

6 May 2024

### **NORTH KOREAN HACKERS USING NEW TACTICS TO BYPASS EMAIL SECURITY**

On 4 May, NK Pro reported that North Korea is taking advantage of weak email verification settings to pass off phishing emails as legitimate, as a new tactic to bypass email security protocols and boost its social engineering operations against researchers, nonprofits and media organisations. A joint advisory from the State Department, FBI and National Security Agency (NSA) warned of exploitation improperly configured DNS Domain-based Message Authentication, Reporting and Conformance (DMARC) record policies to spoof legitimate email domains and obscure the origins of spear-phishing emails.

<https://www.nknews.org/pro/north-korean-hackers-using-new-tactics-to-bypass-email-security-us-warns/>

### **RANSOM PAYMENT COULD TRIGGER NEW WAVE OF SOMALI PIRATE ATTACKS**

On 6 May, Seatrade Maritime reported that EU NAVFOR ATALANTA said there had been a notable surge in events that could escalate the Somali piracy problem. It said that, although there have been no piracy-related incidents in the previous 7 days, the payment of ransom could create a new wave of Dhow hijackings which in their turn they will create future skiff attacks.

<https://www.seatrade-maritime.com/ship-operations/ransom-payment-could-trigger-new-wave-somali-pirate-attacks>

### **US: DEMOCRAT REPRESENTATIVE HENRY CUELLAR AND WIFE CHARGED WITH BRIBERY**

On 3 May, the Wall Street Journal reported that the couple face allegations that they took nearly \$600,000 in foreign bribes, the latest development in a long-running FBI probe examining the congressman's work with Azerbaijan.

<https://www.wsj.com/us-news/texas-democrat-cuellar-indicted-on-corruption-charges-c3a6c575>

### **IS SOUTH AFRICA'S FAILURE TO PREVENT CORRUPTION OFFENCE ANOTHER PAPER TIGER?**

On 2 May, an article from Herbert Smith Freehills said that corruption legislation had been amended, creating a new offence of "failing to prevent corruption"; and now private sector and state-owned companies face potential liability for the conduct of "Associated Persons". The amendment inserts the newly crafted "failure to prevent corruption" offence in addition to other "failure to" offence: the offence for failing to *report* corruption and several other offences. The article says that the key will be whether enforcement actions will be taken.

<https://hsfnotes.com/fsrandcorpcrime/2024/05/02/great-expectations-is-south-africas-failure-to-prevent-corruption-offence-another-paper-tiger/#page=1>

### **THE PRICE CAP ON RUSSIAN OIL – INCREASED OFAC ENFORCEMENT AND UPDATED GUIDANCE**

On 24 April and 2 May, Squire Patton Boggs published a 2-part article about the enforcement of, and guidance on, controls on the maritime transport of Russian-origin crude oil and Russian-origin petroleum products above price caps agreed by the “Price Cap Coalition,” comprising Australia, Canada, France, Germany, Italy, Japan, the EU, the UK, and the US.

<https://www.globalinvestigations.blog/anti-money-laundering/the-price-cap-on-russian-oil-part-1-increased-ofac-enforcement/>

<https://www.globalinvestigations.blog/russia/the-price-cap-on-russian-oil-part-2-updated-ofac-guidance/>

### **EU SANCTIONS UPDATE: CRIMINAL OFFENCES AND PENALTIES (DIRECTIVE EU 2024/1226)**

On 2 May, Clyde & Co LLP published an article saying that the Directive enters into force on 19 May and Member States will then have 12 months to incorporate its provisions into their national law. The Directive identifies a number of criminal offences with corresponding penalties and limitation periods. Member States are now required to provide a criminal response to the intentional violation of EU restrictive measures against both natural and legal persons, with effective, proportionate, and dissuasive penalties.

<https://www.clydeco.com/en/insights/2024/05/eu-sanctions-update-criminal-offences-and-penalties>

### **US ACCUSES RUSSIA OF BREAKING UN SANCTIONS ON FUEL SHIPPED TO NORTH KOREA**

On 5 May, Oil Price.com reported that the US says Russia is violating UN-imposed limits on total shipments of fuels to North Korea, signalling it is preparing more sanctions against entities involved in facilitating North Korean access to petroleum products above the UN-mandated levels.

<https://oilprice.com/Geopolitics/Asia/US-Accuses-Russia-of-Breaking-UN-Sanctions-on-Fuel-Shipped-to-North-Korea.html>

### **NORTH KOREA SLAMS PLAN FOR NEW SANCTIONS-MONITORING MECHANISM**

On 5 May, NHK reported that North Korea has denounced the US, Japan and other nations for their joint pledge to create a new mechanism to monitor sanctions on the North. The mandate for the UN Panel of Experts expired on 30 April after Russia vetoed a resolution for its renewal.

[https://www3.nhk.or.jp/nhkworld/en/news/20240505\\_11/](https://www3.nhk.or.jp/nhkworld/en/news/20240505_11/)

## **AUSTRALIA TO SPEND \$166 MILLION TO STAY OFF FATF “GREY LIST” AND SHORE UP ITS AML DEFENCES**

On 6 May, AML Intelligence reported that Australia will invest \$166.4 million in this month’s Budget to implement reforms to the country’s AML/CFT regime. It is said that the investment will enable the Australian Transaction Reports and Analysis Centre (AUSTRAC) to implement the new regime and to support industries meet their obligations. It will also allow AUSTRAC to deliver comprehensive education and guidance to support businesses, especially newly-regulated entities.

<https://www.amlintelligence.com/2024/05/news-australia-to-spend-166m-to-stay-off-fatf-grey-list-and-shore-up-its-aml-defences/>

<https://www.miragenews.com/australia-bolsters-anti-money-laundering-1228410/>

<https://www.abc.net.au/listen/programs/pm/dirty-money-new-laws-for-housing-sector/103811994>

## **BANK NEGARA MALAYSIA (BNM) HAS IDENTIFIED 2 MAJOR OFFENCES FREQUENTLY COMMITTED BY FINANCIAL INSTITUTIONS, CONTRIBUTING TO THE PROLIFERATION OF MONEY LAUNDERING AND TERRORISM FINANCING ACTIVITIES**

On 5 May, the New Straits Times reported that the offences include the failure of financial institutions to conduct Customer Due Diligence (CDD) and sanctions screening upon client onboarding.

<https://www.nst.com.my/news/nation/2024/05/1046760/bnm-cracks-down-financial-institutions-compliance-failures-unveiling>

## **HEIR TO THE CARTIER EMPIRE ARRESTED FOR ATTEMPTED MONEY LAUNDERING USING USDT**

On 6 May, various media reported that the DoJ has arrested Maximilien de Hoop Cartier, a successor to French luxury brand Cartier, on cryptocurrency money laundering charges.

<https://www.pedicurepraktijkmyway.nl/91danire/tR412UNdE1053124YAnX/>

## **EU AMENDS 1 ENTRY ON ISIL/AL-QAIDA SANCTIONS LIST**

EU Regulation 2024/1301/EU replaced the entry relating to Sanaullah Ghafari.

[https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L\\_202401301](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401301)

## **UK: A REVIEW OF THE GAMBLING COMMISSION’S NEW SOURCE OF FUNDS GUIDANCE**

On 12 April, an article from Bird & Bird said that the Gambling Commission recently updated its change of corporate control (CoCC) and operating licence application pages with new guidance on when and what source of funds evidence is required in the context of those applications.

<https://mediawrites.law/weekend-long-read-a-review-of-the-gambling-commissions-new-source-of-funds-guidance/>

**RUSSIA SANCTIONS: THE ALLEGED OWNER OF ALFA NERO SUPERYACHT HAS CHALLENGED THE CONSTITUTIONALITY OF THE LEGISLATIVE AMENDMENT THAT ALLOWS THE ANTIGUAN GOVERNMENT TO SEIZE AND SELL THE YACHT**

On 30 April, Superyacht News provided an update on the situation involving the superyacht. After the failure to stop the sale of the *Alfa Nero* through a court injunction, a new legal action is now contesting the legality of the Port Authority (Amendment) Act 2023, used by the government to seize the *Alfa Nero* last year, arguing that it nullified her ownership rights to the vessel.

<https://www.superyachtnews.com/fleet/alfa-nero-to-take-centre-court>

**MALTA FREEZES ASSETS OF ITS MOST POWERFUL LABOUR PARTY POLITICIANS IN €2 billion HOSPITAL FRAUD**

On 5 May, Kenneth Rijock claimed in his blog that indictments appear to be certain to affect one of Malta's most infamous politicians.

<https://rijock.blogspot.com/2024/05/malta-freezes-assets-of-its-most.html>

**SFO SECURES CONVICTION OF INVESTMENT MANAGER FOR £100 MILLION NO-WIN-NO-FEE FRAUD**

A news release from the SFO advised that it had secured the conviction of former investment manager David Kennedy for his part in a £100 million investment fraud in which hundreds of people lost their savings, following a re-trial at Southwark Crown Court. Kennedy and his business partner Timothy Schools managed the Cayman Island registered company Axiom Legal Finance Fund for over 2 years. They promised investors a secure return, by offering loans to UK law firms that were pursuing no-win-no-fee cases and where there was purportedly a high chance of success.

<https://www.sfo.gov.uk/2024/05/03/sfo-secures-conviction-of-investment-manager-for-100-million-no-win-no-fee-fraud/>

**SPAIN: GUARDIA CIVIL ARREST 20 SUSPECTS AFTER DISMANTLING A COCAINE LABORATORY CAPABLE OF PRODUCING 100 KG OF THE DRUG EACH MONTH**

On 6 May, a news release from Europol advised that the operation, which included searches of 27 properties in the provinces of Pontevedra, A Coruña and Madrid, also led to the seizure of €3 million in cash. An additional €10 million worth of assets were seized, such as luxurious houses, vehicles and recreational vessels.

<https://www.europol.europa.eu/media-press/newsroom/news/law-enforcement-dismantle-cocaine-lab-in-spain-100-kg-monthly-capacity>

## MOROCCO INTENSIFIES EFFORTS TO COMBAT MONEY LAUNDERING

On 6 May, Arab Weekly reported that officials say that it is modernising its legal arsenal, strengthening competencies and enhancing national and international coordination.

<https://thearabweekly.com/morocco-intensifies-efforts-combat-money-laundering>

### WHAT WILL THE NEW AML/CFT FRAMEWORK BRING?

Practical examples:



#### Football sector

Investments in football clubs and transfers of players will now be under scrutiny, so that transactions involving sums of dubious origin will be detected and reported.



#### Real estate

Purchases of luxury properties by companies established outside the Union will now trigger obligations to disclose their ultimate owner, making it easy for EU authorities to find out who acts behind them.



#### Terrorist financing

The use of crowdfunding campaigns will now be subject to scrutiny as crowdfunding platforms become obliged entities, making it hard for sham charities to access funding, or for funds to be diverted to support terrorist activities. This will also ensure that alternative financing for legitimate purposes can flourish.



#### High value vehicles

Traders in luxury cars, boats and planes will have to systematically report sales of these products above certain thresholds to the Financial Intelligence Units. While this is no indication of any criminal wrongdoing, it will help authorities connect this information with other information available to them and detect any criminal nexus.

[https://www.linkedin.com/posts/pietro-odorisio-30ab009a\\_antimoneylaundering-counteringthefinancingofterrorism-activity-7189535522250244097-NS7p](https://www.linkedin.com/posts/pietro-odorisio-30ab009a_antimoneylaundering-counteringthefinancingofterrorism-activity-7189535522250244097-NS7p)

### **CRYPTO WAS ONE OF THE BIGGEST MONEY LAUNDERING RISKS IN 2022-2023**

On 1 May, Coindesk reported that, according to a HM Treasury, report, between 2022 and 2023, crypto alongside retail banking, wholesale banking and wealth management posed the greatest risk of being exploited for money laundering.

<https://www.coindesk.com/policy/2024/05/01/crypto-was-one-of-the-biggest-money-laundering-risks-in-2022-2023-uk-gov-report/>

<https://www.gov.uk/government/publications/anti-money-laundering-and-counteracting-the-financing-of-terrorism-supervision-report-2022-23>

### **US: WOMAN SENTENCED TO 18 YEARS IN PRISON FOR USING CRYPTOCURRENCY TO PROVIDE FINANCIAL SUPPORT TO VIOLENT TERRORIST GROUPS OPERATING IN SYRIA**

On 30 April, a news release from the Manhattan DA advised that the defendant provided material support to Hay'at Tahrir al-Sham, a designated foreign terrorist organisation, while living in New York. She provided more than \$6,000 to the terrorist training group "Malhama Tactical," which fought with and provided special tactical and military training to Hay'at Tahrir al-Sham. She also laundered \$12,000 on behalf of Malhama Tactical by receiving cryptocurrency and Western Union and MoneyGram wires from supporters around the globe and sending the funds to Bitcoin wallets controlled by Malhama Tactical. In addition to sending cryptocurrency, she also purchased Google Play gift cards for the organisation.

<https://manhattanda.org/d-a-bragg-victoria-jacobs-sentenced-to-18-years-in-prison-for-using-cryptocurrency-to-fund-syrian-based-terrorist-groups-launder-supporters-contributions/>

### **"BLOOD COAL" IN COLOMBIA**

On 18 April, a report from SOMO said that victims had filed an OECD complaint against European energy companies for their contribution to severe human rights violations surrounding coal mines in Colombia.

<https://www.somo.nl/blood-coal-in-colombia/>

### **RUSSIA SANCTIONS: BIG QUESTIONS REMAIN OVER UK CAR EXPORTS**

On 26 April, Sky News reported that an unprecedented and largely unexplained flows of millions of pounds of British luxury cars into states neighbouring Russia continued in February. For example, some £26 million worth of British cars were exported to Azerbaijan in February.

<https://news.sky.com/story/russia-sanctions-busting-big-questions-remain-over-uk-car-exports-13122141>

#### **THE FRENCH RIVIERA STILL WELCOMES RUSSIAN POLITICIANS AND OLIGARCHS**

On 24 April, a report from The Insider argued that France continues to afford many Kremlin-connected members of Russia's economic elite the privilege of living and doing business in France.

<https://theins.ru/en/politics/271073>

#### **OFAC DELETES 1 ENTRY FROM SECTORAL SANCTIONS LIST**

On 6 May, OFAC advised that the existing entry for SBERBANK (SWITZERLAND) AG has been deleted.

<https://ofac.treasury.gov/recent-actions/20240506>

#### **EU PROPOSES FIRST SANCTIONS ON RUSSIA'S LNG SECTOR**

On 6 May, Politico reported that, for the first time, the European Commission has proposed sanctions on Russia's powerful liquefied natural gas industry.

<https://www.politico.eu/article/eu-proposes-first-sanctions-on-russias-lng-sector>

#### **FORMAL LAUNCH OF NEW OFAC SANCTIONS LIST SERVICE (SLS) APPLICATION**

On 6 May, OFAC advised of the formal launch of SLS, which is now the primary application OFAC will use to deliver sanctions list files and data to the public. The Sanctions List Service application incorporates the traditional OFAC Sanctions List Search tool.

<https://content.govdelivery.com/accounts/USTREAS/bulletins/39ad6c2>

#### **US STATE DEPARTMENT DESIGNATES SEVERAL COLOMBIAN BUSINESSMEN FOR FACILITATING THE MARITIME TRANSPORT OF MIGRANTS**

On 6 May, La Prensa reported that the US did not detail the names or the number of people affected by this new measure, but specified that those sanctioned are owners of companies that "offer maritime transport that facilitates the irregular movement" of people on the continent.

<https://www.prensa.com/mundo/estados-unidos-sanciona-a-empresarios-colombianos-por-facilitar-transporte-maritimo-de-migrantes>

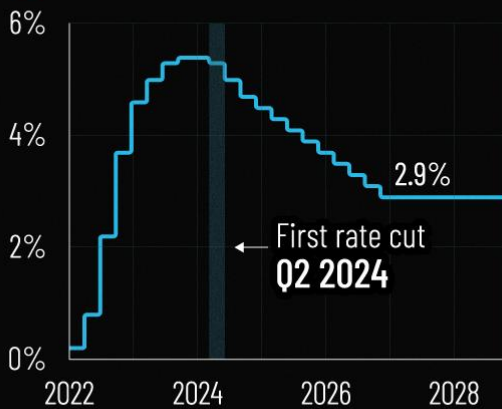


# INTEREST RATE PROJECTIONS

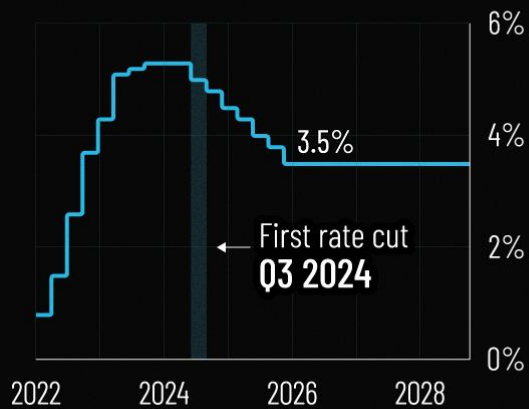


for Advanced Economies

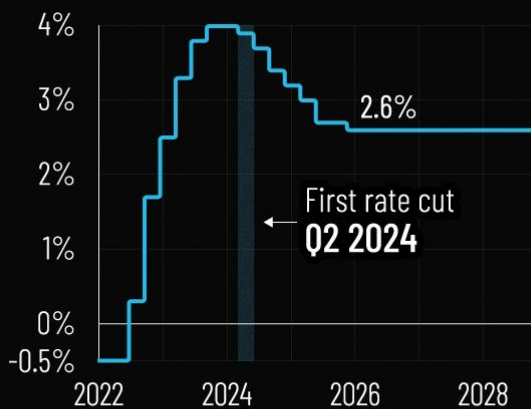
## FEDERAL RESERVE



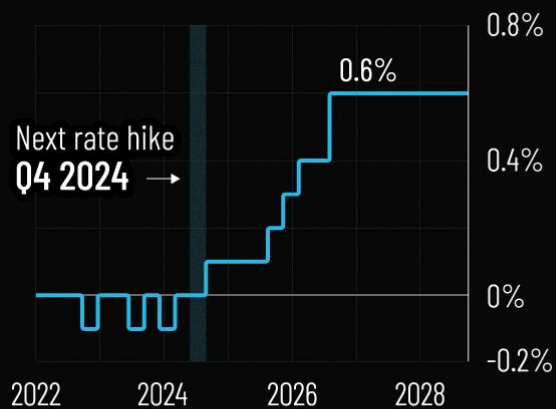
## BANK OF ENGLAND



## EUROPEAN CENTRAL BANK



## JAPAN



Source: IMF, World Economic Outlook, April 2024

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Where Data Tells the Story



<https://www.visualcapitalist.com/interest-rate-forecasts-across-advanced-economies/>



## **HOW ISIL IN SOUTH AFRICA MAKES AND MOVES MONEY**

On 25 April, Insight Monitor reported that ISIL in South Africa, while not officially recognised as a formal province, has become critical for the Islamic State's financial operations in central, eastern, and southern Africa. Cells generate revenue through criminal means such as extortion, robbery, and kidnapping. It asks what techniques do members of ISIL in South Africa use to facilitate the Islamic State's extensive financial network?

<https://newsletter.insightthreatintel.com/p/from-tinder-to-terrorism-how-isil>

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