

10-11 May 2024

US: RECENT SEC "SHADOW TRADING" CASE SIGNALS POTENTIAL EXPANSION OF INSIDER TRADING LAW

On 8 May, an article from Covington & Burling LLP said that a recent trial victory could signal significant changes in the law of insider trading and present new challenges for public companies. A federal court found a company employee liable in an insider trading case with unique underlying facts - the trader here traded in the securities of a third party, not the source or subject of the material non-public information.

<https://www.cov.com/en/news-and-insights/insights/2024/05/recent-sec-shadow-trading-case-signals-potential-expansion-of-insider-trading-law>

UK: THE NEW CRIMINAL JUSTICE BILL AND THE LIKELY EXPANDED SCOPE OF THE "IDENTIFICATION DOCTRINE" IN THE ECCTA

On 8 May, an article from Foot Anstey LLP said that number of reforms are being proposed by the new Criminal Justice Bill, which will significantly broaden a corporation's exposure to criminal liability. One notable reform proposed is the expansion of the scope of the newly defined "identification doctrine" recently introduced in the Economic Crime and Corporate Transparency Act 2023. The Bill would repeal the relevant section of the ECCTA which limits its scope to only economic crimes.

<https://www.footanstey.com/our-insights/articles-news/changes-are-on-the-horizon-what-can-businesses-expect-from-the-new-criminal-justice-bill/>

IRELAND - VESSEL REGISTERED WITH RUSSIAN MARITIME REGISTER OF SHIPPING BARRED FROM ENTRY

On 8 May, Duane Morris reported that the vessel had been prevented from loading a cargo of livestock, as any vessel certified via the Russian Maritime Register of Shipping is barred from entry to EU ports.

<https://blogs.duanemorris.com/europeansanctionsenforcement/2024/05/08/ireland-vessel-registered-with-russian-maritime-register-of-shipping-barred-from-entry/#page=1>

LITHUANIA, LATVIA, ESTONIA, POLAND, AND FINLAND AGREE ON UNIFORM IMPLEMENTATION OF EU RUSSIA SANCTIONS & EXPORT CONTROLS

On 10 May, the Global Sanctions blog reported that they will apply common measures including the requirement of additional documentation concerning the transit or the end use of goods and the requirement of additional declarations from manufacturers and exporters to minimise the risk of circumvention of sanctions.

<https://globalsanctions.co.uk/2024/05/baltics-poland-finland-agree-on-uniform-implementation-of-eu-russia-sanctions-export-controls/>

ABA URGES FinCEN TO RE-EVALUATE BENEFICIAL OWNER INFORMATION COLLECTION BURDEN ON BANKS

On 26 April, the ABA Banking Journal reported that the American Bankers Association has said that FinCEN needs to accurately calculate the burden that collection currently places on financial institutions, and to consider the parts of the existing rule that work and those that do not.

<https://bankingjournal.aba.com/2024/04/aba-urges-fincen-to-reevaluate-boi-collection-burden-on-banks/>

UK: LAW SOCIETY CALLS FOR RUSSIA SANCTIONS CLARITY

On 10 May, the Law Society Gazette reported that, in a submission to the Treasury Select Committee's inquiry on Russian Financial Sanctions, the Law Society has called for clearer guidance on sanctions on Russia amid growing concerns that the current regime is failing to harm the Russian economy.

<https://www.lawgazette.co.uk/news/society-calls-for-moscow-sanctions-clarity/5119672.article>

UK RADIOACTIVE SUBSTANCES LEGISLATION: SCOPE AND EXEMPTIONS

On 9 May, the Department for Energy Security and Net Zero published this updated guidance.

<https://assets.publishing.service.gov.uk/media/663cc4684f29e1d07fad460/radioactive-substances-legislation-scope-exemptions-guidance.pdf>

UK: SLAPP TASKFORCE

On 9 May, the MoJ published updated information, saying that the Taskforce sits within the framework of the National Committee for Safety of Journalists, which helps to ensure journalists are able to carry out their work free from physical threats, attacks and violence within the UK.

<https://www.gov.uk/government/publications/slapps-taskforce>

TOKURYŪ, THE SHADOWY CRIMINAL GROUPS TAKING OVER FROM YAKUZA IN JAPAN

On 10 May, the Guardian carried an article saying that, organised in a deliberately loose fashion, *tokuryū* pose fresh problems for police, as years of crackdowns see the appeal of a *yakuza* life fade. The term *tokuryū* refers to *ad hoc* groups formed to commit crimes, where members often do not know each other or those planning and directing their activities. They are distinct from the *yakuza* and less hierarchical, usually with loose organisational structures above those carrying out crimes ranging from robberies and frauds to assaults and murders.

<https://www.theguardian.com/world/article/2024/may/10/tokuryu-japan-criminals-yakuza-ntwnfb>

US CHARGES MAN ACCUSED OF BEING BEHIND THE LOCKBIT RANSOMWARE

On 7 May, Krebs on Security reported that the US had joined the UK and Australia today in sanctioning 31-year-old Russian national Dmitry Yuryevich Khoroshev as the alleged leader of the infamous ransomware group LockBit. The DoJ also indicted Khoroshev and charged him with using Lockbit to attack more than 2,000 victims and extort at least \$100 million in ransomware payments.

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

CRITICAL MINERALS BOOM: GLOBAL ENERGY SHIFT BRINGS OPPORTUNITIES AND RISKS FOR DEVELOPING COUNTRIES

On 26 April, the UN Conference on Trade and Development said that the global energy transition offers mineral-rich countries the chance to bolster their industries and diversify their economies but also risks deepening their commodity dependence.

<https://unctad.org/news/critical-minerals-boom-global-energy-shift-brings-opportunities-and-risks-developing-countries>

GREECE EXTENDS EXCLUSION ADVISORY IN AREA OF KNOWN RUSSIAN OIL SHIP-TO-SHIP TRANSFERS

On 10 May, Insurance Marine News reported that the Greek navy had extended an advisory that effectively bans ship traffic off the coast of the south-eastern Peloponnese. The extension was widely interpreted as a further move to discourage ship-to-ship transfers of Russian oil in the area.

<https://insurancemarinenews.com/insurance-marine-news/greece-extends-exclusion-advisory-in-area-of-known-russian-oil-ship-to-ship-transfers/>

DEPUTY PM AND CANDIDATE FOR MALTA'S NEXT EUROPEAN COMMISSIONER RESIGNS AS FACING CRIMINAL CHARGES OF FRAUD AND MISAPPROPRIATION

On 10 May, Politico reported that Malta's Deputy Prime Minister Chris Fearne has resigned from government and ended his candidacy to be the country's next European Commissioner.

<https://www.politico.eu/article/malta-chris-fearne-resign-european-commission-bid>

US: WILL THE JUSTICE DEPARTMENT'S "90-DAY SPRINT" CREATING A NEW WHISTLEBLOWER PROGRAM PERMIT CONFIDENTIAL OR ANONYMOUS REPORTING?

On 10 May, a post from the Program on Corporate Compliance and Enforcement at New York University School of Law asked this question, after the Deputy AG announced the "sprint".

https://wp.nyu.edu/compliance_enforcement/2024/05/10/will-the-justice-departments-90-day-sprint-creating-a-new-whistleblower-program-permit-confidential-or-anonymous-reporting/

OFAC VENEZUELA SANCTIONS LICENSE

On 10 May, OFAC announced General License 6N (Authorizing Transactions Involving Petróleos de Venezuela, S.A. (PdVSA) Necessary for the Limited Maintenance of Essential Operations in Venezuela or the Wind Down of Operations in Venezuela for Certain Entities).

<https://ofac.treasury.gov/recent-actions/20240510>

WHEN NUCLEAR WASTE IS AN ASSET, NOT A BURDEN

The International Atomic Energy Agency has highlighted this article from the IAEA Bulletin about operating fast nuclear reactors in a fully closed fuel cycle being seen as the pathway to ensuring the long-term sustainability of nuclear energy. Using high-level nuclear waste generated by nuclear power plants which could fuel a circular economy in the energy sector.

<https://www.iaea.org/bulletin/when-nuclear-waste-is-an-asset-not-a-burden>

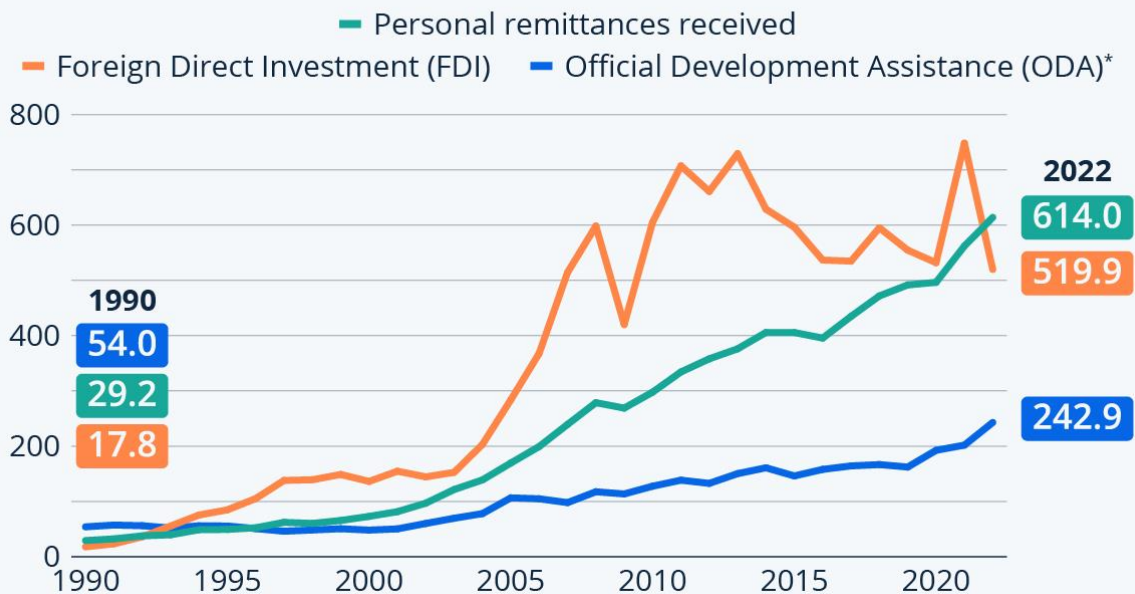
PIERCING THE VEIL: PERSONAL LIABILITY OF AIRCRAFT LLC OWNERS

On 10 May, AIN Online published an article about US aircraft owners who assume an LLC will protect them from personal liability, but do not realise that an LLC is far from a bulletproof shield. It explains that personal liability exposure may come from 3 or more directions, including from FinCEN using recently acquired powers.

<https://www.ainonline.com/aviation-news/business-aviation/2024-05-10/ainsight-personal-liability-aircraft-llc-owners>

Remittances to LMICs Overtake FDI for First Time

International remittance, FDI and ODA flows to low- and middle-income countries (in billion U.S. dollars)



* ODA is defined here as government aid designed to promote the economic development and welfare of developing countries.

Source: World Bank



<https://www.statista.com/chart/32223/international-remittance-fdi-and-oda-flow-to-lmics>

CHINA'S INCREASING ROLE IN RUSSIA'S DEFENCE INDUSTRY

On 6 May, Carnegie Politika says that providing Russia with dual-use components rather than finished weapons has allowed China to provide support for Russia while claiming plausible deniability. It says that publicly available customs data indicate that every month, China is exporting over \$300 million worth of dual-use products identified by the US, EU, Japan, and UK as "high priority" items necessary for Russia's weapons production. While monthly transactions have declined from a peak of over \$600 million in December 2023, China remains Russia's largest supplier of these controlled products.

<https://carnegieendowment.org/russia-eurasia/politika/2024/05/behind-the-scenes-chinas-increasing-role-in-russias-defense-industry?lang=en>

UK COURT HOLDS THAT RUSSIA SANCTIONS DID NOT FRUSTRATE LCIA ARBITRATION AGREEMENT

On 11 May, Global Sanctions blog reported on a judgment from the High Court in London and involving Barclays Bank and VEB of Russia, the argument being that Russian proceedings breached an agreement to submit disputes to arbitration before the London Court of International Arbitration.

<https://globalsanctions.co.uk/2024/05/uk-court-holds-that-sanctions-did-not-frustrate-lcia-arbitration-agreement-barclays-bank-v-veb-rf/>

CHINESE FUGITIVE BEHIND MASSIVE BITCOIN MONEY LAUNDERING ARRESTED IN UK

On 10 May, Caixin Global reported that the alleged mastermind behind a multibillion-dollar fundraising fraud in China, has recently been arrested in the UK after years on the run.

<https://www.caixinglobal.com/2024-05-10/chinese-fugitive-behind-massive-bitcoin-money-laundering-arrested-in-uk-102194971.html>

THE SALE OF SANCTIONED UKRAINIAN VIKTOR MEDVEDCHUK'S SUPERYACHT HAS COLLAPSED

On 8 May, Superyacht News reported on the aborted sale in the Netherlands of the *Royal Romance* by Ukraine's Asset Recovery and Management Agency (ARMA).

<https://www.superyachtnews.com/fleet/royal-romance-auction-collapses>

MAJOR JAPANESE, US, AND TAIWANESE COMPANIES AMONG MANUFACTURERS SUPPLYING ELECTRONIC COMPONENTS THAT UKRAINE SAYS RUSSIA HAS USED IN WARPLANES

On 11 May, an investigation by RFerl claims that major Japanese, US, and Taiwanese companies rank among the Top 5 manufacturers on a list of more than 2,000 electronic components that Ukraine says Russia has used in 5 types of warplanes it has deployed in its full-scale invasion.

<https://www.rferl.org/a/ukraine-russia-warplanes-sukhoi-sanctions-west-investigation/32939831.html>

ITALY'S MAFIA TURNS TO WHITE-COLLAR CRIME AS MURDER, EXTORTION FALL OUT OF FAVOUR

On 6 May, Reuters reported that a shift to tax evasion and financial fraud is being fuelled by billions of euros sloshing around Italy in post-COVID recovery funds that were designed to boost the economy but are proving a boon for fraudsters.

<https://www.reuters.com/world/europe/italys-white-collar-mafia-is-making-business-killing-2024-05-06/>

CEO vs CFO vs COO

by Nicolas Boucher



CEO leads the company

CEO drives strategy, growth, and innovation

CEO represents the company to stakeholders & is the public face

CEO sets corporate values

CEO drives global expansion

CEO focuses on client acquisition

CEO sets the company's risk appetite

CEO develops the brand

CEO determines investment strategy

CEO drives product development



CFO manages finances

CFO ensures stability and establishes discipline

CFO reports financials to the board and shareholders

CFO sets financial benchmarks

CFO optimizes existing markets

CFO focuses on client retention

CFO manages risk

CFO tracks the performance

CFO manages investment portfolios

CFO monitors product profitability



COO oversees daily operations

COO implements the strategic initiatives

COO coordinates departments for smooth execution.

COO aligns operational processes with said values

COO manages operational aspects of market penetration

COO enhances service delivery to facilitate both

COO mitigates operational risks

COO optimizes operational

COO allocates resources to meet strategic objectives

COO coordinates product manufacturing and delivery

by Nicolas Boucher



https://www.linkedin.com/posts/bouchernicolas_ceo-vs-cfo-vs-coo-what-are-the-difference-activity-7192618699898404864-yiB8

SWITZERLAND – THE 10 FINES IMPOSED FOR BREACHING SANCTIONS

On 10 May, Duane Morris published the first in a series of publishing the 10 final administrative criminal decisions reached by SECO in Switzerland – those in part 1 relate to Russian and Belarusian sanctions.

<https://blogs.duanemorris.com/europeansanctionsenforcement/2024/05/10/switzerland-publishing-the-10-fines-for-breaching-sanctions-imposed-by-seco-part-1-cases-1-3/>

BRIEFING: LEBANESE HEZBOLLAH

On 10 May, the US Congressional Research Service published this briefing.

<https://crsreports.congress.gov/product/pdf/IF/IF10703>

UK: CITY OF LONDON POLICE RECEIVES MORE THAN £13 MILLION A YEAR THROUGH “COMMERCIAL PARTNERSHIPS”

On 10 May, City AM reported that a series of funding deals between private entities and City of London Police to help fight fraud highlights the ongoing funding pressures faced by the force. It has agreed a string of funding deals with companies and trade bodies over 3 years to finance the fight against fraud and financial crime.

<https://www.cityam.com/private-sector-financing-for-london-police-fraud-units-spotlights-budget-pressures/>

CHINA COMPANIES GO 'UNDERGROUND' ON RUSSIA PAYMENTS AS BANKS PULL BACK

On 29 April, Reuters reported that, to settle payments, Chinese suppliers are using currency brokers active along China's border with Russia, as banks fear sanctions. Some Chinese companies are turning to small banks on the border and underground financing channels such as money brokers - even banned cryptocurrency - the sources told Reuters.

<https://www.reuters.com/business/finance/china-firms-go-underground-russia-payments-banks-pull-back-2024-04-28/>

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