

13 June 2024

BANGLADESH'S GROWING ROLE IN MARITIME SECURITY

On 7 June, Dryad reported that Bangladesh, whose economy heavily relies on maritime trade, has seen its naval capabilities grow significantly. In response to maritime challenges, Bangladesh has expanded its naval capabilities through a modernisation program initiated in 2009. This transformation has enabled the Navy to conduct regional and international operations, including disaster relief in Sri Lanka, the Philippines, and the Maldives.

<https://channel16.dryadglobal.com/bangladeshs-growing-role-in-maritime-security>

THE ROLE SOUTH AMERICAN AUTHORITIES PLAY IN PREVENTING DRUG TRAFFICKING TO EUROPE

On 10 June, an article from Dryad Global says that recent operations across South America have highlighted the escalating battle against narcotics trafficking within the region.



<https://channel16.dryadglobal.com/the-role-south-american-authorities-play-in-preventing-drug-trafficking-to-europe>

RUSSIA PROPOSAL TO REMOVE THE TALIBAN FROM RUSSIA'S LIST OF DESIGNATED TERRORIST ORGANISATIONS

On 13 June, Carnegie Politika carried an article saying that Russia harbours hopes of developing economic ties with the Taliban. Russian officials have again begun speaking about using Afghanistan as a transit hub — for exporting Russian natural gas to India, and other goods to ports in Pakistan. The Russian Business Center in Afghanistan estimates Russia's trade with Afghanistan at about \$1 billion (over 5 times more than in 2021).

<https://carnegieendowment.org/russia-eurasia/politika/2024/06/taliban-russia-terrorism?lang=en>

EU COURT REJECTS RUSSIA DE-LISTING APPLICATION OF VEB

On 13 June, Global Sanctions blog reported that the EU General Court rejected the application to delist VEB, and said that, despite being a non-profit public body, VEB is still an important credit institution for the Russian financial system.

<https://globalsanctions.co.uk/2024/06/eu-court-rejects-russia-de-listing-application-of-veb/>

COURT OF APPEAL: UK SANCTIONS PROHIBIT PAYMENT UNDER LETTERS OF CREDIT

On 13 June, the Global Sanctions blog reported that the Court of Appeal had overturned a High Court decision, holding that UK Russia sanctions prohibited the payment under letters of credit in connection with leases of aircraft to Russian companies.

<https://globalsanctions.co.uk/2024/06/uk-court-of-appeal-overturns-high-court-judgment-in-celestial-aviation-v-unicredit-uk-sanctions-did-prohibit-payment-under-letters-of-credit/>

CANADA: FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT

On 12 June, an article from Israel Foulan Wong said that that Act came into operation on 1 January. Certain businesses will be required to make annual reports to detail the steps the entity has taken to identify, address and prevent forced labour, prison labour and child labour in the business' supply chain. The Act provides specific definitions of child labour and forced labour, and it also amends the Canadian Customs Tariff to extend the existing ban on importing goods produced with forced labour to also apply to importing goods produced by child labour.

<https://www.mondaq.com/canada/international-trade--investment/1478186/canadas-fighting-against-forced-labour-and-child-labour-in-supply-chains-act-has-come-into-force--january-25-2024>

PROLIFERATION WARNINGS OVER ENRICHED NUCLEAR FUEL FOR ADVANCED REACTORS

On 12 June, Chemistry World reported that governments and others promoting the use of high-assay low-enriched uranium (HALEU) for nuclear power have not considered the potential terrorism risk that widespread adoption of this fuel creates, nuclear scientists have warned.

<https://www.chemistryworld.com/news/proliferation-warnings-over-enriched-nuclear-fuel-for-advanced-reactors/4019621.article>

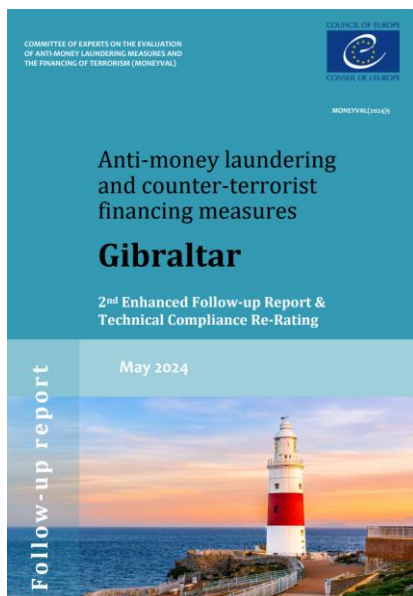
NEW US SANCTIONS FORCE END OF DOLLAR AND EURO TRADING ON RUSSIA'S MAIN EXCHANGE

On 13 June, CNN reported that new US sanctions against Russia have caused an immediate suspension of trading in dollars and euros on the country's leading financial marketplace, the Moscow Exchange (MOEX).

<https://edition.cnn.com/2024/06/13/investing/us-russia-sanctions-dollar-euro-trading/index.html>

GIBRALTAR: AML/CFT EVALUATION FOLLOW-UP REPORT – UPGRADE MEANS NO FURTHER REPORTS NEEDED

On 13 June, the Gibraltar Chronicle reported that the Council of Europe said Gibraltar has improved its measures for tackling money laundering and terrorist financing, re-rating Gibraltar from being 'Partially Compliant' to 'Largely Compliant'. This is included in a follow-up report which says that Gibraltar has implemented all 40 FATF Recommendations at the level of LC/C, and therefore no further reporting shall be required under MONEYVAL's 5th round of evaluations.



<https://rm.coe.int/moneyval-2024-5-gib-5thround-2ndenhfur/1680b06419>

<https://www.chronicle.gi/moneyval-experts-say-gibraltar-has-improved-measures-for-tackling-money-laundering-and-terrorist-financing/>

Table 1. Technical compliance with re-ratings, May 2024⁵

R.1	R.2	R.3	R.4	R.5
C (FUR1 2021) PC	LC	C	LC	C
R.6	R.7	R.8	R.9	R.10
LC	LC	LC	C	LC
R.11	R.12	R.13	R.14	R.15*
C (FUR1 2021) PC	C (FUR1 2021) PC	C (FUR1 2021) PC	LC	LC (FUR1 2021) C
R.16	R.17	R.18	R.19	R.20
C	C	LC	LC	C
R.21	R.22	R.23	R.24	R.25
C	C (FUR1 2021) PC	LC	LC (FUR1 2021) PC	C (FUR1 2021) PC
R.26	R.27	R.28	R.29	R.30
C (FUR1 2021) PC	C	C (FUR1 2021) PC	C	C
R.31	R.32	R.33	R.34	R.35
LC	LC	C	C	LC
R.36	R.37	R.38	R.39	R.40
LC (FUR 2024) PC	C	C	C	LC

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

UK: ENHANCED CHABLING SECTOR FINANCIAL RISK ASSESSMENTS – A COMMENTARY ON UPCOMING CHANGES

On 12 June, an article from Bird & Bird the financial risk assessments proposed in the White Paper and the Gambling Commission’s Summer 2023 Consultation. It delves deeper into the Commission’s proposals for enhanced financial risk assessments and what they might mean for the industry.

<https://www.twobirds.com/en/insights/2024/uk/enhanced-financial-risk-assessments-a-commentary-on-the-upcoming-changes>

G7 LEADERS STRIKE ‘PROVISIONAL’ DEAL ON \$50 BILLION RUSSIAN FROZEN ASSETS LOAN TO UKRAINE

On 13 June, EurActiv reported that leaders had agreed on a loan plan based on the size of their economies to provide Ukraine with about \$50 billion in aid, expected to start flowing by the end of the year.

<https://www.euractiv.com/section/europe-s-east/news/g7-leaders-strike-provisional-deal-on-50-billion-russian-frozen-assets-loan-to-ukraine/>

BURKINA FASO TAKES OVER FROM AFGHANISTAN AS MOST TERRORISM-AFFECTED COUNTRY

On 13 June, Defence Web reported that Burkina Faso has surpassed Afghanistan as the country most impacted by terrorism, with nearly 2,000 deaths as the global terrorism epicentre shifts from the Middle East into the Sahel.

<https://www.defenceweb.co.za/african-news/burkina-faso-takes-over-from-afghanistan-as-most-terrorism-affected-country/>

COPPER CATASTROPHE: SCRAP DEALERS STRIP SOUTH AFRICA TO FUEL STOLEN METAL EXPORT BOOM

On 12 June, Defence Web reported high levels of infrastructure theft, sky-high copper prices and that many scrap dealers exporting the red metal for huge profits – to the extent that legitimate copper users cannot find any to buy legally in the country. South Africa's vast investment into electricity infrastructure over generations is being systematically stolen, smelted down into ingots and billets, and then exported.

<https://www.defenceweb.co.za/security/civil-security/copper-catastrophe-scrap-dealers-strip-sa-to-fuel-stolen-red-metal-export-boom/>

UK: MYANMAR SANCTIONS – ENTRY FOR INTERNATIONAL GATEWAYS GROUP OF COMPANY LIMITED (IGGC) AMENDED

On 13 June, a Notice from HM Treasury advised that the existing entry for IGGC has been amended.

https://assets.publishing.service.gov.uk/media/666ad4b9673d4d30f3372dbe/Notice_Myanmar_130624.pdf

[Isle of Man followed suit –](#)

<https://www.gov.im/news/2024/jun/13/financial-sanctions-myanmar/>

UK: CENTRAL AFRICAN REPUBLIC SANCTIONS – 2 ENTITIES ADDED TO LIST

On 13 June, a Notice from HM Treasury advised that DIAMVILLE and WOOD INTERNATIONAL GROUP SARLU had been added to CAR sanctions lists.

https://assets.publishing.service.gov.uk/media/666ace112f424458f904f315/Notice_Central_African_Republic_130624.pdf

[Isle of Man followed suit –](#)

<https://www.gov.im/news/2024/jun/13/financial-sanctions-central-african-republic/>

UK: RUSSIA SANCTIONS – 42 ADDED ENTRIES

On 13 June, a Notice from HM Treasury advised that 7 individuals and 35 entities had been added to sanctions lists.

https://assets.publishing.service.gov.uk/media/666acf1da8b7ec4fae43d105/Notice_Russia_130624.pdf

<https://www.gov.uk/government/news/new-uk-sanctions-to-crack-down-on-putins-war-machine>

Isle of Man followed suit –

<https://www.gov.im/news/2024/jun/13/financial-sanctions-russia/>

“SUPPRESSION LAUNDERING”: USING FATF AS A FIG LEAF TO TARGET CIVIL SOCIETY

On 13 June, a Policy Brief from RUSI examines how the FATF standards have been abused or misused, and the impact of this abuse on civil society. The article investigated how the FATF’s anti-financial crime standards have been co-opted to meet authoritarian ends. The term ‘Authoritarian Abuses’ refers to deliberate state misuse of the compliance regime underpinned by the FATF, with the purpose of suppressing targets and pursuing other interests.

<https://rusi.org/explore-our-research/publications/policy-briefs/suppression-laundering-using-fatf-fig-leaf-target-civil-society>

EU REPORT: MARKET FOR ILLEGAL DRUGS BIGGER THAN EVER BEFORE

On 12 June, TJI reported that the annual report of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) said that the market for illegal drugs in Europe is bigger than ever before. According to the report, 26 new drugs were detected in Europe last year. This means that the EMCDDA now has to keep an eye on more than 950 psychoactive substances.

<https://www.tobaccojournal.com/news/eu-report-market-for-illegal-drugs-bigger-than-ever-before/>

COCAINE CARTEL COLLAPSES AFTER FINAL ARRESTS IN SPAIN

A news release from Europol on 13 June advised that a long-run investigation led by the Spanish Civil Guard (*Guardia Civil*), supported by Europol, resulted in a major hit on a criminal network involved in large-scale drug trafficking from South America to the EU.

<https://www.europol.europa.eu/media-press/newsroom/news/cocaine-cartel-collapses-after-final-arrests-in-spain>

FLORIDA COURT RULING IN GLOBAL RUSSIA AVIATION CASES AFFIRMS THAT RETENTION OF AIRCRAFT IS NOT “PHYSICAL LOSS OR DAMAGE”

On 10 June, an article from DLA Piper reported on a Florida appellate court decision which affirmed a lower court ruling that continued possession of commercial aircraft by Russian lessees following imposition of sanctions is not “physical loss or damage” under an all-risk policy as a matter of law. This is said to be significant to insurers facing Russia aviation claims and beyond for several reasons.

<https://www.dlapiper.com/en-us/insights/publications/2024/06/first-appellate-court-ruling-in-global-russia-aviation-cases>

EXPLORING THE FINANCES OF THE ISIS, HAMAS, AND HEZBOLLAH TERRORIST EMPIRES

On 4 June, The Insider published a report saying that, in recent years, cryptocurrency has emerged as a key financial tool for terrorist groups, and terrorism itself increasingly resembles a business project, complete with sponsors, earnings strategies, quasi-tax systems, investments, and a global financial network. It looks at groups’ main expenses; how they raise funds, including straightforward criminal activities; and the need to crack down on crypto exchanges.

<https://theins.ru/en/economics/272133>

THE BOOK OF JARGON – BLOCKCHAIN, CRYPTO AND WEB3

This guidance from Latham & Watkins has been made available.

https://www.linkedin.com/posts/emmachanning_the-book-of-blockchain-jargon-latham-ugcPost-7206947020857647104-tlzq

TERRAFORM LABS TO PAY ONE OF LARGEST-EVER PENALTIES TO SETTLE A CIVIL SECURITIES-FRAUD LAWSUIT, TO PAY SEC JUST UNDER \$4.5 BILLION AND WIND DOWN ITS OPERATIONS

On 13 June, the Wall Street Journal reported that the company of fallen crypto tycoon Do Kwon had agreed a settlement which would be one of the biggest achievements to date by authorities around the world seeking accountability over the ruinous collapse of Kwon’s TerraUSD and Luna cryptocurrencies in May 2022. Kwon himself agreed to pay \$204 million as part of the deal.

<https://www.wsj.com/finance/regulation/do-kwons-crypto-firm-agrees-to-pay-massive-4-5-billion-penalty-to-sec-35355452>

OFAC TARGETS GUYANA CORRUPTION NETWORK

On 13 June, Global Sanctions blog reported that OFAC had designated 3 individuals and 3 entities for their alleged roles in public corruption connected to the gold industry in Guyana.

<https://globalsanctions.co.uk/2024/06/ofac-targets-guyana-corruption-network/>

EU COURT REJECTS DE-LISTING APPLICATION OF SYRIAN BUSINESSMAN ISSAM SHAMMOUT

On 13 June, Global Sanctions blog reported that the EU General Court has rejected the de-listing application of Issam Shammout, the owner of Cham Wings and head of the Shammout Group.

<https://globalsanctions.co.uk/2024/06/eu-court-rejects-de-listing-application-of-syrian-businessman-issam-shammout/>

GUERNSEY: SANCTIONS GENERAL LICENCE PERMITTING BANKS TO TAKE MAINTENANCE

PAYMENTS FROM FROZEN ACCOUNTS

On 13 June, Global Sanctions blog reported that Guernsey had allowed a General Licence, like that in the UK, which permits banks to take payments of fees from accounts frozen under the Russia Regulations which arise from the routine holding or maintenance of those accounts.

<https://globalsanctions.co.uk/2024/06/guernsey-issues-gl-permitting-banks-to-take-maintenance-payments-from-frozen-accounts/>

US: IRS HAS BEGUN AUDITS INTO THE USE OF BUSINESS JETS

On 13 June, AIN Online reported that the IRS has begun a half-dozen audits of what will be an initial tranche of 50 into the use of business jets. It related a warning that “it's going to be very intense and it's going to be something that the industry hasn't seen on this level”.

<https://www.ainonline.com/aviation-news/business-aviation/2024-06-13/top-bizav-attorney-irs-audits-something-industry-hasnt>

US: \$285,000 PENALTY TO RESOLVE VIOLATIONS OF UNLICENSED REEXPORTS TO RUSSIA BY TURKISH AVIATION COMPANY

On 13 June, KPMG reported that the Bureau of Industry and Security of the Department of Commerce had announced a \$285,000 penalty imposed on an aviation company based in Ankara. In October 2023 and January 2024, the aviation company conducted private charter flights using a US-origin Gulfstream aircraft into Russia without the required BIS licence.

<https://kpmg.com/us/en/home/insights/2024/06/tnf-us-bis-penalty-violations-unlicensed-reexports-to-russia.html>

Cobalt Production

Production (metric tons)

2023



All figures are estimates.
Source: United States Geological Survey (2024)

ARMENIA LEAVES ALLIANCE WITH RUSSIA AFTER LEAK REVEALS BELARUS SUPPLIES TO AZERBAIJAN

On 13 June, Politico reported that Belarus delivered advanced weapons to Armenia's arch enemy even though both countries were supposedly allies in a Russian-led international defence pact, according to leaked documents. Belarus — a staunch ally of Russia — to supply advanced military hardware to Azerbaijan between 2018 and 2022, giving it the upper hand in a spate of wars with its long-standing rival; and despite Belarus and Armenia are members of the Collective Security Treaty Organization (CSTO), a post-Soviet military alliance led by Russia and formed in 2002.

<https://www.politico.eu/article/leaked-documents-reveal-belarus-armed-azerbaijan-against-ally-armenia/>

SCOTLAND LAW QUASHING POST OFFICE POSTMASTERS' CONVICTIONS

On 13 June, the Post Office (Horizon System) Offences (Scotland) Act 2024 came into force, quashing convictions for relevant offences in Scotland, and linked to the scandal involving subpostmasters and the Horizon accounting software.

<https://www.legislation.gov.uk/asp/2024/6/contents/enacted>

US IMPOSES SWEEPING NEW SANCTIONS AND EXPORT CONTROLS ON RUSSIA AND BELARUS, INCLUDING ON CERTAIN SOFTWARE AND RELATED SERVICES

On 13 June, an article from Fenwick & West LLP reported on the sweeping new sanctions and export controls imposed by the US on Russia and Belarus, including companies and individuals that continue to supply Russia's economy.

<https://www.idsupra.com/legalnews/u-s-imposes-sweeping-new-sanctions-and-4013166/>

US JUSTICE DEPARTMENT REPATRIATES \$1.4 BILLION MISAPPROPRIATED 1MDB FUNDS TO MALAYSIA

On 13 June, a release on Mondo Visione advised that the DoJ had announced today that it has repatriated an additional \$156 million in misappropriated 1Malaysia Development Berhad (1MDB) funds to Malaysia, bringing the total returned by the department to approximately \$1.4 billion.

<https://mondovisione.com/media-and-resources/news/us-justice-department-repatriates-14b-misappropriated-1mdb-funds-to-malaysia/>

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