

Swedish Update 2022

Export control and sanctions

A Nordic perspective



Tyler Nielsen

CEO Sanctions Advisory



Håkon Lindteigen

VP Corporate Compliance Kongsberg Gruppen ASA



Sanctions Advisory

Growing consultancy supporting Nordic, Asia and US-based global financial institutions, defense and maritime manufactures and energy firms with proactive sanctions risk management

Provide current insights into Washington and Brussels through active networks and past experience with the US Department of the Treasury, US Department of State, and US Embassy Helsinki

CORE OFFERINGS

- Real-Time Sanctions Risk Advice
- Political Risk Horizon Scanning And Forecasting
- Compliance Program Development, Implementation and Training

Selection of Clients and Partners





KONGSBERG

KONGSBERG SIZE AND SCOPE





KONGSBERG

OUR GLOBAL REACH

2021

SWEDEN, KRISTINEHAMN -
KONGSBERG MARITIME
SWEDEN AB

S-681 95 Kristinehamn, Sweden



Denmark 20
Finland 500

AMERICA

716 EMPLOYEES

NORWAY

7.018 EMPLOYEES

EUROPE

2.004 EMPLOYEES

ASIA

1.297 EMPLOYEES

AFRICA

22 EMPLOYEES

OCEANIA

65 EMPLOYEES



KONGSBERG

A TECHNOLOGY POWERHOUSE WITH 3 STRONG BUSINESS AREAS





KONGSBERG

Patria

INTRODUCING THE

Trade Compliance Project



Partnering on the project : Benefits



KONGSBERG

Patria

Achieve Effective Solutions
Adapted to Business



Greater Feedback and Progress



Test Solutions Together =
Effective Approach



Leverage and Pool Skilled
Resources



Benchmarking Exercise



**The WorldECR
Awards 2021**



KONGSBERG

TRADE COMPLIANCE PROJECT AUDIT TEAM



Rosa Rosanelli is VP and Head of Compliance in Patria

Rosa is also Project Lead for the “Trade Compliance Project”,

A Lawyer specialized in export controls, Rosa holds a Master in Law of Air, Space and Telecommunications at Paris XI University and a Master in International Relations (International law) at Rome La Sapienza University. She is currently also enrolled in an Executive MBA program.



Lars Løken former Director for Export Control Licensing at the Norwegian Ministry of Foreign Affairs/Oslo. Coordinating Defence and Dual-Use licensing processes and decision making, development of destination country policies and industry outreach.

Military background including NATO headquarter.

Master in law from University of Oslo



Tyler Nielsen previously served with the US Department of the Treasury, US Department of State, US Embassy Helsinki and most recently as the Head of Advisory – Sanctions at Nordea.

Tyler brings unique insights on the formulation of sanctions policy and application of sanctions enforcement, particularly from the US perspective.





KONGSBERG

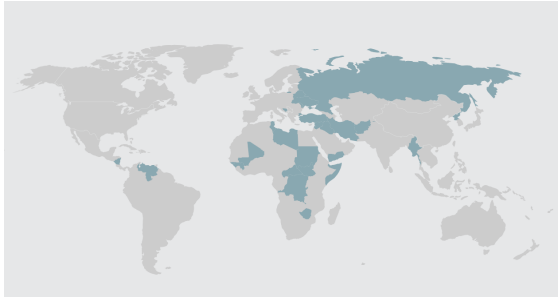


THE WORLD IS CHANGING





KONGSBERG



Exclusive: Biden to hit China with broader curbs on U.S. chip and tool exports

By Karen Freifeld and Alexandra Alper



WASHINGTON, Sept 11(Reuters) - The Biden administration plans next month to broaden curbs on U.S shipments to China of semiconductors used for artificial intelligence and chipmaking tools, several people familiar with the matter said.

The Commerce Department intends to publish new regulations based on restrictions communicated in letters earlier this year to three U.S. companies – KLA Corp (K^{LAC}), Lam Research Corp (L^{RCX}) and Applied Materials Inc (A^{MAT}), the people said, speaking on the condition of anonymity. The plan for new rules has not been previously reported.

THE WORLD IS CHANGING RAPIDLY



Sanctions Developments and Outlook

- Russia sanctions changed the Nordic, EU and international sanctions landscape
 - Have never had closer coordination and alignment on sanctions between G7+EU+Allies
 - “Freeze and Seize” Task Force is a new level of coordination of sanctions implementation within the EU
 - Discussions for enhanced collaboration in the future, less silos and more cross-border engagement
- Future
 - Turkey
 - China/Taiwan
 - Hot spots
- Outlook - How to Comply?
 - *Increase in illicit actors* - Global coordination and wide scope of sanctions means greater compliance challenges from sanctions circumvention schemes
 - Need better due diligence to know your customer and the restrictions around products and services
 - *Adapt to the change* - Need to have a program that can adapt to changing regulations and business leadership needs to anticipate how changes will impact the business
 - Need clear policies and approaches that have already made the risk vs. reward decision to say no to risky business from the start
 - Need to keep abreast of political developments and how our governments are looking to influence them

Sanctions Crafting and Implementation - Denmark, Finland and Sweden

Crafting:

- Nordic Sanctions Contract Group - representatives of each Ministry of Foreign Affairs
- Coreper II - Weekly coordination meetings on the EU permanent representatives

Implementation:

- EU Regulation → Local law immediately → implementation responsible of designated authority
- Competent Authorities vary by specific restriction, coordinating agency is Ministry of Foreign Affairs
- Denmark new law in 2021 to enhance enforcement authority of the Danish Business Authority
 - Dan Bunkering enforcement case referred from DBA to State Prosecutor
- Primary offices for implementation and enforcement:

DK: Danish Business Authority / Team Global Trade and Security

SE: Inspectorate of Strategic Products (ISP)

FI: Ministry of Foreign Affairs / International Law Unit



KONGSBERG

Norsk regelverk

Eksportkontroll og sanksjoner

Regjeringen.no

Tema ▼ Dokument ▼ Aktuelt ▼ Departement ▼ Regjering ▼

Du er her: Forsiden • Tema ▼ • Utenrikssaker ▼ • Eksportkontroll

Del/tips Skriv ut

[< Utenrikssaker](#)

Eksportkontroll

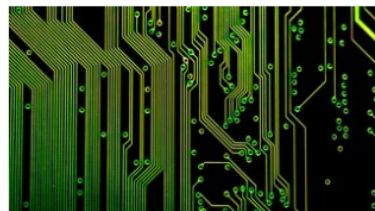
Tema

Eksportkontroll innebærer at visse varer, teknologi og tjenester ikke kan eksporteres fra Norge uten lisens utstedt av Utenriksdepartementet. Les mer om eksportkontroll, lisenspliktige varer, sanksjoner – og hvordan du søker lisens.



Hva er eksportkontroll?

Les mer om lovgivning, varelistene, statistikk og catch all.



Informasjon til eksportører

Les alt du trenger å vite om praktisk informasjon.



Sanksjoner og tiltak

Les mer om sanksjoner og tiltak, og om eksport til Russland og Iran.

Utenriksdepartementet

UTENRIKSDEPARTEMENTETS
EKSPORTKONTROLLPORTAL

Kontakt Hjelp Vilkår Versjon Bokmål Nynorsk English

Logg inn med ID-porten

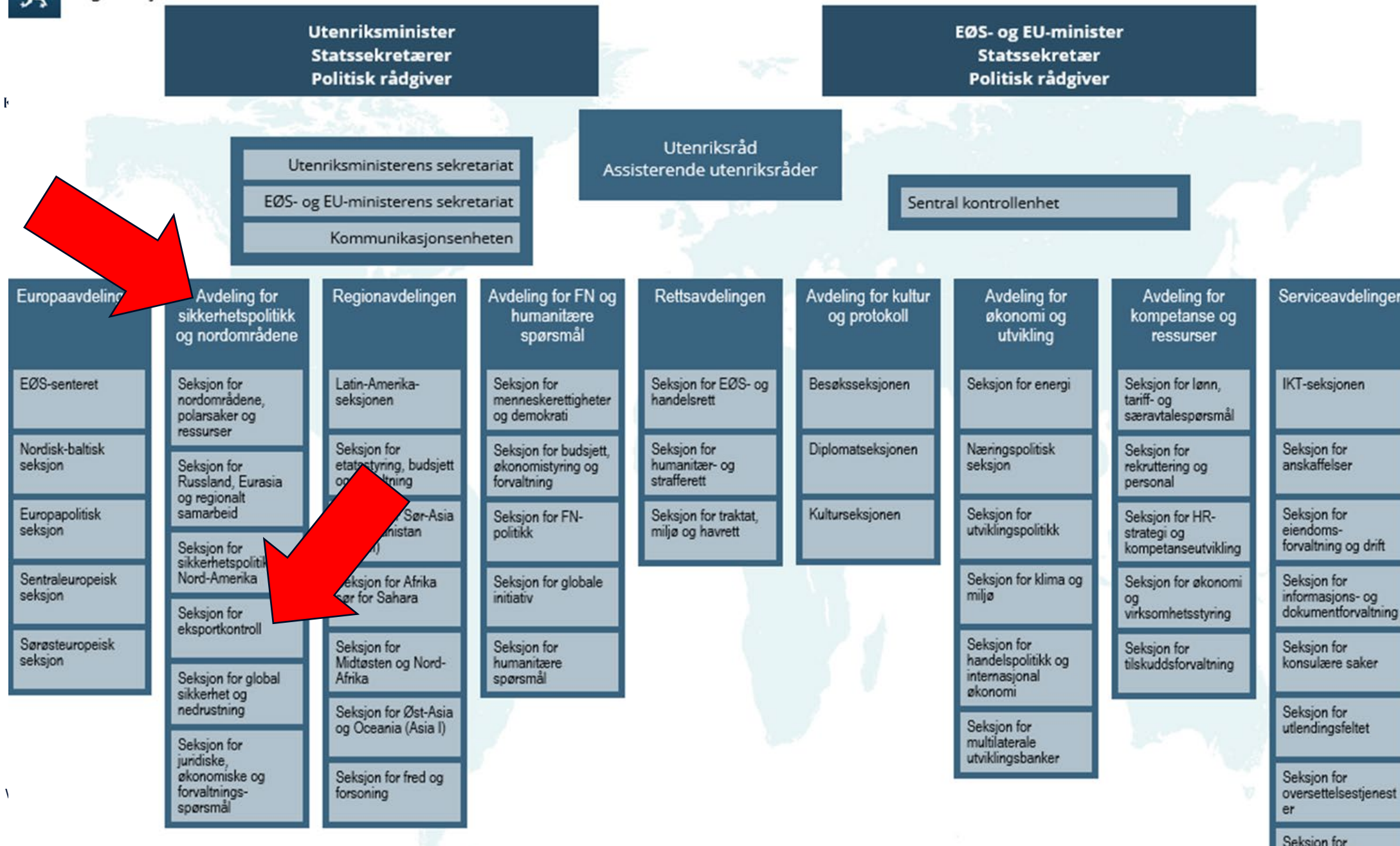
Utenriksdepartementet | eksportkontroll@mfa.no | Feil i eLisens: support.eksportkontroll@mfa.no | www.eksportkontroll.no

Utenriksdepartementet

Informasjon og kontaktpunkt til UD for næringslivet. Få svar om sanksjoner og andre forhold knyttet til krigen i Ukraina. Telefon er betjent mellom kl 10 og 14 på hverdager. NB! Unngå sensitive opplysninger til sanksjoner@mfa.no. Eksterne kan be om og få innsyn i det som sendes.

+47 23 95 15 15

sanksjoner@mfa.no





KONGSBERG

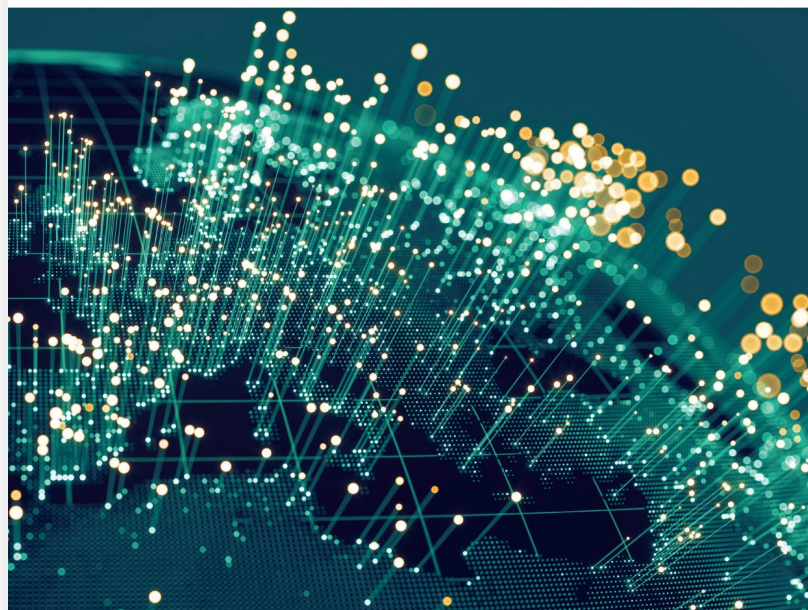


Meld. St. 14

(2021–2022)

Melding til Stortinget

Eksport av forsvarsmateriell fra Norge i 2021,
eksportkontroll og internasjonalt
ikke-spredningssamarbeid



NASJONAL
SIKKERHETSMYNDIGHET

Veileder i bruk av sikkerhetsloven for å motvirke sikkerhetstruende investeringer og oppkjøp

Versjon: [Versjon]





KONGSBERG

Regelverk

Lov om kontroll med eksport av strategiske varer, tjenester og teknologi – eksportkontrollloven (1987)

Forskrift om eksport av forsvarsmateriell, flerbruksvarer, teknologi og tjenester – eksportkontrollforskriften (2013).

Vedlegg 2 Lister (Forsvarsmateriell og flerbruksvarer)

(Pågående arbeid med endringer for «Kunnskapsoverføring» relatert til utdanning og forskning)

Retningslinjer for UD's behandling av søknader om eksport av forsvarsmateriell, samt teknologi og tjenester for militære formål – retningslinjene (1992)



KONGSBERG



Vedlegg I til Forskrift om eksport av forsvarsmateriell, flerbruksvarer, teknologi og tjenester

Liste I – forsvarsrelaterte varer (2020)

Denne liste er i samsvar med EU Common Common Military List vedtatt 17. februar 2020

[https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020XG0313\(07\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020XG0313(07))

EUs liste viderefører det som er avtalt i the Wassenaar Arrangement (WA) og som fremgår av Wassenaars Munition List (ML). Derfor benyttes ML-koder.

Merknader:

- Innen EUs gjennomføring av eksportkontroll med forsvarsrelaterte varer finnes en mellomliggende utgave under betegnelsen EUs Common Military List (CML) med samme innhold. Det refereres tidvis til denne selv om innholdet er likt.
- Det refereres også til EUs List of Dual-Use Items. Innholdet i denne listen vil være likt den norske Liste II – flerbruksvarer.
- Begrep som oppgis i "anførselstegn" er definerte begrep. Disse fremkommer av vedlegget "Definitions of terms used in this list».
- I noen tilfeller er kjemikalier oppført etter navn og CAS -nummer. Listen omfatter kjemikalier med samme strukturformel (inkludert hydrater) uavhengig av navn eller CAS -nummer. CAS -numre er oppgitt for å identifisere et bestemt kjemikalie eller en blanding, uavhengig av nomenklatur. CAS -numre kan ikke brukes som unike identifikatorer fordi noen former for det oppførte kjemikalie har forskjellige CAS -numre, og blandinger som inneholder et oppført kjemikalie kan også ha forskjellige CAS -numre.

Notes



Vedlegg II til Forskrift om eksport av forsvarsmateriell, flerbruksvarer, teknologi og tjenester

Liste II – flerbruksvarer (2021)

Listen er i samsvar med vedlegg I til Regulation (EC) No 2009/428, senest oppdatert ved Regulation (EU) No 2021/821 av 20. mai 2021.

<https://eur-lex.europa.eu/eli/reg/2021/821/oj>

EUs liste viderefører det som er avtalt i the Wassenaar Arrangement (WA), the Missile Technology Control Regime (MTCR), the Nuclear Suppliers Group (NSG), the Australia Group (AG) og the Chemical Weapons Convention (CWC) og samler kontrollistene fra de nevnte under ett.

Merknader:

- I teksten refereres det tidvis til begrepet Military Goods. Dette skal forstås som innholdet i den norske Liste I – forsvarsrelaterte varer.
- Det refereres også tidvis til Annex I hvilket betyr selve innholdet i Liste II.
- I de tilfeller der det vises til member states menes Norge også fordi man benytter samme liste

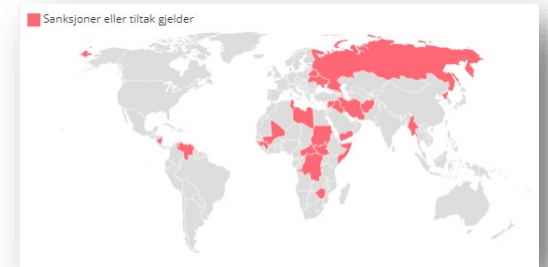


KONGSBERG

Sanksjoner Norge

Ulike vedtak – ulike rettsgrunnlag

- FN (UN)-sanksjoner – hjemmel i FN pakten kap. VII art 41
Sikkerhetsrådet må anse situasjonen som «en trussel mot internasjonal fred og sikkerhet»
Alle stater er folkerettslig forpliktet til å gjennomføre sanksjonene
- EUs restriktive tiltak – hjemmel i EU-traktaten
Kan være tillegg til FN-sanksjoner eller egne autonome regimer
(Norge kan politisk velge å slutte opp om disse – gjør oftest det.
Gjennomføres i norsk rett gjennom egne forskrifter)
- Ny sanksjonslov av 16. april 2021 som hjemler gjennomføringen av både FN-sanksjoner og EU-tiltak



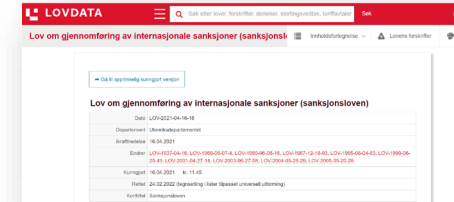


KONGSBERG

Gjennomføring av sanksjonene

Sanksjonsloven § 2:

- Kongen kan gi forskrift med nødvendige bestemmelser for at Norge kan gjennomføre sanksjoner eller restriktive tiltak som er vedtatt i mellomstatlige organisasjoner, eller som ellers har bred internasjonal oppslutning, og som har som formål å opprettholde fred og sikkerhet eller sikre respekt for demokrati og rettsstat, menneskerettigheter eller folkeretten for øvrig
 - Utelukker unilaterale sanksjoner
 - Setter begrensninger for hvor selvstendig Norge kan være i utformingen av sin sanksjonspolitikk uten at det må fremmes en særlov (det vil være i strid med loven å innføre egne sektortiltak, eller listeføre flere personer)

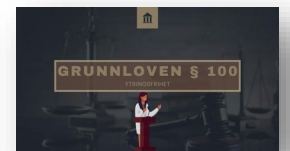




KONGSBERG

Russland sanksjonene

- Norge har innført de mest omfattende sanksjonene noensinne i norsk rett
- Norge ønsker å stå sammen med våre allierte, strupe Russlands tilgang til midler for finansiering av krigen
- Viktig med mest mulig rettsenhet i EU og EØS landene. Både for å styrke effektiviteten, men også for å bidra til størst mulig forutberegnelighet for næringslivet (Level playing field)
- 7 sanksjonspakker totalt.
 - Siste pakken trådte i kraft 26. august 2022
- Norge gjennomfører alle EUs sanksjoner i norsk rett (med et par unntak)
 - Kringkasting av 5 russiske statseide mediekanaler. Grunnloven § 100. (Freedom of speech)
 - Tilpasninger til havneforbudet. Unntak for fiskefartøy.





KONGSBERG

Hvorfor ikke gjennomføre bare ved å henvise til EUs sanksjoner?

- Norge følger EU, men har også gjort en selvstendig vurdering
- EUs rettsakter kan ikke få direkte virkning i norsk rett.
 - Må gjennomføres i norsk rett gjennom egne forskrifter
- Sanksjonene har blitt implementert i norsk rett omtrent 2-4 uker etter de har blitt vedtatt av EU
- Listeføringene trer i kraft straks de er vedtatt av EU (hyperlenke i forskriften)



KONGSBERG

External Framework



Export Administration Regulations

2013



U.S. Department of Commerce Bureau of Industry and Security



United States Publishes a Global Maritime Advisory to Counter Sanctions Evasion by Iran, North Korea, and Syria



Department of the Treasury Department of State United States Coast Guard

Sanctions Advisory for the Maritime Industry, Energy and Metals Sectors, and Related Communities

Issued: May 14, 2020
Title: Guidance to Address Illicit Shipping and Sanctions Evasion Practices



INSPEKTIONEN FÖR STRATEGISKA PRODUKTER



	China	Hong Kong	Singapore	Taiwan
Key Regulators	Ministry of Commerce Chinese Customs Bureau	Trade and Industry Department Customs and Excise Department	Ministry of Trade and Industry Singapore Customs	Bureau of Foreign Trade
Licensable Export Activities (Dual-Use & Military)	Import, Export, Transit, Tranship (Dealing with military items is restricted to authorised entities)	Import, Export, Transit, Tranship	Export, Tranship, Transit, Intangible transfer, Brokering	Export, Tranship, Transit
License Types	Individual General	Individual AIP for Bulk Users US's HK rule Munitions List	Individual/Bulk Brokering permit ITT permit Military Goods and Dual-Use Goods List (EU numbering system)	Individual Bulk
Classification List	Own system with multiple lists, only in Chinese	Dual-Use Goods List (EU numbering system)		EU lists

CEO VIDEO



KONGSBERG

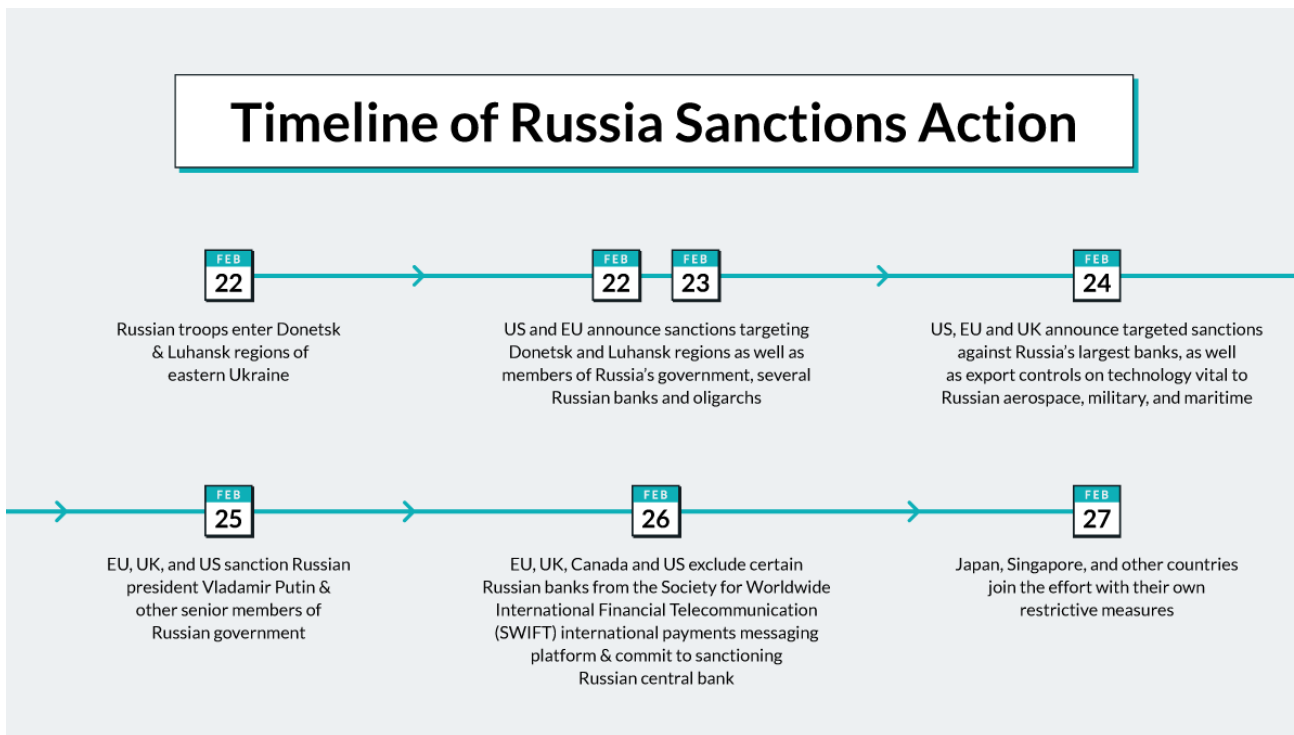




KONGSBERG

Russian sanctions

Timeline of Russia Sanctions Action



Norwegian Ministry of Foreign Affairs

Press Release

Sanctions against Russia incorporated into Norwegian law

Norges første implementering av sanksjoner mot Russland fant sted 18. mars 2022, hvor Forskriften ble oppdatert til å omfatte sanksjoner vedtatt av EU til og med 9. mars 2022, med enkelte unntak.



Russian sanctions «Unfriendly Countries»

Sanctions packages

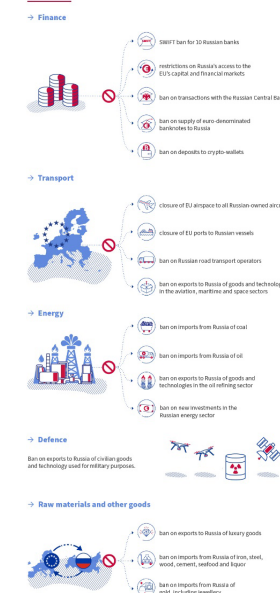
- 1 24 February 2022: EU imposes new sanctions due to Russia's actions
- 2 26 February 2022: EU sets new extensive sanctions in response to Russia's actions
- 3 28 February 2022: EU imposes new sanctions in response to Russia's actions
- 4 2 March 2022: EU imposes new sanctions in response to Russia's actions
- 5 4 March 2022: EU imposes new sanctions on Belarus due to its involvement in Russia's invasion of Ukraine
- 6 9 March 2022: EU imposes new sanctions on Russia and Belarus
- 7 16 March 2022: EU imposes additional sanctions on Russia
- 8 8 April 2022: Fifth sanctions package issued, scope of EU's export restrictions imposed on Russia extended
- 9 9 April 2022: EU imposes additional sanctions on Russia
- 10 3 June 2022: EU's sixth package of sanctions against Russia enters into force
- 11 21 July 2022: New EU sanctions on Russia now in force

EU sanctions in response to Russia's invasion of Ukraine

Individual sanctions



Economic sanctions



Restrictions on media

- Suspension of broadcasting to the EU of state-owned propaganda outlets:
 - Russia Today
 - RT (Russia)
 - Russia 24
 - TV Centre International

Diplomatic measures

- Suspension of visa facilitation provisions for Russian diplomats and other Russian officials and consular staff.

Sanctions against Belarus





KONGSBERG

Example



Customer
Russian Business Partner



Legacy contract commercial product
Signed before sanctions was introduced



Payment in advance



Can we return the money paid in advance?



KONGSBERG

PRODUCTS

ACOUSTIC POSITIONING & COMMUNICATION	→	BRIDGE SYSTEMS & CONTROL CENTRES	→
COMMERCIAL FISHING & FISHERY SYSTEMS	→	DECK MACHINERY & CRANES	→
ELECTRICAL POWER SYSTEMS	→	AUTOMATION	→
INFORMATION MANAGEMENT SYSTEMS	→	ROBOTS	→
NAVAL	→	ICE & MAPPING	→
ONSHORE & SPACE BASED SYSTEMS	→	POSITION, MOTION & HEADING SYSTEMS	→
POSITIONING, STABILISATION & MANOEUVRING	→	PROPULSORS & PROPULSION	→
REDUCTION GEARS	→	SHIP DESIGN	→
TANK MONITORING, LOADING & STABILITY	→	SITUATIONAL AWARENESS	→

Delivery in scope (products)
On sanction list in EU, Norway and UK



Comapny now added
to the US SDN list



Customers bank on sanction list



US nexus?
Risk of Secondary Sanctions?



Kongsberg Gruppen ASA
Directive for Export Control and Sanctions on trade with Russia
KOG-DIR-0047
Document ID: KOG-DIR-0047 Directive for Export Control and Sanctions on trade with Russia Rev-

Rev.	Date	Reason for issue	Author, dept and name	Approving dept, name, sign and name	Security level/ EPR
1	22NOV2019	First issue	CEO/Sign Rylg Lansen	CEO/Sign Rylg Lansen	Company internal

Core banks shall be used

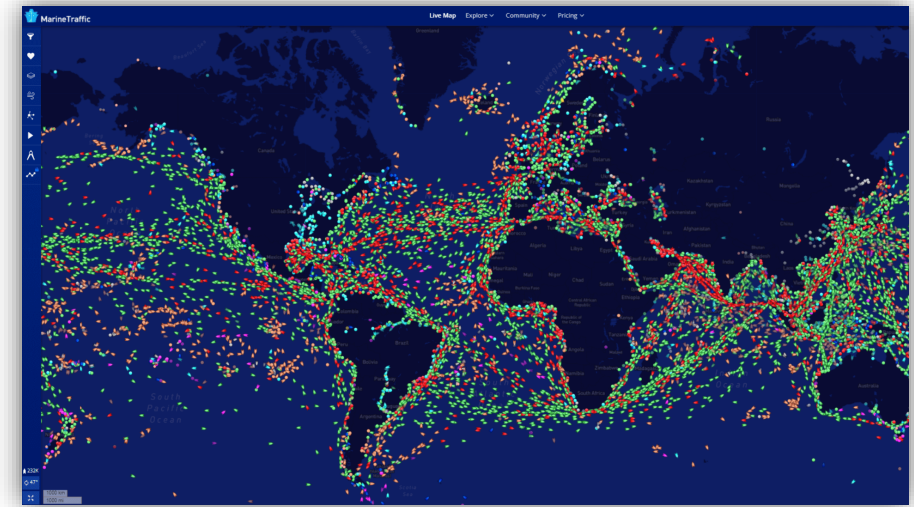
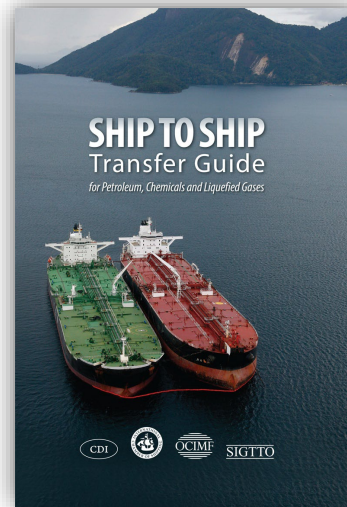
KONGSBERG PROPRIETARY - This document and its accompanying documents, contains KONGSBERG information which is proprietary and confidential. Any disclosure, copying, distribution or use is prohibited if not otherwise explicitly agreed with KONGSBERG in writing. Any unauthorised reproduction, in whole or in part, must include this legend. © 2019 KONGSBERG - All rights reserved.



KONGSBERG

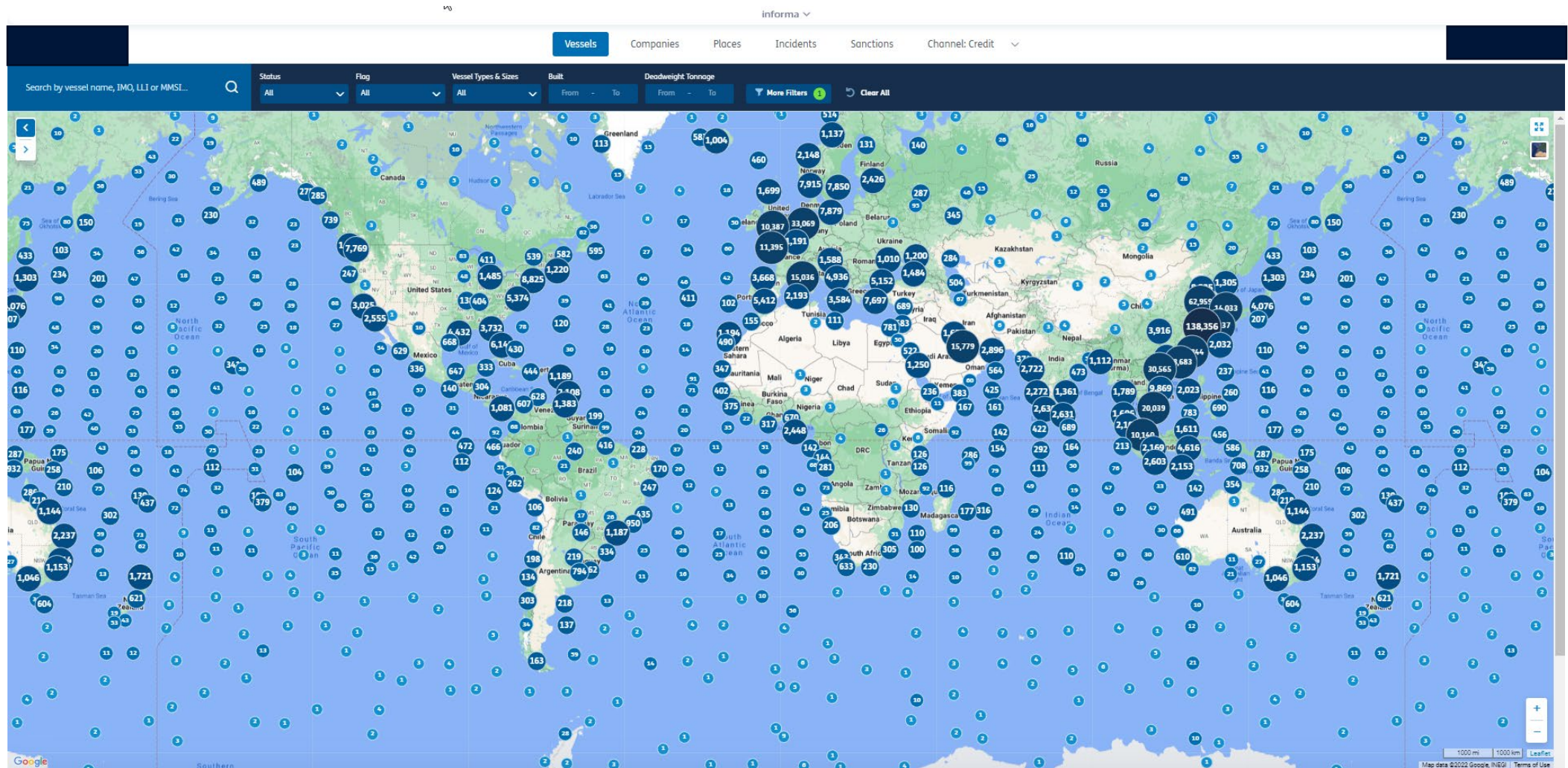
Screening

- High number of requests - aftermarket/services ~80 000 support requests annually – short notice – major consequences
- Vessels changes flag state, owner, operator and management frequently.
- Additional compliance risk: AIS Gaps, Port of Calls, Maneuvering, Ship-to-ship transfer





KONGSBERG





KONGSBERG

Vessels Companies Places Incidents Sanctions Channel Credit

Search by vessel name, IMO, ILLI or MMSI... ▼ Status: All ▼ Flag: All ▼ Vessel Types & Sizes: ALLC, 300+ ▼ Built: From - To ▼ Deadweight Tonnage: From - To ▼ More Filters + Clear All

Manage Alerts Track Vessels Save Vessels Add to Watchlist Save Search

25,862 vessels Export Columns ▼ 40 ▼ Items per page

IMO	Name	Status	Flag	LLI Vessel Type	Built	DWT	Beneficial Owner	Commercial Operator	Registered Owner	Technical Manager
Live	Bangladesh	crude oil tanker	—	1721						
Live	U.S.A.	crude oil tanker	2004	193050						
Live	Singapore	bunkering tanker	1993	515						
Live	Indonesia	bunkering tanker	2013	1021						
Live	Hong Kong	bunkering tanker	1998	201						
Live	Nigeria	bunkering tanker	1970	6000						
Live	Canada	bunkering tanker	1965	1263						
Live	Singapore	bunkering tanker	2017	234						
Live	Singapore	bunkering tanker	2014	186						
Live	Singapore	bunkering tanker	2015	162						
Live	Peru	bunkering tanker	1981	1150						
Live	Nigeria	bunkering tanker	1972	4353						
Live	Russia	bunkering tanker	1976	1652						
Live	Hong Kong	bunkering tanker	—	—						
Live	Unknown	bunkering tanker	1991	231						
Live	Panama	bunkering tanker	2010	6174						
Live	Germany	bunkering tanker	1953	168						
Live	Turkey	bunkering tanker	1996	456						
Live	China	bunkering tanker	1992	1212						
Live	Mexico	bunkering tanker	1971	1100						
Live	Russia	bunkering tanker	1987	3248						
Live	Singapore	bunkering tanker	2018	3500						
Live	Indonesia	product tanker	1969	1120						
Live	Equatorial Guinea	product tanker	1982	4671						
Live	Japan	product tanker	1993	2340						
Live	Unknown	product tanker	1989	1138						
Live	Nigeria	product tanker	1971	6609						
Live	Hong Kong	product tanker	1966	289						
Live	Hong Kong, S.A.R.,	product tanker	1973	928						

Map data ©2022 Google | Terms of Use

WORLD CLASS – Through people, technology and dedication

KONGSBERG PROPRIETARY - See Statement of Proprietary information



KONGSBERG

Anonymous Chinese shipowner spends \$376m on tankers for Russian STS hub

Thirteen tankers at heart of new ship-to-ship transshipment hub established mid-Atlantic to consolidate Russia-origin oil cargoes

MYSTERY surrounds the identity of a China-based shipowner who has spent around \$376m to acquire 13 tankers for deployment in high-risk, ship-to-ship transfers of Russia-origin crude in the middle of the Atlantic Ocean.

Lloyd's List has tracked five aframax tankers, seven very large crude carriers and one suezmax vessel to the anonymous buyer, via 20 separate but interconnected single-ship shelf companies spanning Hong Kong and China.

All but three of the tankers were purchased between May and July this year, at a combined cost of \$285m, based on shipbroker reports and market assessments. All but one tanker has since engaged in cargo transfers in the newly established, high-risk transshipment hub for Russian crude to consolidate cargoes, in areas 860 nautical miles west of Portugal, in international waters.

All the ships are aged 15 years or older, precluding them from chartering by most oil majors, as well being unable to secure conventional financing, suggesting the beneficial owner is cash rich.

Arising risk

Vessels linked to anonymous Chinese buyers operating mid-Atlantic STS transfers

Name	IMO number	Cost \$m	Flag	Built	DWT	P & T Club	Class 1
Amber 6	9235713	15.6	Panama	2003	105109	West of England Mutual Shipowners Protection & Indemnity Association (Luxemburg)	Korean Register
Heidi A	9321976	25	Panama	2006	105495	not known	Lloyds Register
Sagitta	9296822	19.5	Panama	2005	106433	West of England Mutual Shipowners Protection & Indemnity Association (Luxemburg)	Lloyds Register
Minerva M	9282479	22.5	Panama	2005	113782	not known	Lloyds Register
Emily S	9321847	25	Panama	2006	115567	West of England Mutual Shipowners Protection & Indemnity Association (Luxemburg)	Lloyds Register
Auriga	9257137	29	Panama	2003	158553	West of England Mutual Shipowners Protection & Indemnity Association (Luxemburg)	Korean Register
Lauren II	9258521	28.5	Panama	2004	298564	West of England Mutual Shipowners Protection & Indemnity Association (Luxemburg)	Korean Register
Catalina 7	9310159	40	Panama	2007	298923	West of England Mutual Shipowners Protection & Indemnity Association (Luxemburg)	Lloyds Register
Natalina 7	9310147	38	Panama	2006	298971	West of England Mutual Shipowners Protection & Indemnity Association (Luxemburg)	Lloyds Register
Crystal Rose	9292228	35	Panama	2004	305318	West of England Mutual Shipowners Protection & Indemnity Association (Luxemburg)	Korean Register
M Sophia	9289477	28.5	Panama	2004	320051	West of England Mutual Shipowners Protection & Indemnity Association (Luxemburg)	Korean Register
Total cost		\$376m					

Source: Lloyd's List Intelligence/Equasis/Class societies and P&T registries

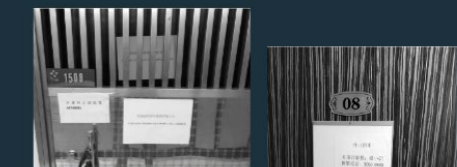
Mid-Atlantic tanker transfer hub

Thirteen tankers tracked shipping Russian-origin fuel and involved in ship-to-ship transfers have been traced by Lloyd's List Intelligence to the same, anonymous Chinese shipowner, who has bought 10 of the vessels since May, paying \$276m. The vessels are at the heart of a new marine logistics network established to ship Russian crude to China.



Source: Lloyd's List Intelligence, August, 2022.

"All ships are aged 15 years or more, precluding them from chartering by most oil majors, as well being unable to secure conventional financing, suggesting the beneficial owner is cash rich"



"Records from Hong Kong's equivalent of the UK's Companies House for the private vessel owner shows the fleet of subterfuge tankers were registered to the addresses of two, so-called secretary companies. Staff there were working remotely, and the offices were shut."



KONGSBERG

How Fake GPS Coordinates Are Leading to Lawlessness on the High Seas

A technology enabling the transmission of fake locations to carry out murky or even illegal business operations could have profound implications for the enforcement of international law.

[Give this article](#) [Share](#) [Bookmark](#) [54](#)



Reliable, left, a ship registered in Cyprus, taking on oil at a refinery in Venezuela. The oil tanker has transmitted fake location coordinates to circumvent international laws and sanctions. Adriana Loureiro Fernandez for The New York Times

Conclusion

- **The challenge is growing**
 - Sanctions risk will continue to grow through new regulations and higher expectations
 - Demands from authorities both local and international will increase
 - Illicit actors are always adapting and improving their capabilities
 - There is all more to investigate and research that can be done to find risk

- **Best approach is to embrace the change and build a program to adapt to the emerging environment**
 - Scan the political horizon, understand your exposure and measure that may be deployed
 - Define the acceptable risk and be clear eyed about the risk vs. reward of global business
 - Perfection is unattainable, constant improvement is the benchmark

Questions?



Tyler Nielsen

CEO Sanctions Advisory



Håkon Lindteigen

VP Corporate Compliance Kongsberg Gruppen ASA