

8 May 2024

UK COMPANIES HOUSE: THE FIRST SET OF CHANGES UNDER THE ECONOMIC CRIME AND CORPORATE TRANSPARENCY ACT

On 8 May, Companies House said that it had introduced the first set of changes under the Economic Crime and Corporate Transparency Act on 4 March. It said that it is running stronger checks on company names which may give a false or misleading impression to the public.

<https://changestoukcompanylaw.campaign.gov.uk/>

OFAC HAS REMOVED SBERBANK (SWITZERLAND) AG FROM ITS RUSSIA SANCTIONS LIST

On 8 May, the Global Sanctions blog reported that Sberbank had sold its Switzerland-based subsidiary in September 2022, and it is now renamed TradeXBank.

<https://globalsanctions.co.uk/2024/05/ofac-de-lists-sberbank-switzerland-from-russia-sanctions-list/>
<https://ofac.treasury.gov/recent-actions/20240506>

RUSSIAN BILLIONAIRE USMANOV'S SISTER ISMAILOVA LOSES BID TO OVERTURN EU SANCTIONS

On 8 May, Devdiscourse reported that Gulbakhor Ismailova, the sister of Uzbek-Russian billionaire Alisher Usmanov, had lost a legal battle to overturn EU sanctions placed on her after Russia's 2022 invasion of Ukraine.

<https://www.devdiscourse.com/article/law-order/2931797-russian-billionaire-usmanovs-sister-ismailova-loses-bid-to-overturn-eu-sanctions>

US: BELGIAN NATIONAL SENTENCED FOR EXPORT CONTROL VIOLATIONS

On 7 May, the Global Investigations Review reported that Florida resident Eddy pleaded guilty to conspiring to send military-related circuits and infrared cameras to Russia and China.

<https://globalinvestigationsreview.com/just-sanctions/article/belgian-national-gets-30-months-export-control-violations>

AUSTRALIA SANCTIONS ALLEGED RUSSIAN LEADER OF LockBit GLOBAL CYBER-CRIME RING

On 7 May, 9 News reported that Australia had joined the US and UK in imposing sanctions on Russian citizen Dmitry Khoroshev, who is said to have held a "senior leadership role" in the ransomware group.

<https://www.msn.com/en-au/news/australia/australia-sanctions-alleged-russian-leader-of-global-cyber-crime-ring/ar-BB1m04xV>

See also -

<https://www.europol.europa.eu/media-press/newsroom/news/new-measures-issued-against-lockbit>

<https://krebsonsecurity.com/2024/05/u-s-charges-russian-man-as-boss-of-lockbit-ransomware-group/>

<https://www.gfsc.gg/news/sanctions-notice-cyber-2>

UNODC LAUNCHES NEW ACTION TO COMBAT HUMAN TRAFFICKING AND MIGRANT SMUGGLING

On 8 May, In Depth News reported that the United Nations Office on Drugs and Crime (UNODC) has decided to launch a global Action against Human Trafficking and Migrant Smuggling. UNODC will highlight the links between trafficking and smuggling and also other forms of organised crime such as cybercrime, money laundering, drug trafficking, firearms trafficking, and corruption. A global network of specialised prosecutors to be established by the end of this year will focus on a “follow-the-money” approach to tighten money laundering safeguards and identify links with corruption, and other forms of organised crime.



<https://indepthnews.net/unodc-launches-new-action-to-combat-human-trafficking-and-migrant-smuggling/>

<https://www.unodc.org/unodc/en/press/releases/2024/April/unodc-launches-new-action-to-combat-human-trafficking-and-migrant-smuggling.html>

UGANDA: FAILURE OF SAVINGS AND CREDIT CO-OPERATIVES (SACCO) AND MICROFINANCE INSTITUTIONS (MFI) TO COMPLY WITH AML/CFT REGULATIONS POSES A SIGNIFICANT THREAT TO UGANDA’S FINANCIAL INTEGRITY

On 8 May, The Independent in Uganda reported that, despite being obligated to adhere to AML/CFT regulations like banks, insurance companies, and NGO, SACCO and MFI are largely non-compliant.

According to the Financial Intelligence Authority (FIA), fewer than 20 of these institutions are registered with the authority, the first requirement for compliance.

<https://www.independent.co.ug/saccos-mfis-put-uganda-at-risk-by-flouting-anti-money-laundering-rules/>

FATF: UPDATED AML/CFT CONSOLIDATED RATINGS

On 7 May, FATF published an updated consolidated schedule of all AML/CFT evaluation ratings to date.

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

UK: SOMALIA (SANCTIONS) (EU EXIT) (AMENDMENT) REGULATIONS 2024

These Regulations make a series of modifications to the Somalia (Sanctions) (EU Exit) Regulations 2020 to give full effect in domestic law to the UK's international obligations conferred by various UN Security Council Resolutions. They also introduce additional purposes and sanctions designation criteria to support the UK's counter terrorism objectives as outlined in the Government's Counter Terrorism Strategy (CONTEST), which includes degrading Al-Shabaab, which remains the greatest terrorist threat in Somalia and the Horn of Africa. The new criteria are not limited to Al-Shabaab, but encompasses the activities of other terrorist and armed groups. In December, the UN found that given the threat Al-Shabaab poses to peace and security in Somalia, there is a need to degrade Al-Shabaab, including through targeted sanctions, preventing access to weapons and ammunition, disrupting its finances, reducing the threat posed by improvised explosive devices, improving maritime domain awareness and through international collaboration.

<https://www.legislation.gov.uk/uksi/2024/609/contents/made>

JERSEY: RETURN OF £829,500 FORFEITED FUNDS TO MOZAMBIQUE CONFIRMED

On 7 May, a news release advised that Jersey's Attorney General and the Vice-Attorney General of Mozambique have signed a Memorandum of Understanding to return over £829,500 to the Republic of Mozambique. This is the first asset return arrangement entered into by Mozambique. The funds had been held in a Jersey Trust which had been placed there by a Mozambican national who had received corrupt payments in the course of his employment in Mozambique.

<https://www.gov.je/News/2024/Pages/AssetReturnArrangementRepublicOfMozambique.aspx>

LAW ENFORCEMENT AGENCIES FROM AUSTRIA, CYPRUS AND CZECHIA HAVE ARRESTED 6 AUSTRIANS RESPONSIBLE FOR AN ONLINE CRYPTOCURRENCY SCAM

On 8 May, a news release from Europol advised that between December 2017 and February 2018, the scammers pretended to have set up a genuine online trading company which had issued a new cryptocurrency, and an initial coin offering (ICO).

<https://www.europol.europa.eu/media-press/newsroom/news/austrian-scammers-escape-investors-not-law-enforcement>

UK: EX-CITY SOLICITOR JAILED FOR 15 YEARS OVER INVESTMENT FRAUDS

On 7 May, Legal Futures reported that a former City solicitor who was one of the architects behind a Ponzi scheme that multiplied into several investment frauds has been jailed for 15 years.

<https://www.legalfutures.co.uk/latest-news/ex-city-solicitor-jailed-for-15-years-over-investment-frauds>

KEEPING EMPLOYERS UP WITH EU DIRECTIVES

On 7 May, Eversheds Sutherland provided a guide which summarises some of the salient parts of the EU Directives that may impact employers operating in the EU and suggest some practical tips for employers wanting to keep ahead of the game. It also highlights the potential impact for employers operating outside the EU, and provides a tracker of the current status of the Directives.

<https://www.eversheds-sutherland.com/en/global/insights/keeping-up-with-eu-directives>

DEADLY HUMAN SMUGGLING THROUGH MEXICO THRIVES IN “PERFECT CYCLE OF IMPUNITY”

On 30 April, a report from ICIJ and its media partners in Latin America tells how smugglers make use of the cargo industry, which is supposed to be tightly regulated by government agencies, and says that organised crime groups seem to operate with impunity. Today, the smuggling business is estimated to generate billions of dollars a year for the cartels.

<https://www.icij.org/inside-icij/2024/04/deadly-human-smuggling-through-mexico-thrives-in-perfect-cycle-of-impunity/>

TÜRKIYE IN THE WORLD

On 7 May, the EU Institute for Security Studies published a report which examines Türkiye’s presence in and interaction with 4 distinct regions in the world: the Western Balkans; the South Caucasus; the Middle East, North Africa and Gulf region; and Africa. It shows how engagement with these regions

serves a dual purpose for Türkiye: diversifying partnerships to counter isolation and asserting strategic autonomy by distancing itself from the West.



https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_182.pdf

TÜRKİYE STOPS ALL TRADE WITH ISRAEL

On 8 May, the Global Sanctions blog reported that Turkey had ended all import and export transactions until the Israeli Government allows an uninterrupted and sufficient flow of humanitarian aid to Gaza.

<https://globalsanctions.co.uk/2024/05/turkiye-stops-all-trade-with-israel/>

UK AND ISLE OF MAN AMEND 1 ENTRY ON RUSSIA SANCTIONS LIST

On 8 May, a Notice from HM Treasury advised that the existing entry for Said Mikhailovich GUTSERIEV had been amended. The Isle of Man followed suit.

https://assets.publishing.service.gov.uk/media/663b6781cf3b5081b14f32a1/Notice_Russia_080524.pdf

<https://www.gov.im/news/2024/may/08/financial-sanctions-russia/>

FinCEN ISSUES ADVISORY ON IRAN-BACKED TERRORIST ORGANISATIONS

On 8 May, FinCEN advised that it had issued an Advisory to assist financial institutions in detecting potentially illicit transactions related to Islamic Republic of Iran-backed terrorist organisations. The Advisory highlights how certain terrorist organisations receive support from Iran and describes several typologies these terrorist organisations use to illicitly access or circumvent the international financial system to raise, move, and spend funds. These terrorist organisations include Lebanese Hizballah, Hamas, the Palestinian Islamic Jihad, the Houthis, and several Iran-aligned militia groups in

Iraq and Syria. It also provides red flags that may assist financial institutions in identifying related suspicious activity.



<https://www.fincen.gov/news/news-releases/fincen-issues-advisory-iran-backed-terrorist-organizations>

<https://www.fincen.gov/sites/default/files/advisory/2024-05-07/FinCEN-Advisory-Iran-Backed-TF-508C.pdf>

UK COURT SAYS THAT SANCTIONS BREACHED WHERE PAYMENT MADE TO A COMPANY PROVED (RATHER THAN SUSPECTED) TO BE OWNED OR CONTROLLED BY A DESIGNATED PERSON

On 8 May, the Global Sanctions blog reported that the High Court had ruled that the UK asset freeze prohibitions are breached when it is proved as a matter of fact that someone is dealing with the funds of a DP or an entity controlled by a DP, not where there is only a “reasonable suspicion” of control by a DP.

<https://globalsanctions.co.uk/2024/05/uk-court-says-that-sanctions-breached-where-payment-made-to-a-company-proved-rather-than-suspected-to-be-owned-or-controlled-by-a-dp-vneshprombank-v-bedzhamov/>

PODCAST - THE SHIFTING FIELD OF DIVERSITY, EQUITY AND INCLUSION (DEI)

On 8 May, the latest podcast from TRACE featured a presentation by Misti Mukherjee, founder and managing member of Extensio Law. Misti addresses the shifting field of diversity, equity, and inclusion — including recent changes to the law — and emphasises the critical importance of this work alongside the need to approach it with intentionality and discipline.

<https://www.traceinternational.org/resources-podcast>

EU AGREES €3 BILLION RAID ON RUSSIAN ASSETS TO BUY WEAPONS FOR UKRAINE

On 8 May, Politico reported that the EU had approved a plan to use the profits generated by investing frozen Russian assets to buy weapons for Ukraine.

<https://www.politico.eu/article/belgium-finally-agrees-to-hand-over-ukraine-billions-euros-tax-frozen-russian-assets/>

<https://www.theguardian.com/world/article/2024/may/08/eu-reaches-deal-on-using-profits-from-russias-frozen-assets-for-ukraine>

ESCALATION BENEATH THE WAVES: THE LOOMING THREAT OF HOUTHU UUV IN THE RED SEA

On 8 May, an article from the Center for International Maritime Security said that the maritime traffic in the Red Sea now faces a new and unexpected threat – unmanned undersea vehicles (UUV) deployed by the Houthi rebels in Yemen.

<https://cimsec.org/escalation-beneath-the-waves-the-looming-threat-of-houthi-uuv-in-the-red-sea/>

THE NATURE OF PROPERTY IN CRYPTOASSETS

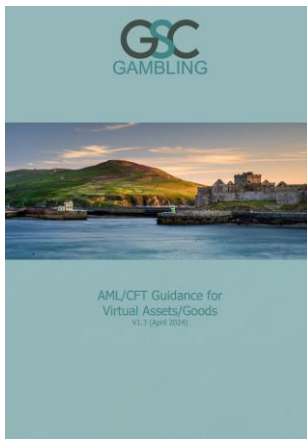
On 15 April, a post from the National University of Singapore summarised a recent paper that examined some existing views relating to the nature of property in cryptoassets, proposed a potential approach, and considered its implications for title transfer rules relating to cryptoassets.

<https://blog.nus.edu.sg/lawresearch/2024/04/15/the-nature-of-property-in-cryptoassets/>

<https://www.cambridge.org/core/journals/legal-studies/article/nature-of-property-in-cryptoassets/6B882C05BD3D9A7A924FBE41C359E92E>

ISLE OF MAN GAMBLING SUPERVISION: UPDATES TO AML/CFT GUIDANCE FOR VIRTUAL ASSETS/GOODS

In April, the GSC published an updated edition of this Guidance, which has been fully reviewed.



https://www.isleofmangsc.com/media/envj2xsk/aml-cft-guidance-for-virtual-assets_goods.pdf

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