

# RISKCHECK

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## LATEST NEWS ON OPERATIONAL RISK

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# OPERATIONAL RISK NEWS

## Foreign debt of \$13.539bn incurred in 11 months

June 29<sup>th</sup>, 2022 – Pakistan incurred foreign debt of \$13.539 billion from multiple financing sources in the first 11 months (July-May) of 2021-22 including \$2.623 billion from foreign commercial banks (19 percent) against the total budgeted external loans of \$14.088 billion for the entire fiscal year.

## Government Push to Aid Pakistan Islamic Finance Growth

June 07<sup>th</sup>, 2022 – The Islamic finance industry in Pakistan is expected to continue its growth trajectory over the medium term, driven by strong government push and steadily rising public demand for Islamic products.

## Pakistan to stay on FATF watchdog's 'gray list'

June 17<sup>th</sup>, 2022 - An international watchdog says it will keep Pakistan on a so-called "gray list" of nations that do not take full measures to combat money laundering and "terrorism" financing but raised hopes its removal will follow an upcoming visit to the country to determine its progress.

## UAE retail banks fail to meet online customer service expectations

June 27<sup>th</sup>, 2022 - Retail banks across the United Arab Emirates continue to struggle with curbing customer complaints on online channels, according to the latest Banking Sentiment Index conducted by KPMG in partnership with DataEQ.

## Central Bank of Bahrain decides to stop bank loan deferrals

June 29<sup>th</sup>, 2022 - MPs were quick to voice their concerns over the move and have urged the Cabinet to urgently intervene to overturn the decision.

## Saudi Arabia offers \$13bln lifeline for banks to ease liquidity crunch: report

June 27<sup>th</sup>, 2022 - The Saudi central bank placed about 50 billion riyals (\$13 billion) as time deposits with commercial lenders, Bloomberg reported on Sunday citing people familiar with the matter.

## COVID-19 Drives Global Surge in use of Digital Payments

June 29<sup>th</sup>, 2022 The COVID-19 pandemic has spurred financial inclusion – driving a large increase in digital payments amid the global expansion of formal financial services.

## Qatar partners with Meta on digital economy

June 29<sup>th</sup>, 2022 - Qatar's Ministry of Communications and Information Technology and Meta will work together to help small- and medium-sized businesses in Qatar with the "digital transformation."

## Egypt, Turkey hold firm on interest rates

June 24<sup>th</sup>, 2022 - Turkish President Recep Tayyip Erdogan is adamantly opposed to raising interest rates, but some observers expected Egypt to raise rates in line with Gulf banks and the US Federal Reserve.

## Turkey halts lending to FX-rich firms in latest clampdown

June 24<sup>th</sup>, 2022 - Turkey on Friday restricted lending to many companies with more than \$1 million in foreign currency cash, the latest step to reverse a tumbling foreign-exchange rate by squeezing banks and businesses, and the lira rose as much as 5%.

## China launches three-year anti-money laundering campaign

June 09<sup>th</sup>, 2022 – At the end of January 2022, China launched a three-year anti-money laundering (AML) campaign. According to a government statement, the campaign intends to safeguard national security and social stability.

# OPERATIONAL RISK NEWS

## Financial Action Task Force Identifies Jurisdictions with Anti-Money Laundering and Combating the Financing of Terrorism and Counter-Proliferation Deficiencies

June 23<sup>rd</sup>, 2022 - As part of the FATF's listing and monitoring process to ensure compliance with its international standards, the FATF issued two statements: (1) Jurisdictions under Increased Monitoring, which publicly identifies jurisdictions with strategic deficiencies in their AML/CFT/CPF regimes that have committed to, or are actively working with, the FATF to address those deficiencies in accordance with an agreed upon timeline .

## Anti-money laundering: Provisional agreement reached on transparency of crypto asset transfers

June 29<sup>th</sup>, 2022 - The EU is making it more difficult for criminals to misuse crypto currencies for criminal purposes.

## FATF Deletes Malta from Gray List, Censures Russia for Invading Ukraine

June 17<sup>th</sup>, 2022 – FATF took Malta off a watch list of countries with lax anti-money laundering regimes.

## Cash-starved Pak makes appeal for fresh loans, UAE offers bailout deal

June 28<sup>th</sup>, 2022 - In response to cash-strapped Pakistan's request for fresh loans, the UAE has offered to buy minority shares in publicly-listed government-owned companies at a negotiated price.

## Canada: FINTRAC fines Sokhom Ung CAD 33,000 for AML/CTF violations

June 27<sup>th</sup>, 2022 –The Financial Transactions and Reports Analysis Centre of Canada ('FINTRAC') published, on 23 June 2022, its decision in which it imposed an administrative monetary penalty of CAD 33,000 (approx. €24,200) on Sokhom Ung.

## CANADA: Local MP wants country to stop being 'money-laundering paradise'.

June 22<sup>nd</sup>, 2022 Canada is quickly becoming a world leader in a rather unenviable category. Money laundering is out of control in the country and needs to be addressed as quickly as possible by adding greater penalties.

## UAE official warns about risks of borrowing, consumer debt

June 30<sup>th</sup>, 2022 - UAE - A judicial official warned about the dangers of consumer credit and outlined the impact of uncontrolled borrowing on individuals, families and society.

## Turkey Doubles Transaction Tax on Consumer Loans to 10%

June 11<sup>th</sup>, 2022 - Turkey raised the tax on consumer loans amid a surge in inflation and as authorities boosted measures to bolster the lira.

## Jordan's inflation rate expected to reach 3.8% by end of 2022

June 15<sup>th</sup>, 2022 - AMMAN — Governor of the Central Bank of Jordan (CBJ) Adel Sharkas on Tuesday said the inflation rate in the Kingdom by the end of the year is expected to stand at 3.8 per cent.

## Global Conditions Pose Risks for Growth and Inflation Outlook in Indonesia, New World Bank Report Says

June 22<sup>nd</sup>, 2022 - Indonesia's economy is projected to grow 5.1 percent in 2022 and 5.3 percent in 2023, as the pressures of deteriorating global economic conditions.

# OPERATIONAL RISK NEWS

## Russia slides into historic debt default as payment period expires

*June 27<sup>th</sup>, 2022 - Interest payments totaling \$100 million were due on May 27 and subject to grace period which expired on Sunday night.*

## Credit Suisse risks losing business amid overhaul – analysts

*June 07<sup>th</sup>, 2022 - Credit Suisse Group AG is in danger of losing investment bank and wealth management business as it goes through cultural and organizational changes.*

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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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