

11 April 2024

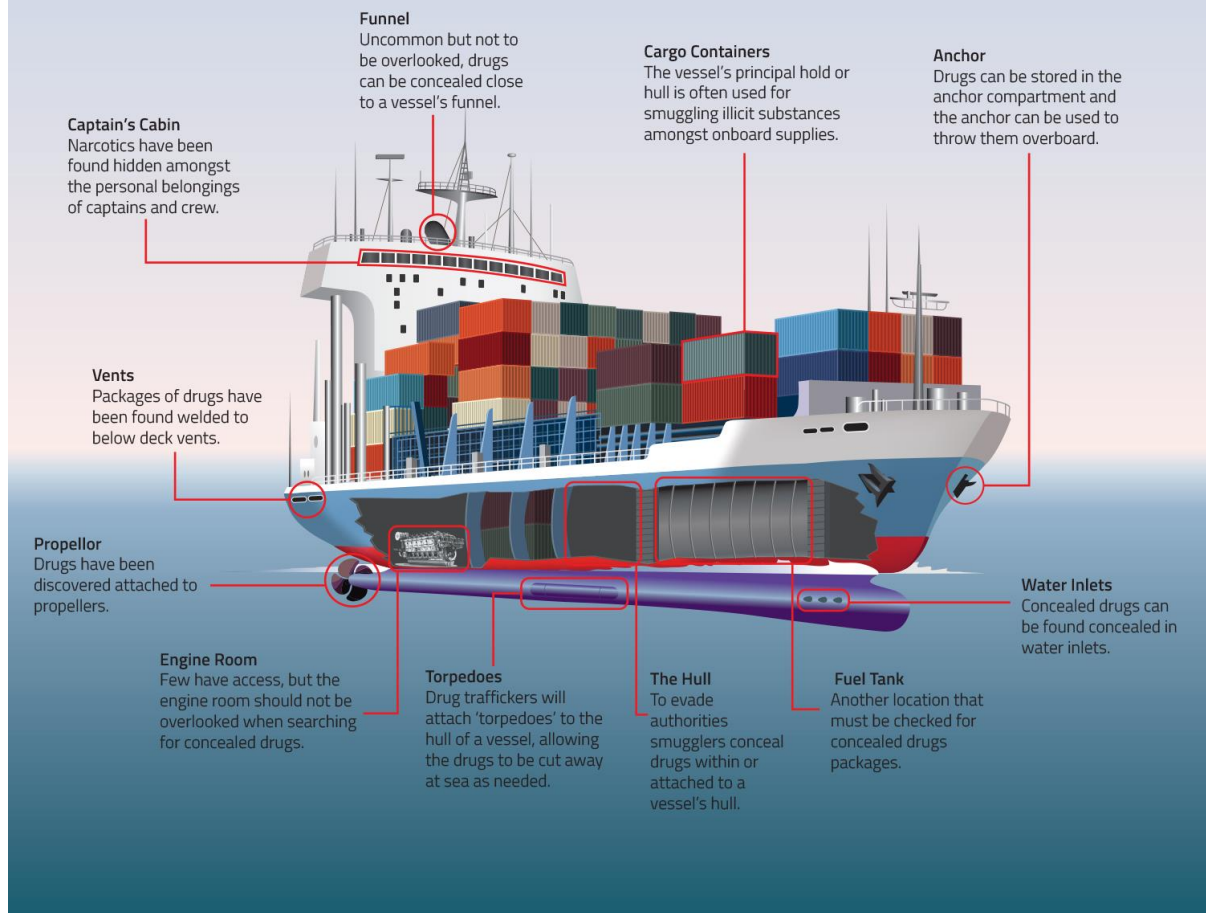
US: KPMG FINED RECORD \$25 MILLION IN EXAM-CHEATING SCANDAL

On 10 April, the Wall Street Journal reported that the fine on the auditing firm's Netherlands unit is the largest ever from the Public Company Accounting Oversight Board, and stems from claims of exam cheating and misinforming investigators. KPMG Accountants NV failed to take adequate steps to identify and investigate misconduct in which employees provided answers or access to questions on exams aimed at helping auditors maintain their professional certifications to perform certain types of audits.

<https://www.wsj.com/articles/kpmg-fined-25-million-over-alleged-netherlands-exam-cheating-a4dcba2a>



Drug smuggling prevention: Counter narcotics at sea



<https://channel16.dryadglobal.com/ics-how-the-maritime-industry-tries-to-tackle-drug-smuggling>

FRAUD-BUSTERS SWOOP ON GREEK CONTRACTS INVOLVING €2.5 BILLION OF EU RECOVERY FUNDS

On 10 April, Politico reported that authorities are investigating allegations of fraud linked to the way €2.5 billion in EU funds has been awarded to just 10 companies in Greece. The Greek investigation centres on public tender processes where companies allegedly colluded to avoid more than one of them competing for the same contract — limiting the number of firms who benefited.

<https://www.politico.eu/article/fraud-busters-swoop-greece-contract-involve-e2-5-billion-eu-recovery-fund-cosmote-vodafone-nova>

SOMALI PIRATE ACTIVITY INCREASES AGAIN

On 11 April, Seatrade Maritime reported on the latest update from the International Maritime Bureau, which received reports of 33 incidents of piracy and armed robbery against ships in the first quarter 2024, up from 27 in the same period last year. A hijacking in December 2023 was the first by alleged Somali pirates since 2017, said IMB, and 2 hijackings were reported off Somalia in the first quarter 2024.

<https://www.seatrade-maritime.com/piracy/somali-pirate-activity-increases-again>

See also –

RESURGENCE OF SOMALI PIRACY – ANALYSIS

On 11 April, this article from Eurasia Review said that, since November 2023, about 25 cases of attacks on ships linked to piracy have taken place; and that this has brought attention again to piracy off the Somalia coast in the Gulf of Aden.

<https://www.eurasiareview.com/11042024-maritime-menace-resurgence-of-somali-piracy-analysis/>

JAPAN BANS EXPORTS OF 164 INDUSTRIAL ITEMS TO RUSSIA & BANS IMPORT OF DIAMONDS

On 11 April, the Global Sanctions blog reported that the export restrictions take effect from 17 April, and the ban on non-industrial Russian diamonds from 10 May.

<https://globalsanctions.co.uk/2024/04/japan-bans-exports-of-164-industrial-items-to-russia-bans-import-of-diamonds/>

See also –

JAPAN'S EXPORT CONTROLS REQUIRE REASSESSMENT – ANALYSIS

On 11 April, Eurasia Review reported on the country's exports controls, saying that the 2022 National Security Strategy proposed enhancements to its export control framework.

<https://www.eurasiareview.com/11042024-japans-export-controls-require-reassessment-analysis/>

https://www.cas.go.jp/jp/siryou/221216anzenhoshou/national_security_strategy_2022_pamphlet-e.pdf

US WILL NOT LIFT SANCTIONS ON IRANIAN IT COMPANY DELISTED BY EU

On 9 April, World ECR reported that US authorities have stated that ArvanCloud will remain sanctioned by the US for its clear role in facilitating censorship to the detriment of the people of Iran.

<https://www.worldecr.com/news/us-will-not-lift-sanctions-against-iranian-it-firm-delisted-by-eu/>

<https://www.rferl.org/a/iran-eu-sanctions-arvancloud-internet-censorship/32897604.html>

EU TOBACCO SMUGGLING: OVER 600 MILLION ILLICIT CIGARETTES SEIZED THANKS TO OLAF IN 2023

On 11 April, a news release from the European Anti-Fraud Office (OLAF) announced that international operations involving the European Anti-Fraud Office (OLAF) in 2023 led to the seizure of 616 million illicit cigarettes, 140 tonnes of raw tobacco and 6 tonnes of water pipe tobacco.

[https://anti-fraud.ec.europa.eu/media-corner/news/tobacco-smuggling-over-600-million-illicit-](https://anti-fraud.ec.europa.eu/media-corner/news/tobacco-smuggling-over-600-million-illicit-cigarettes-seized-thanks-olaf-2023-2024-04-11_en?prefLang=fr)

[cigarettes-seized-thanks-olaf-2023-2024-04-11_en?prefLang=fr](https://anti-fraud.ec.europa.eu/media-corner/news/tobacco-smuggling-over-600-million-illicit-cigarettes-seized-thanks-olaf-2023-2024-04-11_en?prefLang=fr)

SOUTH AFRICA: PROPOSED AMENDMENTS TO MONEY LAUNDERING AND TERRORIST FINANCING CONTROL REGULATIONS

On 11 April, TechAfrica and others reported on proposed amendments aimed to bolster the nation's AML/CFT framework by enhancing reporting requirements for the conveyance of cash or bearer-negotiable instruments into or out of the country.

[https://www.techafrikanews.com/2024/04/11/south-africa-proposes-amendments-to-strengthen-](https://www.techafrikanews.com/2024/04/11/south-africa-proposes-amendments-to-strengthen-anti-money-laundering-efforts/)

[anti-money-laundering-efforts/](https://www.techafrikanews.com/2024/04/11/south-africa-proposes-amendments-to-strengthen-anti-money-laundering-efforts/)

VIETNAMESE BILLIONAIRE SENTENCED TO DEATH FOR \$44 BILLION FRAUD

On 11 April, the BBC and others reported that real estate tycoon Truong My Lan, 67, has been sentenced to death by a court in Ho Chi Minh city in southern Vietnam in the country's largest financial fraud case ever. The chair of the real estate company Van Thinh Phat was formally charged with fraud amounting to \$12.5 billion (£9.9 billion) - nearly 3% of the country's 2022 GDP.

[https://www.itv.com/news/2024-04-11/vietnam-sentences-real-estate-tycoon-to-death-in-nations-](https://www.itv.com/news/2024-04-11/vietnam-sentences-real-estate-tycoon-to-death-in-nations-largest-fraud-case)

[largest-fraud-case](https://www.itv.com/news/2024-04-11/vietnam-sentences-real-estate-tycoon-to-death-in-nations-largest-fraud-case)
<https://www.youtube.com/watch?v=o2bgTXdrATA>

<https://www.theguardian.com/world/2024/apr/11/vietnamese-property-tycoon-sentenced-to-death-in-27bn-case>

ORGANISED IMMIGRATION CRIME IN THE UK

On 11 April, a Commentary from RUSI considers the trajectory of organised immigration crime – an area that has seen dramatic change in the routes and tactics used.

<https://rusi.org/explore-our-research/publications/commentary/organised-immigration-crime-uk-resilient-business-model>

UK: MILLIONAIRE LANDLADY JAILED FOR MODERN SLAVERY OFFENCES FORCED TO PAY £200,000 TO VICTIM

On 11 April, a news release from the CPS advised that a landlady who was jailed for keeping a vulnerable woman in domestic servitude has had to sell a property to pay the victim back almost £200,000. She was jailed for 6 years and 8 months in December 2022 at Lewes Crown Court after she was found guilty of holding a person in slavery or servitude and perverting the course of justice.

<https://www.cps.gov.uk/cps/news/millionaire-landlady-jailed-modern-slavery-offences-forced-pay-ps200k-victim>

ISLE OF MAN: UPCOMING MONEYLENDERS AML/CFT THEMATIC PROJECT

On 11 April, the FSA advised that it is currently planning a thematic project involving businesses registered to undertake the activities of lending, financial leasing, and the provision of financial guarantees (i.e. moneylenders), which is intended to run from 2024 and beyond.

<https://www.iomfsa.im/fsa-news/2024/apr/upcoming-moneylenders-amlcft-thematic-project/>

JERSEY: REGULATORY TECHNOLOGY IMPLEMENTATION GUIDES

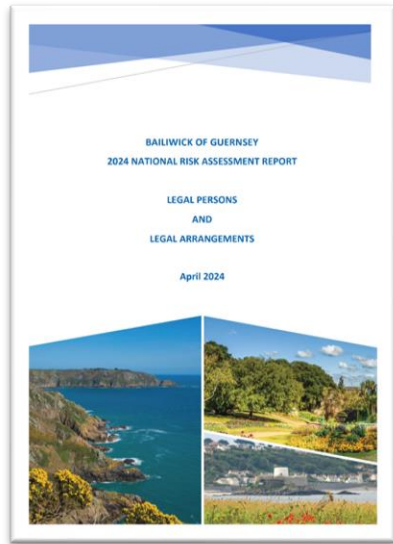
On 11 April, the Jersey FSC published a new guide which provides step-by-step support for business managers implementing a regulatory technology (RegTech) solution at their firm. This guide is the second in a series on RegTech, and the first guide was focussed on financial crime and regulatory technology.

<https://www.jerseyfsc.org/industry/innovation-hub/innovation-reports/regulatory-technology-implementation-guide/>

<https://www.jerseyfsc.org/industry/innovation-hub/innovation-reports/financial-crime-and-regulatory-technology-guide/>

GUERNSEY: NATIONAL RISK ASSESSMENT FOR LEGAL PERSONS AND LEGAL ARRANGEMENTS REPORT

On 11 April, the FSC reported that the new report follows, and supplements, the second National Risk Assessment, also known as NRA2, which was published in December.



<https://www.gfsc.gg/news/national-risk-assessment-legal-persons-and-legal-arrangements-report-published-part-bailiwicks>

<https://gov.gg/finance-risk-assessment>

NON-EU COUNTRIES ALIGN WITH EU RUSSIA SANCTIONS

On 11 April, the Global Sanctions blog reported that a number of European countries had aligned their sanctions measures with several changes made to the EU Russia sanctions framework.

<https://globalsanctions.co.uk/2024/04/non-eu-countries-align-with-eu-russia-sanctions/>

US TREASURY PROPOSES REGULATION UPDATE TO SHARPEN AND ENHANCE CFIUS PROCEDURES AND ENFORCEMENT AUTHORITIES TO PROTECT NATIONAL SECURITY

On 11 April, a news release from the US Treasury advised of a Notice of Proposed Rulemaking (NPRM) to enhance certain Committee on Foreign Investment in the United States (CFIUS) procedures and sharpen its penalty and enforcement authorities. The proposed rule reflects CFIUS's evolution and increased focus on monitoring, compliance, and enforcement. The proposed rule would refine and enhance CFIUS's authorities through a number of key changes.

<https://home.treasury.gov/news/press-releases/jy2246>

<https://home.treasury.gov/policy-issues/international/the-committee-on-foreign-investment-in-the-united-states-cfius>

CAPTAGON: THE MIDDLE EAST IS AWASH IN DRUGS

On 11 April, an article from Foreign Affairs says that over the past decade, the Middle East has been flooded with captagon. The drug, a mix of amphetamines and caffeine, has become especially popular in Saudi Arabia and the UAE, where labourers and partiers use it to stave off hunger and sleep. Syria makes most of the world's captagon, which is a crucial source of revenue for the country and its dictator. It explains that captagon was originally developed in the 1960s as a pharmaceutical to treat depression and narcolepsy. By the 1980s, most countries banned the drug because it was addictive and caused serious side effects, including psychosis. A decade later, criminal groups in Bulgaria began making a drug of the same name — although they used a different chemical compound.

<https://www.foreignaffairs.com/middle-east/middle-east-awash-drugs>

ISRAEL SUPREME COURT OVERTURNS ORDER FOR BANK TO PROCESS ABRAMOVICH DONATION DESPITE OF EU & UK SANCTIONS

On 11 April, the Global Sanctions blog reported on a case involving a donation to ZAKA, an Israeli humanitarian organisation. A district court had ordered the bank to make the payment on the basis that the funds would remain in Israel and that the EU and UK sanctions did not apply in Israel. The Supreme Court of Israel has now overturned that order.

<https://globalsanctions.co.uk/2024/04/israel-supreme-court-overtURNS-injunction-stopping-bank-refusing-to-process-abramovich-donation-because-of-eu-uk-sanctions/>

SWITZERLAND ALIGNS WITH EU SANCTIONS ON HAMAS, GUATEMALA, SUDAN

On 11 April, the Global Sanctions blog reported on how Switzerland had aligned its sanctions measures with those of the UK in respect of recent changes involving Hamas, Guatemala, and Sudan.

<https://globalsanctions.co.uk/2024/04/switzerland-aligns-with-eu-sanctions-on-hamas-guatemala-sudan/>

UK UPDATES GUIDANCE ON REPORTING EXPORT CONTROL BREACHES

On 11 April, the Global Sanctions blog reported that the ECJU had updated its guidance. It stresses that however an irregularity is identified, it is very important to report it to HMRC (sometimes known as 'voluntary disclosure') as soon as possible. If the irregularity was found on an ECJU compliance audit, the compliance inspector will have informed HMRC and you are strongly advised to do the same.

<https://globalsanctions.co.uk/2024/04/uk-updates-guidance-on-reporting-export-control-breaches/>
<https://www.gov.uk/guidance/export-controls-military-goods-software-and-technology#full-publication-update-history>

US: MULTIPLE FEDERAL AGENCIES SCRUTINISING PROCEDURES AT MORGAN STANLEY FOR EVALUATING THE RISK OF MONEY LAUNDERING AMONG CLIENTS WITHIN ITS EXTENSIVE WEALTH MANAGEMENT ARM

On 11 April, Investment News and others reported that the SEC and other federal regulators are reportedly probing the banking giant over its AML and client vetting practices. It is said that among the other regulators investigating the bank's practices are the Office of the Comptroller of the Currency, and various offices within the US Treasury. The inquiry follows probe by the Federal Reserve which reportedly is considering supervisory action.

<https://www.investmentnews.com/regulation-and-legislation/news/morgan-stanleys-wealth-unit-caught-in-aml-crossfire-252113>

CANADA: AML WATCHDOG GIVES FAILING GRADES TO BANKS, REAL ESTATE COMPANIES

On 11 April, Global News reported that an internal report from FINTRAC found that most banking and real estate companies it audited last year are not following the country's AML laws, sparking calls for greater oversight and higher fines.

<https://globalnews.ca/news/10414820/canada-anti-money-laundering-agency-gives-failing-grades-to-banks-real-estate-companies/>

AUSTRALIAN COURT ORDERS LIQUIDATION OF PROSPERO MARKETS AS TOP OFFICIALS FACE CHARGES RELATED TO A MONEY LAUNDERING SCHEME

On 11 April, finance Feeds reported that the decision follows an application from the Australian Securities and Investments Commission (ASIC), citing multiple concerns about management and compliance with its financial service obligations.

<https://financefeeds.com/australian-court-orders-liquidation-of-prospero-markets/>

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