg.com/news/features/2024-04-08/iran-s-drone-tech-innovations-are-redefining-global-warfare>

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION HAS WON ITS FIRST GREENWASHING CIVIL PENALTY CASE AGAINST VANGUARD IN RELATION TO MISLEADING ESG CLAIMS

On 10 April, Clyde & Co LLP published an article saying that the case provides a useful early indication of the types of arguments regulators and respondents will grapple with in greenwashing cases, as well as how the courts will interpret them. Separate penalty proceedings are set to take place in August this year.

<https://www.clydeco.com/en/insights/2024/04/australian-securities-and-investments-commission-v>

US TO END “GUN SHOW LOOPHOLE” THAT ALLOWS SALES WITHOUT BACKGROUND CHECKS

On 11 April, the BBC reported that the Biden administration is to close a loophole that allows thousands of firearms to be sold at gun shows and on the internet without federal background checks. The Biden administration said it expected a court challenge by pro-gun groups, but was confident it would win.

<https://www.bbc.com/news/world-us-canada-68791474>

ANTWERP WORLD DIAMOND CENTRE CEO RESIGNS AMID RUSSIA DIAMOND SANCTIONS

On 12 April, Yahoo Finance reported that Antwerp World Diamond Centre (AWDC) Chief Executive Ari Epstein had resigned unexpectedly. Belgian financial newspaper De Tijd reported that Russian diamond sanctions had been the cause of conflict between the diamond sector and the Belgian government.

<https://uk.finance.yahoo.com/news/antwerp-world-diamond-centre-ceo-093512351.html>

ISRAEL SANCTIONS: WHO HAS IMPOSED CURBS OVER GAZA WAR?

On 12 April, Deutsche Welle reported that calls for sanctions on Israel over its offensive in Gaza are growing louder. France has refused to rule out curbs, while Turkey has restricted exports of dozens

of products to Israel until a cease-fire is announced. It looks at what measures a handful of countries and activist movements have taken.

<https://www.dw.com/en/for-fridayisrael-sanctions-who-has-imposed-curbs-over-gaza-war/a-68792324>

FinCEN PROPOSES RULE TO SUBJECT CERTAIN INVESTMENT ADVISERS TO AML PROGRAM, RECORDKEEPING, AND REPORTING REQUIREMENTS UNDER THE BANK SECRECY ACT

On 11 April, the National Law Review reported on the proposed Rule.

<https://natlawreview.com/article/fincen-proposes-rule-subject-certain-investment-advisers-anti-money-laundering>

AUSTRALIA: PROPOSED REFORMS TO THE AML/CFT REGIME

On 12 April, the National Law Review reported on the proposed reforms, aimed to strengthen, and modernise the framework. It says that reforms to the AML/CFT regime have been long awaited, and will concern significant changes if given effect.

<https://natlawreview.com/article/australia-proposed-reforms-to-anti-money-laundering-and-counter-terrorism-financing?amp>

AUSTRALIAN STOCK MARKET FIRM PROSPERO COLLAPSES AMID ALLEGED \$200 MILLION SCANDAL

On 12 April, News.com reported that the financial services firm has been forced to close after links to an alleged money laundering operation. The trading platform provider has been ordered into court liquidation amid concerns over clients' money, which comes after senior employees linked to the firm face prosecution over alleged links to a \$228 million money laundering operation.

<https://www.news.com.au/finance/business/banking/australian-stock-market-firm-prospero-collapses-amid-alleged-200m-scandal/news-story/e210b1be92a705dce9b4634ea8c1f470>

BELGIUM OPENS PROBE INTO PRO-RUSSIA NETWORK ACCUSED OF PAYING MEPs

On 12 April, Politico reported that Belgium's federal prosecutor has opened an investigation into the pro-Russian propaganda network which is accused of paying MEPs to promote the Russian agenda.

<https://www.politico.eu/article/belgium-prosecutor-open-probe-pro-russia-network-accused-pay-mep/>

<https://www.theguardian.com/world/2024/apr/12/belgium-investigates-alleged-russian-payments-to-meps>

UK SERIOUS AND ORGANISED CRIME STRATEGY 2023 TO 2028

On 12 April, the Home Office published an updated version of the strategy which sets out a response to the full range of serious and organised crime threats.

<https://www.gov.uk/government/publications/serious-and-organised-crime-strategy-2023-to-2028>

ORGANISED CRIME: EU COUNCIL GIVES GREEN LIGHT FOR EU LAW ON ASSET RECOVERY AND CONFISCATION

On 12 April, a news release from the EU Council advised that it had adopted a Directive which sets out EU-wide minimum rules on the tracing, identification, freezing, confiscation and management of criminal property in connection with a wide range of crimes. The Directive would better equip Member States in their fight against organised crime and the associated illegal profits. It would also oblige EU countries to ensure that authorities have the resources they need for their activities. The rules will also apply to violation of sanctions.

<https://www.consilium.europa.eu/en/press/press-releases/2024/04/12/organised-crime-council-gives-green-light-for-eu-law-on-asset-recovery-and-confiscation/>

<https://globalsanctions.co.uk/2024/04/eu-council-gives-final-approval-to-directive-criminalising-sanctions-violations/>

THE RISE – AND FALL – OF ART FRAUDSTER INIGO PHILBRICK

On 12 April, an article from Spears WMS was concerned with a US art dealer based in London specialising in secondary market sales, who committed various fraudulent acts, conning some extraordinarily powerful clients in the process. In May 2022, Philbrick was sentenced to 84 months in prison (subsequently- reduced).

<https://spearswms.com/luxury/art-culture/all-that-glitters-inigo-philbrick-review-orlando-whitfield/>

RETIRED CHAIR OF CHINESE STATE-OWNED EVERBRIGHT GROUP INDICTED ON BRIBERY CHARGES

On 12 April, the Daily Mail reported that the former central bank executive has been indicted on suspicion of embezzlement and bribery, part of a wider wave of prosecutions of senior officials accused of financial crimes.

<https://www.dailymail.co.uk/wires/ap/article-13300465/Retired-chair-Chinese-state-owned-Everbright-Group-indicted-bribery-charges.html>

UK ARREST IN €645 MILLION “JUICYFIELDS” INTERNATIONAL INVESTMENT SCAM

A news release from NCA on 12 April advised that it has arrested a senior staff member of a scam company, joining law enforcement across the continent to crack down on “JuicyFields” – a notorious and elaborate Ponzi scheme. Investments in the platform are thought to amount to a staggering €645 million, though unreported damages could bring that sum far higher.

<https://www.nationalcrimeagency.gov.uk/news/uk-arrest-in-645-million-international-investment-scam>

<https://www.europol.europa.eu/media-press/newsroom/news/9-arrests-in-eur-645-million-juicyfields-investment-scam-case>

EU RUSSIA SANCTIONS: FAQ ON REPORTING ON OUTGOING TRANSFERS UPDATED

On 12 April, the EU advised that the FAQ had been updated, and that an updated consolidated version of the FAQ published.

https://finance.ec.europa.eu/publications/reporting-outgoing-transfers_en

https://finance.ec.europa.eu/publications/consolidated-version_en

UK ICO UNVEILS NEW FINE CALCULATION GUIDE FOR DATA PROTECTION INFRINGEMENTS

On 11 April, Latham & Watkins LLP published an article about the new guide, saying that understanding the ICO approach to assessing financial penalties should be a key element of an organisation’s data protection strategy and risk profile.

<https://www.jdsupra.com/legalnews/uk-ico-unveils-new-fine-calculation-8873670/>

UK FREEPORTS

On 12 April, the Department for Levelling Up, Housing and Communities released updated information, and links to further information, about freeports operating in the UK.

<https://www.gov.uk/guidance/freeports#full-publication-update-history>

CHINESE ORGANISED CRIME’S LATEST US TARGET: GIFT CARDS

On 12 April, Eurasia Review carried an article saying that federal authorities are investigating the involvement of Chinese organised crime rings in gift card fraud schemes that have stolen hundreds of millions of dollars or more from US consumers. Americans are expected to spend more than \$200 billion on gift cards this year, according to an industry estimate.

<https://www.eurasiareview.com/12042024-chinese-organized-crimes-latest-us-target-gift-cards-analysis/>

UK: THE POST OFFICE SCANDAL AND PRIVATE PROSECUTIONS – SOME PROPOSALS FOR REFORM

On 11 April, an article from Corker Bining said that, for many decades, private prosecutions languished as an interesting but obscure backwater of the criminal law. That changed around 15 years ago, when private prosecutions started to mushroom in both number and visibility.

<https://corkerbinning.com/the-post-office-scandal-and-private-prosecutions-some-proposals-for-reform/>

HOW A BALKAN CRIME GANG SPRANG A RUSSIAN BUSINESSMAN FROM ITALIAN HOUSE ARREST

On 11 April, Rfe/rl published an article about the “rescue” last year of Artyom Uss, who was wanted by US authorities on charges of smuggling sensitive technology used in Russian weapons in Ukraine.

<https://www.rferl.org/a/artiom-uss-escape-arrest-italy-russia-balkans-ukraine-invasion/32899209.html>

CONCERN OVER INCREASED POACHING: MAJOR SHIPMENT OF 651 PIECES OF ELEPHANT IVORY HAS BEEN SEIZED IN MOZAMBIQUE EN ROUTE TO DUBAI

On 27 March, the Environmental Investigation Agency reported that officials from Mozambique’s Criminal Investigation Service (SERNIC) and the Tax Authority intercepted a container at Maputo port on 22 March and found the ivory concealed in a shipment of bags of corn.

<https://eia-international.org/news/large-ivory-seizure-in-mozambique-comes-amid-worrying-signs-of-increasing-elephant-poaching/>

HOW UKRAINIAN FIGHTER PILOTS WERE PAID €150,000 PER FLIGHT TO CARRY MILLIONS OF EUROS WORTH OF DRUGS INTO SPAIN IN LOW-FLYING HELICOPTERS IN THE DEAD OF NIGHT

On 2 April, The Olive Press carried an article about how Ukrainian pilots who imported drugs from Morocco to Spain on helicopters have been busted by the Guardia Civil and the Royal Moroccan Gendarmerie.

<https://www.theolivepress.es/spain-news/2024/04/02/revealed-how-ukrainian-fighter-pilots-were-paid-e150000-per-flight-to-carry-millions-of-euros-worth-of-drugs-into-spain-in-low-flying-helicopters-in-the-dead-of-night/>

UK: NEW POWERS TO CHALLENGE AND CHANGE COMPANY NAMES

On 26 March, a post from Companies House said that it was running stronger checks on company names which may give a false or misleading impression to the public. This will help it improve the accuracy and quality of the data it holds and help tackle the misuse of company names.

<https://companieshouse.blog.gov.uk/2024/03/26/our-new-powers-to-challenge-and-change-company-names/>

OFAC TARGETS HAMAS UAV UNIT OFFICIALS AND CYBER ACTOR

On 12 April, OFAC advised that it was targeting Gaza- and Lebanon-based leaders of the terrorist group's offensive cyber and unmanned aerial vehicle (UAV) operations. Concurrent with this action, the EU is imposing sanctions targeting Hamas.

<https://home.treasury.gov/news/press-releases/jy2248>

<https://ofac.treasury.gov/recent-actions/20240412>

OFAC: BALKAN SANCTIONS REMOVALS AND 1 CYBER SANCTIONS AMENDMENT

On 12 April, OFAC advised that Slobodan STANKOVIC of Bosnia and Herzegovina, had been removed from the SDN List, as well as 3 entities connected to him. At the same time, the entry for Ruslan Aleksandrovich PERETYATKO had been updated.

<https://ofac.treasury.gov/recent-actions/20240412>

EUROJUST HELPS TACKLE MASSIVE FRAUD OF €645 MILLION WITH MEDICINAL CANNABIS PLANTS ACROSS EUROPE

On 12 April, a news release from Eurojust advised that it had assisted national authorities across Europe in tackling a massive fraud involving fake investments in cannabis plants for medicinal use. 2 linked criminal organisations that advertised the scheme online and laundered the profits, which are estimated to be approximately €645 million, have been dismantled.

<https://www.eurojust.europa.eu/news/eurojust-helps-tackle-massive-fraud-eur-645-million-medicinal-cannabis-plants-across-europe>

CRACKDOWN ON CRIMINAL NETWORK THAT USED MINORS AND WOMEN FOR STREET BEGGING IN PORTUGAL

On 12 April, Eurojust advised that authorities in Portugal and Romania have dismantled an organised crime group involved in human trafficking, qualified fraud and money laundering. The suspects

allegedly transported Romanian citizens, mostly minors and women, to Portugal and used them to beg for a fictitious association, posing as deaf-mute children and young people.

<https://www.eurojust.europa.eu/news/crackdown-criminal-network-used-minors-and-women-street-begging-portugal>

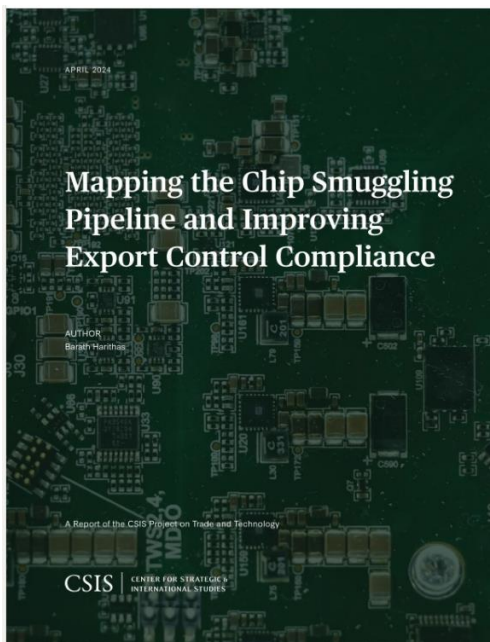
EUROJUST HOLDS EU COMMISSION EVEN TO INCREASE COORDINATION IN FIGHT AGAINST WILDLIFE TRAFFICKING

On 12 April, a news release from Eurojust announced that, on 11-12 April, the 46th Meeting of the EU Wildlife Trade Enforcement Group took place at Eurojust headquarters in The Hague. The event, which was organised by the European Commission's DG Environment, brought together key stakeholders working to fight back against wildlife trafficking.

<https://www.eurojust.europa.eu/news/eurojust-hosts-european-commission-event-increase-coordination-fight-against-wildlife>

MAPPING THE CHIP SMUGGLING PIPELINE AND IMPROVING EXPORT CONTROL COMPLIANCE

On 9 April, CSIS released this report which says that export control evasion of controlled chips is a known concern, but the specifics of this activity are opaque. In addition, a systematic analysis of the entire chip smuggling pipeline, from initial procurement to unlawful distribution, remains conspicuously absent. This study aims to bridge that methodological gap. It breaks down the smuggling pipeline into 4 distinct stages - initial procurement, evasion of customs controls, port exit, and transshipment - and identifies 11 potential smuggling tactics.



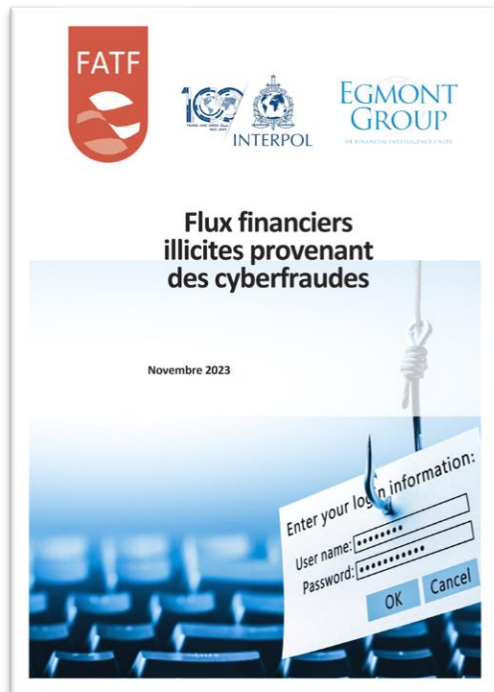
https://csis-website-prod.s3.amazonaws.com/s3fs-public/2024-04/240409_Harithas_Chip_Smuggling.pdf?VersionId=894hzMieB.qJHkVVH2HS7g2m49.a92KR

REMIND: UK CONSULTATION ON IMPROVING THE EFFECTIVENESS OF THE MONEY LAUNDERING REGULATIONS

HM Treasury released this consultation in February, and the closing date is 9 June.

https://assets.publishing.service.gov.uk/media/65e9e1813649a2001aed6492/HM_Treasury_Consultation_on_Improving_the_Effectiveness_of_the_Money_Laundering_Regulations.pdf

EGMONT GROUP: THE RELEASE OF THE FRENCH AND ARABIC TRANSLATIONS OF THE ILLICIT FINANCE FROM CYBER-ENABLED FRAUD (CEF) REPORT



<https://egmontgroup.org/wp-content/uploads/2024/02/Flux-financiers-illicites-cyberfraudes.pdf>

<https://egmontgroup.org/wp-content/uploads/2024/03/Arabic-Illicit-Financial-Flows-Cyber-Enabled-Fraud.pdf.coredownload.inline.pdf>

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