

2 May 2024

GUERNSEY: NEW OFFENCE OF FAILURE TO PREVENT BRIBERY

On 1 May, an article from Mourant said that a new Act came into force on 26 April, and this was part of a wider set of reforms to Guernsey's financial and economic crime legislation in preparation for MONEYVAL's Spring 2024 visit.

<https://www.mourant.com/news-and-views/updates/updates-2024/new-offence-of-failure-to-prevent-bribery---guernsey.aspx>

UK: SANCTIONS ENFORCEMENT AND MONETARY PENALTIES GUIDANCE UPDATED

On 2 May, HM Treasury advised that, as well as being re-styled and moved into a digital format, this update communicates a change in policy in how OFSI applies its guidance to cases. OFSI will now always apply the most recent iteration of its Enforcement guidance to cases. The guidance now also better explains how we apply and split the 'case factors' that OFSI uses to assess suspected breaches of financial sanctions. It introduces 2 new distinct case factors, "Knowledge, intention and reasonable cause to suspect" and "Cooperation" that were previously included more generally in the guidance.



<https://www.gov.uk/government/publications/financial-sanctions-enforcement-and-monetary-penalties-guidance/financial-sanctions-enforcement-and-monetary-penalties-guidance>

US PROVIDES BANK OF ISRAEL WITH GUIDANCE ON WEST BANK SETTLER SANCTIONS

On 2 May, the Global Sanctions blog reported on a letter dated 26 March sent to the Bank and providing guidance on the enforcement of US sanctions on West Bank settlers.

<https://globalsanctions.co.uk/2024/05/us-provides-bank-of-israel-with-guidance-on-west-bank-settler-sanctions/>

“ELECTRONIC WARFARE/INTERFERENCE” ALERT IN THE RED SEA

On 25 April, Dryad Global warned of signalled disruptions to electronic navigation systems, emphasizing incidents near Ras Al Zour, Saudi Arabia.

<https://channel16.dryadglobal.com/dryad-flags-red-sea-electronic-warfare-alert>

UPDATE TO THE BVI MUTUAL LEGAL ASSISTANCE (TAX MATTERS) ACT 2003

On 29 April, an article from Harneys was concerned with a new Order which took effect on 28 March.

<https://www.mondaq.com/tax-authorities/1457174/update-to-the-bvis-mutual-legal-assistance-tax-matters-act-2003>

NEW AML RULES BRING FOOTBALL CLUBS AND FOOTBALL AGENTS INTO THE SCOPE

On 1 May, an article from Bird & Bird said that, in April, the European Parliament adopted new European rules to combat money laundering, the so-called AML Package, in a bid to strengthen measures against money laundering and terrorism. The proposal includes an extended list of so-called obliged entities, that is entities that are subject to the AML/CFT Rules. Among the notable new inclusions in the list of obliged entities are professional football clubs and football agents marking a significant expansion of obligations for such.

<https://www.twobirds.com/en/insights/2024/global/new-european-anti-money-laundering-rules-bring-football-clubs-and-football-agents-into-the-scope>

UK: IMPACT OF IMPORT AND EXPORT CONTROLS ON THE SPORT HOUSE INDUSTRY

On 29 April, the House of Commons published information on this topic, for a Westminster Hall debate on 30 April. Movements of live horses between Great Britain and the EU are subject to import and export controls. These include the requirement for health certification, import pre-notifications, documentary checks, and some identity and physical inspections. It details recent changes and exceptions for horses.

<https://commonslibrary.parliament.uk/research-briefings/cdp-2024-0087>

EU DIRECTIVE ESTABLISHES MINIMUM RULES ON THE TRACING AND IDENTIFICATION, FREEZING, CONFISCATION AND MANAGEMENT OF PROPERTY WITHIN THE FRAMEWORK OF PROCEEDINGS IN CRIMINAL MATTERS

EU Directive 2024/1260/EU applies without prejudice to freezing and confiscation measures within the framework of proceedings in civil or administrative matters.

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401260

A NEW DATABASE DEVELOPED TO TEST, COMPARE AND LOG ALCOHOLIC SPIRITS TO VERIFY LEGITIMACY

On 2 May, The Spirits Business reported that a team of scientists have spent the past 6 months using lab-based techniques to detect the chemical fingerprint of hundreds of authentic spirits, including whisky and Tequila.

<https://www.thespiritsbusiness.com/2024/05/counterfeit-spirits-easier-to-track-through-low-cost-database/>

CHALLENGES FOR COUNTER-PROLIFERATION FINANCE AND SANCTIONS CONTROL IN BANKING

On 2 May, an article from RUSI focuses on international and unilateral sanctions frameworks regarding the proliferation of WMD in North Korea, Iran, and Russia, identifying the challenges of implementing counter-proliferation finance and sanctions controls. The 4 key challenges to effective CPF and sanctions implementation it identifies are:

1. A disconnect between regulatory expectations and practical implementation.
2. Limited data quality and integrity.
3. Limited subject matter expertise.
4. Disparity across the banking sector with regard to PF and sanctions risk assessments.

<https://rusi.org/explore-our-research/publications/special-resources/challenges-counter-proliferation-finance-and-sanctions-control-banking>

CROATIA: FOLLOW-UP AML/CFT EVALUATION REPORT

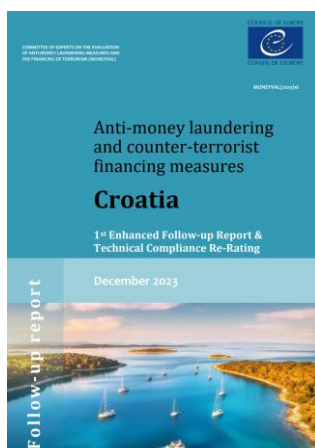
On 2 May, MONEYVAL published an enhanced follow-up report. It says that whilst FATF Recommendations 1, 2, 15 and 24 remain rated Partly Compliant, the country has been re-rated on recommendations 10, 17, 22, 23, 32 and 40 from Partially Compliant to Largely Compliant and from Partially Compliant to Compliant on Recommendation 13. Overall, Croatia has made progress in addressing the technical compliance shortcomings identified in its 2021 Mutual Evaluation Report.

Out of the 40 FATF Recommendations, Croatia currently has:

- 5 Recommendations rated Compliant
- 23 Recommendations rated Largely Compliant
- 12 Recommendations rated Partially Compliant

Croatia remains under MONEYVAL's enhanced follow-up procedure and is expected to report

back to MONEYVAL on further progress made towards strengthening its AML/CFT system in December 2024.



https://www.coe.int/en/web/moneyval/home/newsroom/-/asset_publisher/zTE3FjHi4YJ7/content/croatia-strengthened-its-preventive-framework-to-combat-money-laundering
<https://rm.coe.int/moneyval-2023-16-hr-5thround-1stehfur/1680ae8297>

Table 1. Technical compliance with re-ratings, December 2023

R.1 PC (FUR1 2023) PC	R.2 PC (FUR1 2023) PC	R.3 LC	R.4 LC	R.5 LC
R.6 PC	R.7 PC	R.8 PC	R.9 C	R.10 LC (FUR1 2023) PC
R.11 LC	R.12 LC	R.13 C (FUR1 2023) PC	R.14 LC	R.15 PC (FUR1 2023) PC
R.16 LC	R.17 LC (FUR1 2023) PC	R.18 PC	R.19 LC	R.20 LC
R.21 LC	R.22 LC (FUR1 2023) PC	R.23 LC (FUR1 2023) PC	R.24 PC (FUR1 2023) PC	R.25 LC
R.26 LC	R.27 LC	R.28 LC	R.29 C	R.30 C
R.31 LC	R.32 LC (FUR1 2023) PC	R.33 PC	R.34 C	R.35 PC
R.36 PC	R.37 LC	R.38 PC	R.39 LC	R.40 LC (FUR1 2023) PC

Note: There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

CYPRUS: THIRD ENHANCED AML/CFT EVALUATION FOLLOW-UP REPORT

On 2 May, MONEYVAL issued this follow-up report, saying that, since November 2022, Cyprus has improved the virtual asset service providers (VASP) regime with only a few minor deficiencies remaining. In addition, several measures to assess terrorism financing risk exposure by the non-profit sector and strengthen oversight activities have been taken, although these have not yet been fully implemented. Whilst FATF Recommendation 8 remains Partly Compliant, the country has been re-rated on Recommendation 15 from Partially Compliant to Largely Compliant. Overall, Cyprus has made progress in addressing most of the technical compliance shortcomings identified in its 2019 Mutual Evaluation Report. Out of the 40 FATF Recommendations, Cyprus currently has:

- 16 Recommendations rated Compliant; and
- 21 Recommendations rated Largely Compliant Recommendations rated Partially Compliant.

Cyprus has reached the general expectation of having remedied most of the technical compliance deficiencies at the end of its third year of follow up. It is expected to report back by May 2025 to MONEYVAL on further progress made towards strengthening its AML/CFT system.



https://www.coe.int/en/web/moneyval/home/newsroom/-/asset_publisher/zTE3FjHi4YJ7/content/cyprus-improved-aml-cft-measures-with-respect-to-virtual-asset-service-providers-and-virtual-asset-related-activities

<https://rm.coe.int/moneyval-2023-19-cy-3rdenhfur/1680ae8293>

<https://cyprus-mail.com/2024/05/02/moneyval-reports-improvements-in-money-laundering-measures/>

Table 1. Technical compliance with re-ratings, December 2023

R.1 LC (MER)	R.2 LC (MER)	R.3 C (MER)	R.4 C (MER)	R.5 LC (MER)
R.6 LC (MER)	R.7 LC (MER)	R.8 PC (FUR3 2023) PC (FUR2 2022) PC (FUR1 2021) PC (MER)	R.9 C (MER)	R.10 LC (MER)
R.11 C (MER)	R.12 LC (MER)	R.13 PC (FUR1 2021) PC (MER)	R.14 C (MER)	R.15 LC (FUR3 2023) PC (FUR2 2022) PC (FUR1 2021) LC (MER)
R.16 LC (MER)	R.17 C (MER)	R.18 LC (MER)	R.19 LC (MER)	R.20 C (MER)
R.21 C (MER)	R.22 LC (MER)	R.23 LC (MER)	R.24 LC (MER)	R.25 LC (MER)

R.26 LC (MER)	R.27 C (MER)	R.28 LC (MER)	R.29 C (MER)	R.30 LC (MER)
R.31 PC (FUR2 2022) PC (FUR1 2021) PC (MER)	R.32 LC (MER)	R.33 C (MER)	R.34 LC (MER)	R.35 C (MER)
R.36 C (MER)	R.37 LC (MER)	R.38 C (MER)	R.39 C (MER)	R.40 C (MER)

Note: There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

LITHUANIA: FOURTH ENHANCED AML/CFT EVALUATION REPORT

On 2 May, MONEYVAL issued this report. It says that, since December 2022, Lithuania has improved its national AML/CFT co-ordination framework, particularly in relation to proliferation financing. FATF Recommendations 6 (targeted financial sanctions related to terrorism and terrorist financing), 7 (targeted financial sanctions related to proliferation) and 28 (regulation and supervision of designated non-financial businesses and professions (DNBP)) were also assessed, however these remained rated Partially Compliant. Out of the 40 FATF Recommendations, Lithuania currently has:

- 9 Recommendations rated Compliant
- 27 Recommendations rated Largely Compliant
- 4 Recommendations rated Partially Compliant

Lithuania is expected to provide an oral report to MONEYVAL in May 2024, and a written report in December 2024 on further progress made towards strengthening its AML/CFT system.



https://www.coe.int/en/web/moneyval/home/newsroom/-/asset_publisher/zTE3FjHi4YJ7/content/anti-money-laundering-and-terrorist-financing-lithuania-has-improved-coordination-and-co-operation-according-to-new-report
<https://rm.coe.int/moneyval-2023-22-li-5thround-4thenhfur/1680aec731>

Table 1. Technical compliance with re-ratings, December 2023

R.1 LC (FUR1 2020) PC (MER)	R.2 C (FUR4 2023) PC (FUR1 2020) PC (MER)	R.3 LC (MER)	R.4 LC (MER)	R.5 LC (MER)
R.6 PC (FUR4 2023) PC (FUR2 2021) PC (MER)	R.7 PC (FUR4 2023) PC (MER)	R.8 LC (MER)	R.9 C (MER)	R.10 LC (MER)
R.11 C (MER)	R.12 C (MER)	R.13 LC (MER)	R.14 LC (MER)	R.15 PC (FUR1 2020) C (MER)
R.16 LC (MER)	R.17 C (MER)	R.18 LC (FUR1 2020) LC (MER)	R.19 LC (MER)	R.20 LC (MER)
R.21 C (FUR1 2020) C (MER)	R.22 LC (MER)	R.23 LC (MER)	R.24 LC (FUR3 2022) PC (MER)	R.25 LC (MER)
R.26 LC (FUR2 2021) PC (MER)	R.27 C (MER)	R.28 PC (FUR4 2023) PC (FUR3 2022) PC (FUR2 2021) PC (MER)	R.29 LC (MER)	R.30 C (MER)
R.31 LC (MER)	R.32 LC (FUR3 2022) PC (FUR2 2021) PC (MER)	R.33 LC (MER)	R.34 LC (MER)	R.35 LC (MER)
R.36 C (MER)	R.37 LC (MER)	R.38 LC (MER)	R.39 LC (MER)	R.40 LC (MER)

Note: There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

CYPRUS: EX-PRESIDENT HAS FILED A DEFAMATION SUIT AGAINST AN AUTHOR WHO TESTIFIED TO AN ANTI-CORRUPTION BODY ABOUT ALLEGED MISCONDUCT WHILE HE WAS HEAD OF STATE

On 2 May, OCCRP reported that Nicos Anastasiades is suing Makarios Drousiotis about allegations included in his 2022 book, *Mafia State*, which was partly based on his time as an advisor to Anastasiades during the first 2 years of his Presidency from 2013 to 2023. He was served with legal papers this week, immediately after he finished testifying before the Independent Authority Against Corruption.

<https://www.occrp.org/en/daily/18694-cyprus-ex-president-sues-corruption-probe-witness-author>

NEW SANCTIONS AIM TO FURTHER DEGRADE RUSSIA’S ABILITY TO MANUFACTURE WEAPONS

On 2 May, the Eurasia Review reported that the US Treasury had imposed new sanctions on hundreds of companies and people tied to Russia’s weapons development program as part of its continuing effort to limit Russia’s ability to access the materials it needs to “prosecute its illegal war against Ukraine”.

<https://www.eurasiareview.com/02052024-new-sanctions-aim-to-further-degrade-russias-ability-to-manufacture-weapons/>

<https://www.rferl.org/a/sanctions-us-russia-ukraine-weapons/32929491.html>

GERMAN, ALBANIAN, BOSNIAN-HERZEGOVINIAN, KOSOVAR AND LEBANESE POLICE FORCES HAVE RAIDED 12 CALL CENTRES IDENTIFIED AS THE SOURCE OF THOUSANDS OF DAILY SCAM CALLS

On 2 May, a news release from Europol advised that the action took down a criminal network responsible for defrauding thousands of victims through the use of various *modus operandi*.

<https://www.europol.europa.eu/media-press/newsroom/news/operation-pandora-shuts-down-12-phone-fraud-call-centres>

CENTRAL AFRICAN SPECIAL CRIMINAL COURT (SCC) HAS ANNOUNCED AN ARREST WARRANT AGAINST THE FORMER PRESIDENT OF THE CENTRAL AFRICAN REPUBLIC (CAR), FRANÇOIS BOZIZÉ

On 1 May, Jurist reported that the arrest warrant was issued in February and alleged crimes against humanity, such as murder, enforced disappearances, torture and rape. The former President allegedly committed these crimes while acting as a superior civilian and military leader.

<https://www.jurist.org/news/2024/05/central-african-republic-special-criminal-court-issues-arrest-warrant-against-former-president/>

US: DHS PUBLISHES GUIDELINES FOR SECURING CRITICAL INFRASTRUCTURE AND WEAPONS AGAINST AI THREATS

On 1 May, Homeland Preparedness News reported that days after the Department of Homeland Security formed a new Artificial Intelligence (AI) Safety and Security Board, it also released new guidelines for how to protect critical infrastructure and WMD against the threats posed by AI.

<https://homelandprepnews.com/countermeasures/81981-dhs-publishes-guidelines-for-securing-critical-infrastructure-and-weapons-against-ai-threats/>

LARGE DISCREPANCY BETWEEN THE GOLD PRODUCED IN 5 LATIN AMERICAN COUNTRIES AND THE QUANTITY THEY EXPORT

On 14 April, Ojo Publico reported on a 7-month investigation and that the London Bullion Market Association details the measures they are taking to ensure that the gold exported by companies linked to their organisation is of legitimate origin.

<https://ojo-publico.com/5067/evolution-gold-due-diligence-lbma>

INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS (IESBA) AN UPDATE TO ITS ETHICS GUIDELINES

On 22 April, ICIJ reported that the IESBA, citing both ICIJ's *Pandora* and *Paradise Papers* revelations, has for the first time urged accountants to consider public interest — and harm — when working on tax minimisation schemes.

<https://www.icij.org/investigations/pandora-papers/new-ethical-guidelines-for-tax-professionals-announced-following-global-scandals/>

RANSOMWARE GROUPS ARE REBRANDING — AS 'SERVICES'

On 24 April, Techopedia reported claims that, while ransomware gangs have operated like digital muggers, strong-arming organisations with aggressive tactics and hostile communication; it is said that these tactics are proving less effective, and a shift in the dynamics of ransomware operations in recent times, forcing them to rebrand as business partners.

<https://www.techopedia.com/ransomware-groups-are-now-part-of-service-industry>

US POSTAL SERVICE LOSES \$150 MILLION IN COUNTERFEIT POSTAGE SCAM

On 1 May, Parcel and Post Technology International reported that a woman has pleaded guilty to defrauding the USPS out of more than \$150 million in a counterfeit postage scam in Los Angeles.

She has been in federal custody since her arrest in May 2023. She and her co-defendant provided

shipping services, including the shipping of packages via US Mail, for China-based logistics and e-commerce businesses.

<https://www.parcelandpostaltechnologyinternational.com/news/mail/usps-loses-us150m-in-counterfeit-postage-scam.html>

See also –

UK: ROYAL MAIL TAKES ACTION ON COUNTERFEIT STAMPS

<https://www.parcelandpostaltechnologyinternational.com/news/mail/royal-mail-takes-action-on-counterfeit-stamps.html>

US CRACKDOWN ON DIGITAL PLATFORMS THAT HELP NORTH KOREA LAUNDER BILLIONS IN STOLEN CRYPTOCURRENCY HAS SO FAR ACHIEVED ONLY MIXED RESULTS

On 2 May, a post from Lawfare says that, since early 2022, a burgeoning US-led coalition has taken aggressive action against mixers in the hope of degrading North Korea's digital illicit finance capacity. However, it is argued that, so far, the strategy has met with limited success.

<https://www.lawfaremedia.org/article/countering-north-korean-cybercrime-and-its-enablers>

US: LEGAL CONSEQUENCES OF RESCHEDULING MARIJUANA

On 1 May, a briefing from the Congressional Research Service was concerned with reported plans to reschedule the narcotic under federal drugs law.

<https://crsreports.congress.gov/product/pdf/LSB/LSB11105>

OFAC TARGETS SANCTIONS EVADERS SUPPORTING KEY HIZBALLAH FINANCIAL ADVISOR

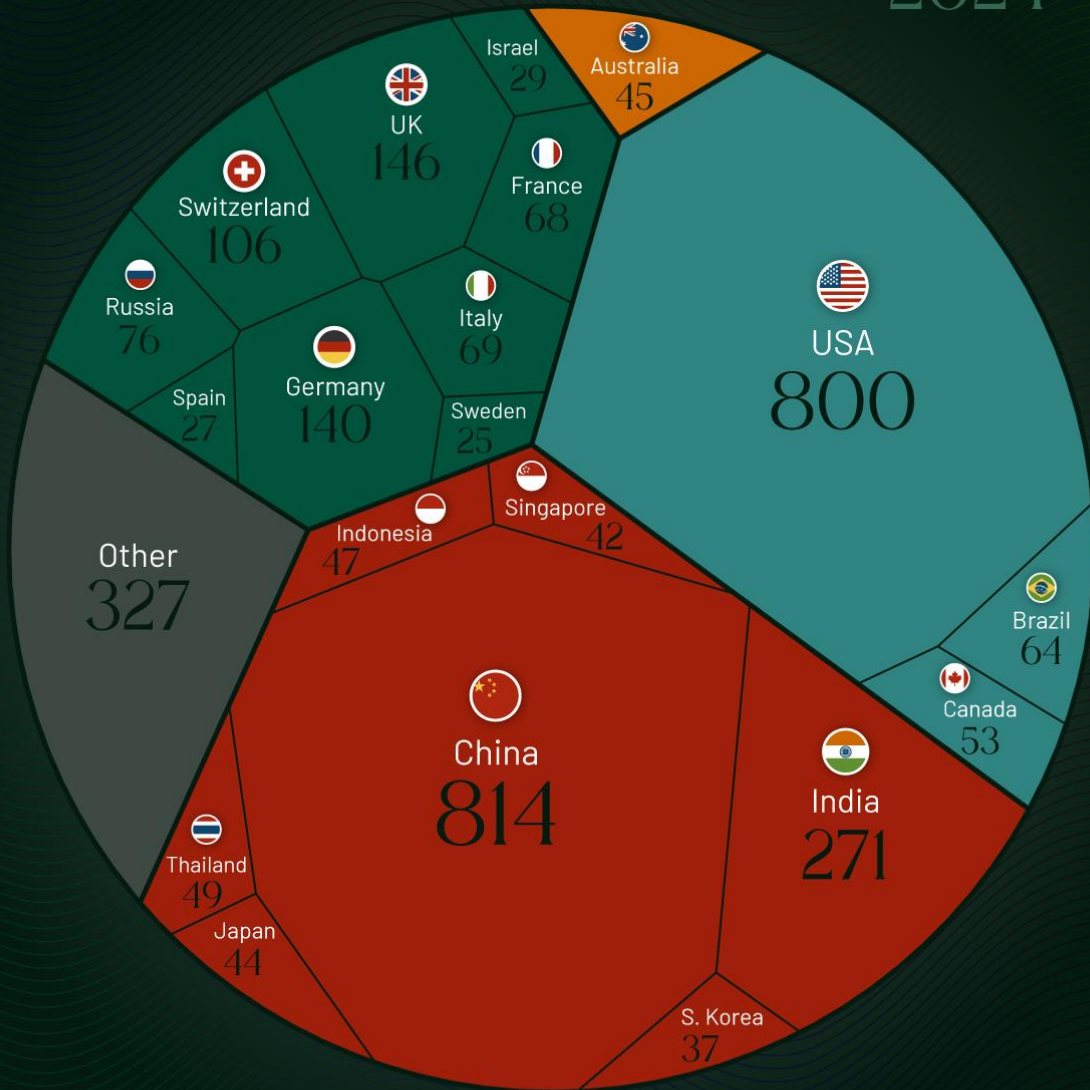
On 2 May, OFAC advised that it had designated 5 individuals for helping US-designated Hizballah money exchanger Hassan Moukalled and his company, CTEX Exchange, evade sanctions and facilitate illicit activities in support of Hizballah. These individuals, including 2 co-founders of CTEX Exchange and 2 of Moukalled's sons, operate 2 companies in Lebanon and UAE that are being concurrently designated.

<https://ofac.treasury.gov/recent-actions/20240502>

<https://home.treasury.gov/news/press-releases/jy2319>

COUNTRIES WITH THE MOST BILLIONAIRES

2024



Source: Hurun Global Rich List 2024



Where Data Tells the Story



<https://www.visualcapitalist.com/charted-which-country-has-the-most-billionaires-in-2024/>

BVI: BENEFICIAL OWNER WHO WAS NOT A REGISTERED SHAREHOLDER CAN ASSERT RIGHTS AGAINST A COMPANY

On 1 May, Appleby reported on the latest development in a BVI case, with the Court of Appeal confirming that a beneficial owner of shares can (in appropriate circumstances) take proceedings to protect his interests in a company in which he is ultimately a shareholder, notwithstanding the fact that he is not a registered shareholder of the company.

<https://www.applebyglobal.com/publications/applying-twice-bvi-court-of-appeal-reinforces-the-protection-available-to-beneficial-owners/>

JAPAN TOBACCO WILL KEEP ITS “LUCRATIVE” RUSSIAN BUSINESS

On 2 May, TJI reported that CEO of the company had said that the company will keep its “lucrative” Russian business to satisfy investors after reshaping its supply chains to comply with sanctions. It is one of the largest foreign companies remaining in Russia, with more than 4,000 employees and 4 factories.

<https://www.tobaccojournal.com/news/it-wont-leave-russia/>

EBA WILL START COLLECTING INFORMATION ON NATURAL PERSONS THROUGH ITS AML/CFT DATABASE - EuReCA

On 2 May, a release on Mondo Visione advised that, from this May, supervisors across the EU will be able to report names of natural persons to EuReCA, the EU central database on AML/CFT of the European Banking Authority (EBA). Through EuReCA, the EBA has been able to contribute to making supervision more informed, targeted, and effective. With this step, the EBA will contribute to further strengthening the fight against money laundering and terrorist financing in the EU. EuReCA contains information on serious AML/CFT deficiencies in individual financial institutions that have been identified by EU supervisors. It also contains information on the measures taken by supervisors to address those deficiencies.

<https://mondovisione.com/media-and-resources/news/the-eba-will-start-collecting-information-on-natural-persons-through-its-amlcft/>

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