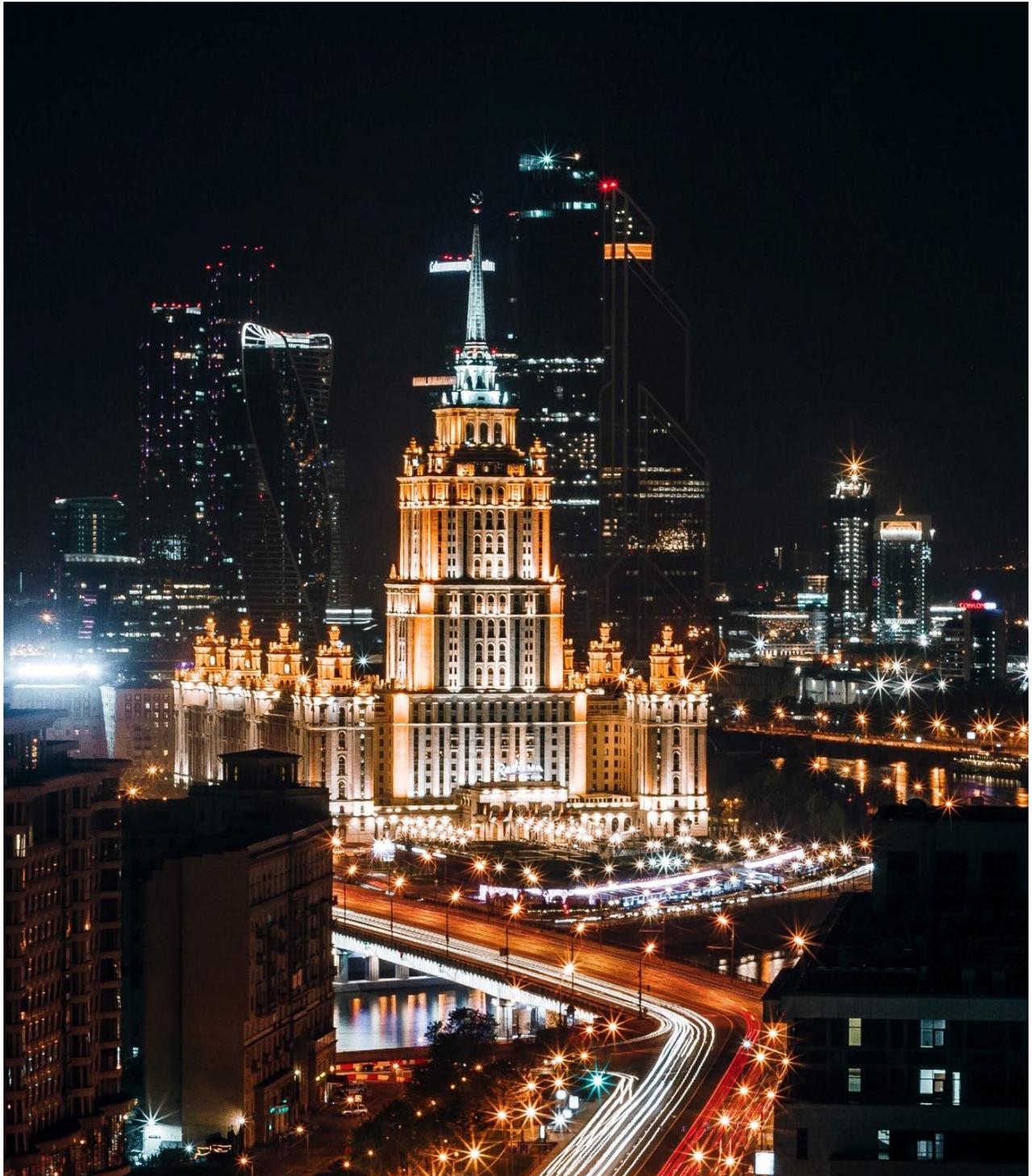


# RISKCHECK

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## LATEST NEWS ON OPERATIONAL RISK

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# OPERATIONAL RISK NEWS

## US Issues Full Blocking Sanctions on Sberbank and Alfa-Bank; New and Amended General Licenses; New Investment Ban for Russia

April 23<sup>rd</sup>, 2022 – US Department of the Treasury's Office of Foreign Assets Control ("OFAC") added two of Russia's largest banks, Public Joint Stock Company Sberbank of Russia ("Sberbank") and Joint Stock Company Alfa Bank ("Alfa-Bank"), and their subsidiaries to the Specially Designated Nationals and Blocked Persons List ("SDN List").

## Risks to Saudi Arabia's banking sector to remain 'contained' as economy recovers

April 17<sup>th</sup>, 2022 - Risks to the stability of Saudi Arabia's banking system are expected to remain "contained" despite the rapid expansion of the sector over the next two years, a report from S&P Global Ratings suggests.

## UAE added as a high-risk jurisdiction in MLR 2022 amendment

April 12<sup>th</sup>, 2022 - The HM Treasuries most recent amendment to the UK MLR, which came into effect on the 9th of March 2022, has brought with it changes to the regulatory obligations which UK firms must seek to implement within their policies and procedures.

## European banks' buyback boom faces bad-debt risks

April 22<sup>nd</sup>, 2022 - European bank investors started 2022 expecting a new era of bumper payouts.

## 'Money laundering in real estate needs monitoring': Oman

April 24<sup>th</sup>, 2022 - OCCl has called for a review of the legislation governing real estate investments and protecting the sector from money laundering crimes.

## Thai central bank chief says growth a bigger worry than inflation for now

April 19<sup>th</sup>, 2022 - Thailand's central bank will focus monetary policy efforts on shoring up sluggish growth in Southeast Asia's second-largest economy.

## Pakistan's Political Volatility Adds to External Financing Risk

April 12<sup>th</sup>, 2022 – The recent government change in Pakistan has been peaceful, but raises near-term policy uncertainty even as the country faces external and fiscal challenges from rising commodity prices and an increase in global risk aversion, says Fitch Ratings.

## Russia makes 'digital' ruble, home-grown credit card push

April 21<sup>st</sup>, 2022 - Russia plans to have a "digital" ruble capable of making international payments ready by next year and also wants to expand the number of countries that accept its Visa- and MasterCard-style banking cards that are administered by the central bank.

## Calling time on QE, central bank asset cull adds new market risks

April 19<sup>th</sup>, 2022 - Major central banks, already plotting interest rate hikes in a fight against inflation, are also preparing a common pullback from key financial markets in a first-ever round of global "quantitative tightening" expected to restrict credit and add stress to an already-slowing world economy.

## Russian Oligarch's Yacht Subject to Forfeiture Based on Alleged Violations of Bank Fraud, Money Laundering, and U.S. Sanction Statutes

April 24<sup>th</sup>, 2022, A 255-foot luxury yacht allegedly owned by sanctioned Russian oligarch Viktor Vekselberg, subject to forfeiture based on alleged violations of U.S. bank fraud, money laundering, and sanction statutes.

# OPERATIONAL RISK NEWS

## ABS launches initiative for banks to engage with clients on environmental risk issues

April 22<sup>nd</sup>, 2022 - THE Association of Banks in Singapore (ABS) on Thursday (Apr 21) unveiled an industry-standard questionnaire for banks in Singapore to engage their corporate clients on environmental risk issues.

## Asia bonds lose US\$155b as China woes add to rates pressure

April 25<sup>th</sup>, 2022 - A US\$1 trillion benchmark of government and corporate notes has plummeted 12.1 per cent from its peak last July, according to a Bloomberg index.

## Dubai's Deputy Ruler says tax systems to be upgraded in "sweeping developments" as compliance grows

April 21<sup>st</sup>, 2022 - Compliance with tax regulations continued to grow across the UAE, according to the UAE's Federal Tax Authority, which has reported a 2.42 percent increase in the number of VAT registrants to 367,157 in the first quarter of 2022, compared to 358,468 in 2021.

## Big banks and insurers hit with one-time 15% tax on income over \$1 billion — and that's not all

April 07<sup>th</sup>, 2022 - Prime Minister Justin Trudeau made good on his promise to make big banks and insurers pay extra to help cover the cost of fighting the pandemic in the form of a 15-per-cent tax on income above \$1 billion in 2021.

## Fitch sees Pakistan's current account deficit widening in fiscal 2022 on policy uncertainty

April 13<sup>th</sup>, 2022 - Fitch Ratings on Tuesday revised its projection for Pakistan's current account deficit to 5.0 percent of the gross domestic product for the current 2022 fiscal year on near-term policy uncertainty and external risks through the country witnessed a peaceful change in government.

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## Card-less cash withdrawals at ATMs may burden banks with additional costs

April 25<sup>th</sup>, 2022 - Banks now have an opportunity to monetize UPI transactions and hence, should look at marketing this feature more aggressively.

## Federal budget 2022 surprisingly heavy on innovation policy

April 07<sup>th</sup>, 2022 – The federal government has published its Budget 2022, which contains a number of commitments for the Canadian tech and innovation sector.

## Cheque bounce risk service goes live on Al Etihad Credit Bureau's website

April 19<sup>st</sup>, 2022 - Al Etihad Credit Bureau's (AECB) ChequeScore service, which allows businesses and individuals to instantly assess the risk of a cheque bouncing, is now live on the bureau's website.

## Nigerian banks hit by exodus of top tech talent

April 17<sup>th</sup>, 2022 - The meeting came as traditional lenders in Africa's largest economy face stiff competition for talent from technology start-ups attracting increased funding from international investors and offering better working conditions, in and outside the country.

## RAKBANK launches UAE's first Digital Onboarding Platform for SME loans

April 07<sup>th</sup>, 2022 - RAKBANK announces the launch of a "first of its kind" digital onboarding experience in the region which will enable SMEs to apply for Business Loans, Term and Working Capital Finance and Asset-based finance through the RAKBANK Quick Apply portal.

# OPERATIONAL RISK NEWS

## J-K's debt pile grows to Rs 83,536 crore: CAG

April 18<sup>th</sup>, 2022 - The CAG expressed concern over J-K government's action of using borrowed funds for meeting current consumption and repayment of interest on outstanding loans.

## War in Ukraine to lower growth, increase inflationary pressures globally: KPMG

April 06<sup>nd</sup>, 2022 The ongoing conflict in Ukraine is set to lower global growth prospects and increase inflationary pressures across the world, according to global advisory firm KPMG's latest Global Economic Outlook.

## HSBC profit falls on credit charges as economic outlook worsens

April 26<sup>th</sup>, 2022 - HSBC has shelved plans for new stock buybacks this year after reporting an unexpected hit to its capital on Tuesday, as a cocktail of rising inflation, geopolitical tensions and economic weakness dented its prospects.

## Goldman, JPMorgan among banks left holding Russian stocks by sanctions switch

April 25<sup>th</sup>, 2022 - A decision last month by FTSE Russell and MSCI to remove Russian stocks from their indexes has left some of the world's largest banks inadvertently holding potentially valuable positions, several sources familiar with the trades told Reuters.

## Long-standing Structural Challenges Pose Risks to Pakistan's Sustained Growth: World Bank Bi-Annual Pakistan Development Update Report

April 19<sup>th</sup>, 2022 - Pakistan's economy enjoyed a strong recovery and grew 5.6 percent in FY21 following measures taken by the Government to mitigate the adverse socio-economic impacts of the COVID-19 pandemic.

## Europe: Conflict-related sanctions continue to cause disruptions as of April 24 /update 45

April 24<sup>th</sup>, 2022 - The airspace of numerous countries remains closed to all Russian aircraft and flights. Russia has implemented reciprocal bans from Russian airspace for airlines operated by those countries, which include EU member nations, the UK, Canada, the US, Australia, New Zealand, South Korea, and Japan, among others.

## The Urgent Need to Advance Australia's Anti-Money Laundering Laws

April 14<sup>th</sup>, 2022 - Australia is 8 years late in fulfilling a promise to expand its anti-money laundering laws.

## Bahrain: 15-year bank loan instalment extension plan

April 27<sup>th</sup>, 2022 - MPs yesterday unanimously approved an urgent proposal to more than double the maximum years of repayment from seven.

## Banking system outlook upgraded in Bahrain

April 27<sup>th</sup>, 2022 - The agency expects core capital held by Bahraini banks to remain broadly stable as modest loan growth is balanced by profit retention.

## Saudi's SAMA warns of 4 ways in which fraudsters impersonate the bank to con people

April 19<sup>th</sup>, 2022 - SAMA confirmed that these fraudulent practices aim to try to convince customers by obtaining the confidential data of their bank accounts and cards, so that they can access them and steal money.

# OPERATIONAL RISK NEWS

## Overview of recent efforts to further develop the Kuwaiti banking and capital markets regulatory frameworks

April 28<sup>th</sup>, 2022 - In recent years, Kuwait has accelerated the pace at which it has reformed and modernized its banking and capital market regulations in order to enhance their sophistication and accommodate the needs of market players and new investors.

## Money laundering and UAE's KYC/AML Regulatory Regime [2022 Update]

April 27<sup>th</sup>, 2022 The United Arab Emirates (UAE) has become the world's most exotic and well-reputable financial hub, attracting global investors along with criminals.

## Kuwait's assessment of anti-money laundering for 2023

April 18<sup>th</sup>, 2022 the State of Kuwait will undergo in the field of combating money laundering and terrorist financing by the Financial Action Task Force (FATF), which is expected at the end of 2023.

## Qatar: UN Experts Call For Reform Of The Anti-Money Laundering And Terrorist Financing Law

April 11<sup>th</sup>, 2022 - UN experts made several observations regarding Law No. 20 of 2019, regarding the issuance of the Anti-Money Laundering and Terrorist Financing Law in Qatar, which may have a disproportionate impact on the ability of civil society actors and groups to work in the country.

## High reliance on foreign funding poses risks for Qatari banks: Moody's

April 06<sup>th</sup>, 2022 Banks in Qatar are increasingly turning to foreign sources of funding due to a big demand for loans from projects related to the 2022 FIFA World Cup and economy diversification.

## Pakistan c.bank hikes policy rate by 250bps to 12.25% in emergency meeting

April 07<sup>th</sup>, 2022 - The State Bank of Pakistan (SBP) cited a deterioration in the outlook for inflation and an increase in risks to external stability, heightened by the Russia-Ukraine conflict, as well as domestic political uncertainty.

## ABOUT BENCHMARKIX

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## RISKCHECK

RiskCheck Operational Risk newsletter is published monthly. It keeps you abreast with the latest news, events and external risk exposures which could potentially impact your organization. Both national as well as international potentially high risk events are covered in this newsletter.

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