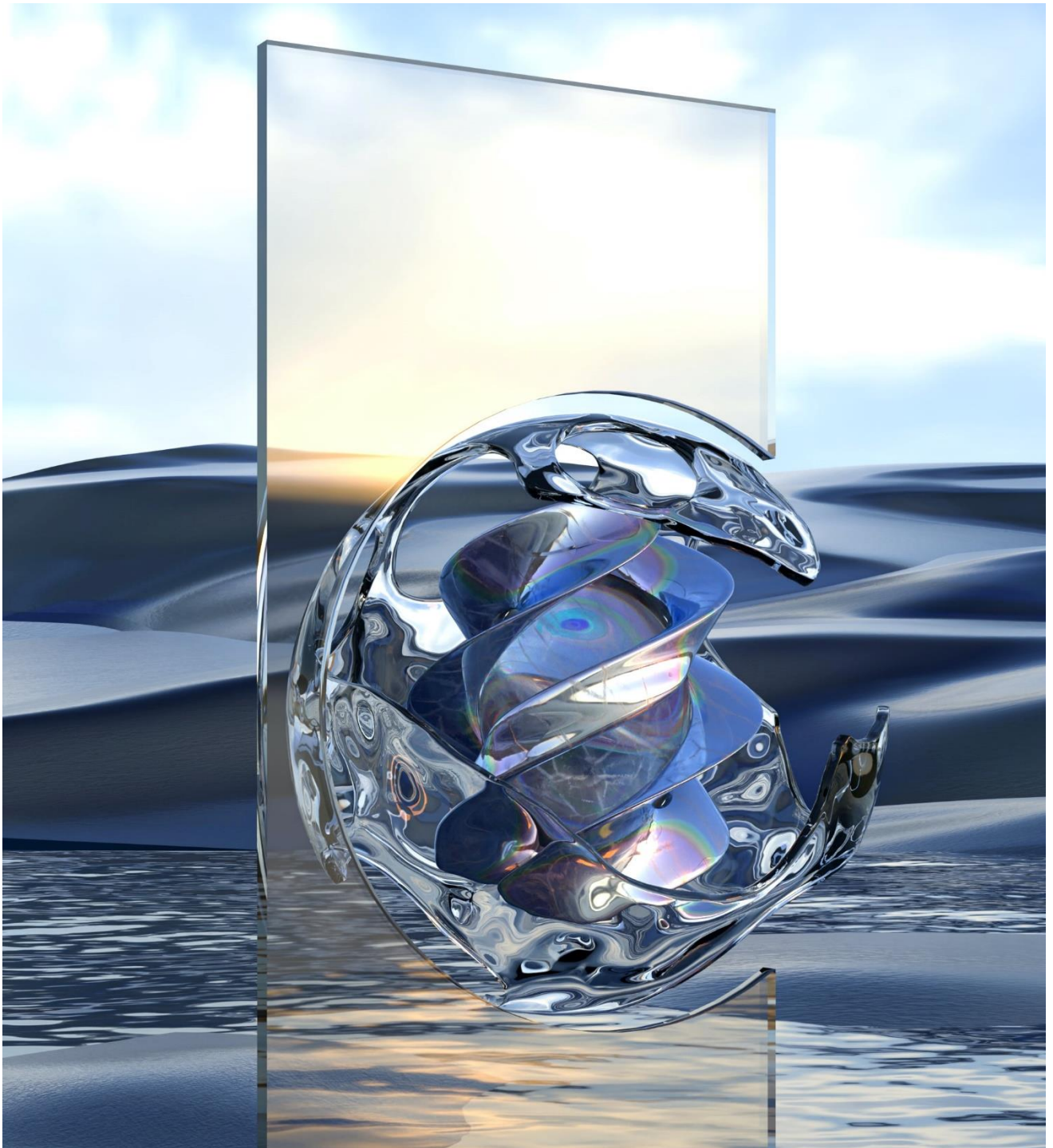


# RISKCHECK

March 2023

## LATEST NEWS ON OPERATIONAL RISK

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# OPERATIONAL RISK NEWS

## Pakistan Increases Sales Tax Rate, Introduces New Tax Deduction Rules for Share Acquisitions, and Reintroduces Advance Tax on Functions and Gatherings — Orbitax Tax News & Alerts

February 23<sup>rd</sup>, 2023 – Pakistan's Federal Board of Revenue has published the Finance (Supplementary) Act 2023, which received the assent of the President (was enacted) on 23 February 2023. The main measures of the Act include the following, which generally apply with immediate effect.

## 'Biggest financial scam': 16 officials of bank, petroleum cos placed in judicial custody

February 23<sup>rd</sup>, 2023 – As many as 16 officials of the National Bank of Pakistan (NBP) and petroleum companies, etc., have been placed in judicial custody for their alleged involvement in a Rs54 billion 'biggest financial scam' after a Special Banking Court rejected their interim bails on February 20, 2023.

## Fitch downgrades cash-strapped Pakistan's Issuer Default Rating to CCC-

February 15<sup>th</sup>, 2023 - Global ratings agency Fitch cut Pakistan's sovereign credit rating on Tuesday by a notch from CCC+ to CCC-, citing policy risks, critically low reserves and large refinancing risks, and difficult conditions set by the International Monetary Fund (IMF).

## US regulators fine Pakistani state-owned bank

February 28<sup>th</sup>, 2023 - The Federal Reserve and New York's state financial regulator have fined a major Pakistani bank \$55 million for failing to observe anti-money laundering rules

## UAE Central Bank fines company \$490,000 for violating anti-money laundering law

February 02<sup>th</sup>, 2023 - The UAE Central Bank has imposed a fine of Dh1.8 million (\$490,129) and stricter compliance requirements on a finance company for breaching the country's laws on anti-money laundering and counter-terrorism financing (AML/CFT), and the organization of financial institutions and activities.

## Sanctions Evasion and Money Laundering Charges Unsealed Against Specially Designated Global Terrorist Mohammad Bazzi and Talal Chahine

February 24<sup>th</sup>, 2023 - *Defendants Conspired and Attempted to Avoid Sanctions Imposed on Bazzi for Providing Financial Support to Hizballah. Bazzi Was Arrested in Romania Today and is Pending Extradition to the Eastern District of New York.*

## Belgian MEP Tarabella charged with money laundering, corruption

February 02<sup>nd</sup>, 2023 - European lawmaker Marc Tarabella has been charged with corruption, money laundering, and the membership of a criminal organization by a Belgian investigating judge.

## FATF watchdog: Qatar should make improvements in fight against financial crime

February 25<sup>th</sup>, 2023 - A global financial crime watchdog on Friday said Qatar's technical compliance with its standards was very strong but the Gulf state needed to make improvements in its fight against money laundering, terrorism financing and other areas.

## International Financial Watchdog Keeps Iran On Black List

February 25<sup>th</sup>, 2023 - The Paris-based Financial Action Task Force is an inter-state organization that leads global action to tackle money laundering, terrorist and proliferation financing. Its recommendations impact decisions by governments and private sector firms in making banking and investment decisions.

# OPERATIONAL RISK NEWS

## Targeting Iran, US tightens Iraq's dollar flow to counter money laundering

February 02<sup>nd</sup>, 2023 - The Canadian banking outlook for 2023 is affected by a challenging operating environment featuring muted economic growth and the increasing likelihood of a recession," the rating agency said in a report on Thursday.

## Pakistan's fresh £580m loan from China intensifies debt burden fears

February 23<sup>rd</sup>, 2023- The loan comes on top of \$30bn (£25bn) that Pakistan already owes China and Chinese commercial banks. Securing the financing will help to unlock bailout cash from the International Monetary Fund (IMF).

## Turkey cuts bank rate even as it grapples with earthquake

February 23<sup>rd</sup>, 2023- The bank's Monetary Policy Committee said it cut the benchmark policy rate by 0.5 of a percentage point, down to 8.5%. The Central Bank of the Republic of Turkey, slashed the benchmark rate by 5 percentage points - down to 9% - between August and November but had left rates unchanged since then.

## China's Banks to Overhaul Risk Exposure Rules to Aid Rebound

February 18<sup>th</sup>, 2023- China plans to adopt more differentiated risk weighting measures to limit banks' lending to toxic investments that are exposed to higher default threats, including those to problematic house developers.

## Kenya's inflation rises to 9.2% yr/yr in February as food prices rise

February 28<sup>th</sup>, 2023 -February's inflation rate has broken three consecutive months when the rate fell. It rose to 9.6% in October, its highest level since May 2017. February's rate is still above the government's preferred range of 2.5% to 7.5%.

## In Canada, complex fraud schemes are targeting homeowners

February 18<sup>th</sup>, 2023 - A Canadian couple recently learned that their home was sold by fraudsters without their consent while they were out of town. Experts say theft of this nature is rare, but there has been a notable rise of similar cases in the country's most populous city.

## UAE and Egypt sign MoU to fight money laundering and terrorist financing

February 16<sup>th</sup>, 2023- The Executive Office of Anti-Money Laundering and Counter Terrorism Financing (EO AML/CTF) concluded meetings with the Egyptian Money Laundering and Terrorist Financing Combating Unit (EMLCU) with the signing of a Memorandum of Understanding (MoU) to strengthen cooperation in combating money laundering and terrorist financing.

## Bank of England Signals Worst Years for Growth Since Great Depression

February 04<sup>th</sup>, 2023- Growth set to average just 1% a year between 2006 and 2025 Dismal outlook piles pressure on Prime Minister Rishi Sunak

## Commodity Trader Trafigura Faces \$577 Million Loss After Uncovering Nickel Fraud

February 09<sup>th</sup>, 2023- Trader discovered nickel cargoes that didn't contain nickel Nickel and cobalt head Socrates Economou is leaving company.

## SocGen to Pay \$157 Million Over Allen Stanford Fraud Claims

February 21<sup>st</sup>, 2023 - Société Générale Private Banking has agreed to pay \$157 million to settle a lawsuit that alleges a group of banks enabled the \$7 billion Ponzi scheme of financier R. Allen Stanford, according to a federal court filing Tuesday in Texas.

# OPERATIONAL RISK NEWS

## Chinyere Igwe: Nigerian politician arrested with \$500,000 on election eve

February 24<sup>th</sup>, 2023 - A Nigerian politician has been arrested for alleged money laundering after being caught with \$498,100 (£414,000) in cash a day before general elections.

## Nampol apologizes over N\$ 60b fraud miscommunication

February 09<sup>th</sup>, 2023 - The Namibian police today said it made a mistake when it announced to the media that N\$ 60 billion was stolen from the Credit Union of Namibia in December at an unknown date and time.

## Special fraud damage in Japan up for 1st time in 8 years

February 02<sup>nd</sup>, 2023- Tokyo: The amount of money stolen in special fraud cases detected by Japanese police in 2022 came to 36.14 billion yen, rising by 7.94 billion yen from the previous year, the first increase in eight years, the National Police Agency said Thursday.

## Los Angeles ringleader of \$18M COVID fraud scheme extradited

February 28<sup>th</sup>, 2023- A leader of a Los Angeles-based fraud ring that stole \$18 million in COVID-19 aid money was extradited Monday from Europe to the United States, where she could face more than a decade in prison, authorities said.

## 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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