

Dentons Flashpoint

Daily Global Situation Report

March 17, 2022

Global Situation Update: March 17, 2022

KEY TAKEAWAYS

Two British-Iranian academics detained in Iran are returned to the UK.

The US Federal Reserve announced its first rate hike since 2018.

The WHO warns nations to remain vigilant against COVID-19, noting a global rise in cases and a drop in testing rates.

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WHAT WE'RE WATCHING

A major Senegalese military operation against the separatist Movement of Democratic Forces of Casamance (MFDC) is causing an influx of displaced persons into Gambia. Dakar aims to cut the long-running low-level separatist insurgency off from cross-border criminal activity that generates revenue, in particular cannabis and timber trafficking. The rebel MFDC, founded in 1982, seeks independence as its supporters are religiously and ethnically distinct from the rest of Senegal.

Clashes between Senegal's military and MFDC will remain localized near the border with Gambia, posing limited security threats to businesses. However, the illegal harvesting of rosewood in Senegal and its trafficking to Gambia by MFDC rebels for sale onward to Chinese companies will drive continued instability. Rosewood is the most widely trafficked type of tree in the world, generating a billion dollars a year.



Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Global

Ukraine and Russia are reporting progress on a tentative peace plan including a ceasefire and Russian withdrawal if Kyiv declares neutrality and accepts limits on its armed forces.

- Cutting against the idea of an imminent end to the war, Russia is deliberating **reinforcement of its troops and supplies**.
- The US announced it will expand the **size and scope of weaponry** being sent to Ukraine, to include for the first-time armed drones capable of inflicting significant damage on Russian ground units.
- According to the latest figures from the UN Refugee agency, **3.1 million people** have fled Ukraine, about 7 percent of Ukraine's population.
- Russia's finance ministry said that it made \$117 million in interest payments due on its dollar-denominated bonds to Citi in London, but it was not clear whether the payment would reach investors and allow Russia to avoid **defaulting on its foreign debt**.

Markets & Business

The US Federal Reserve announced its first rate hike since 2018 in an attempt to battle inflation. The Fed raised the base rate by a quarter point and forecast six further hikes this year.

- The International Energy Agency said that Russian oil production could fall by as much as 3 million barrels per day by April, resulting in the largest **energy market shock** in a generation.
- The UK Financial Conduct Authority is considering an exceptional measure to use “*side pockets*” to allow investors to sequester **Russian and Belarussian assets**.
- **Binance**, the world’s largest crypto exchange, secured crypto asset trading license in Dubai and Bahrain in a move to establish a fixed headquarters, long demanded by regulators.
- A French cloud-computing company has filed an antitrust complaint in Europe against **Microsoft Corp.**, adding to recent criticism of the competitive practices.

Environment, Sustainability & Governance

Over 100 EU lawmakers called on the EU to retract plans to label investments in gas as green.

- The EU cleared two measures to compensate energy-intensive companies for higher electricity prices related to indirect emission costs under the EU **emissions trading system**, a bid to avoid “*carbon leakage*” where companies relocate manufacturing outside of the EU.
- Top African lender Standard Bank increased its climate commitments, ruling out funding all **new coal investments**, following activist pressure. HSBC pledged greater cuts to fossil fuel funding.
- Climate action promised by countries would reduce **greenhouse gas emissions** by 9 percent in this decade, far short of the global goal of cutting emissions by nearly half by 2030, a new analysis by Columbia University shows.

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Africa

- The president of ECOWAS accused “**foreign interests**” of backing the recent spate of military coups in the region, without naming specific perpetrators.
- A **South African** monopoly watchdog referred Meta to a tribunal for “abuse of dominance” that could result in a fine of 10 percent of domestic business.
- Parliamentarians are proposing amending **Kenya's** forest law to make it easier to change the borders of protected areas, a move activists warn could adversely affect wildlife and the environment in the east African country.



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Asia

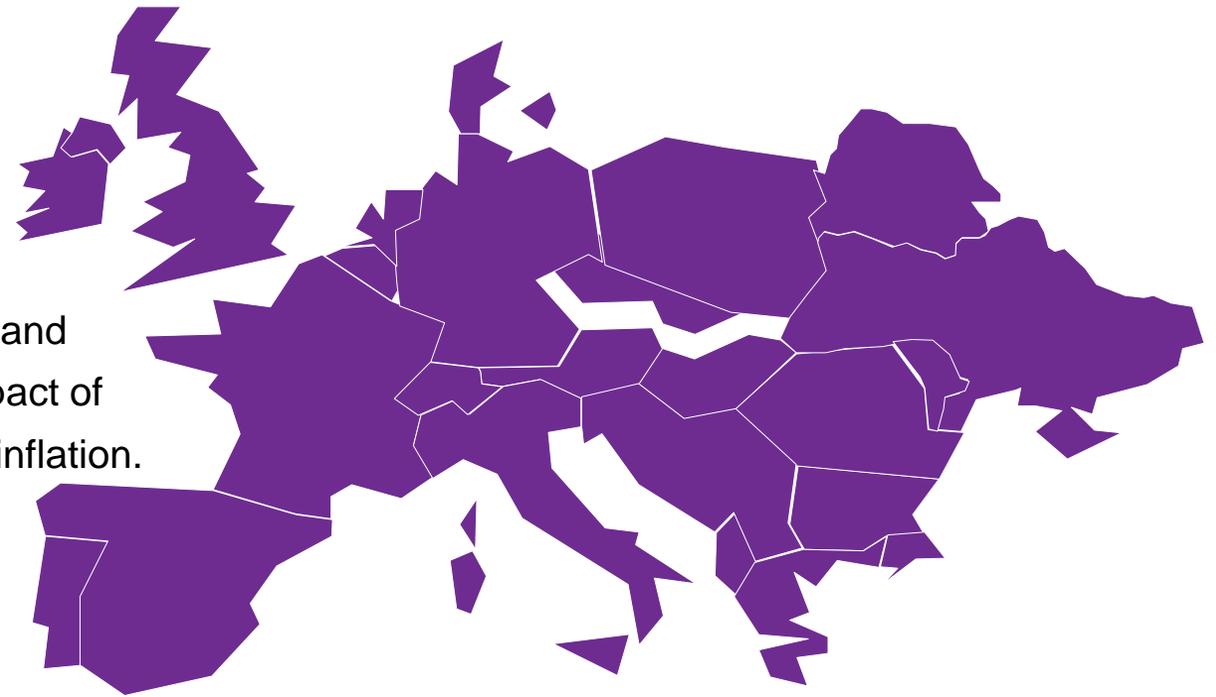
- **New Zealand** Prime Minister Ardern brought forward border reopening to the second week of April amid falling favorability rates for her Labor party.
- A magnitude 7.3 earthquake **Japan's** northeast coast, near the site of the Fukushima disaster. Tens of thousands of Japanese households remained without power.
- **India** will begin vaccinating children aged 12 to 14 as schools reopen for in-person learning.
- **Chinese** officials announced plans to boost the economy by introducing temporary pro-market measures in the coming quarter to offset Ukraine-related market disruption, a rare intervention to stabilize the global economy. Beijing let Foxconn and some construction sites resume work in cities under full lockdown for COVID-19 spikes, a bid to avoid supply chain disruption.
- **Thailand's** embattled prime minister will hold talks with party leaders in his ruling coalition on today as he seeks to control growing divisions that could lead to early elections later this year.



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Europe

- President Putin announced a plan to raise **Russian** salaries and pensions in a bid to insulate everyday Russians from the impact of sanctions, although the move is unlikely to counteract rising inflation.
- **French** Prime Minister Casseux announced new measures to support businesses hit by the war in **Ukraine** and plans to wean France off **Russian** oil by 2027.
- **UK** Prime Minister Johnson said that it had been made clear to **Russia** that **Ukraine** would not join NATO “*anytime soon.*”
- **Germany** has registered a new record-high seven-day incidence for COVID-19 for the second consecutive day. The record number of infections comes as Germany prepares to ease the majority of its COVID-19 restrictions this weekend.



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How do You Manage Incident Response?

2021 has already seen business disrupted by extreme weather, ransomware attack, the ongoing pandemic and more. The common refrain “It’s not if, but when” rings truer than ever for disruptive incidents that will impact business as usual.

Working with Dentons, you can effectively develop an organizational incident-behavior adopted by all your team members. Dentons will help you build muscle memory through tabletop exercises, which are crafted to fit the business strategy of every client.

Our team plays events and incidents of different severities and complexities and accounts for real-world factors such as inconclusive evidence, mistakes by responders, and the business impact of eradication steps. Our tech-savvy lawyers continuously revise the playbooks per the evolving sector-specific threat landscape.

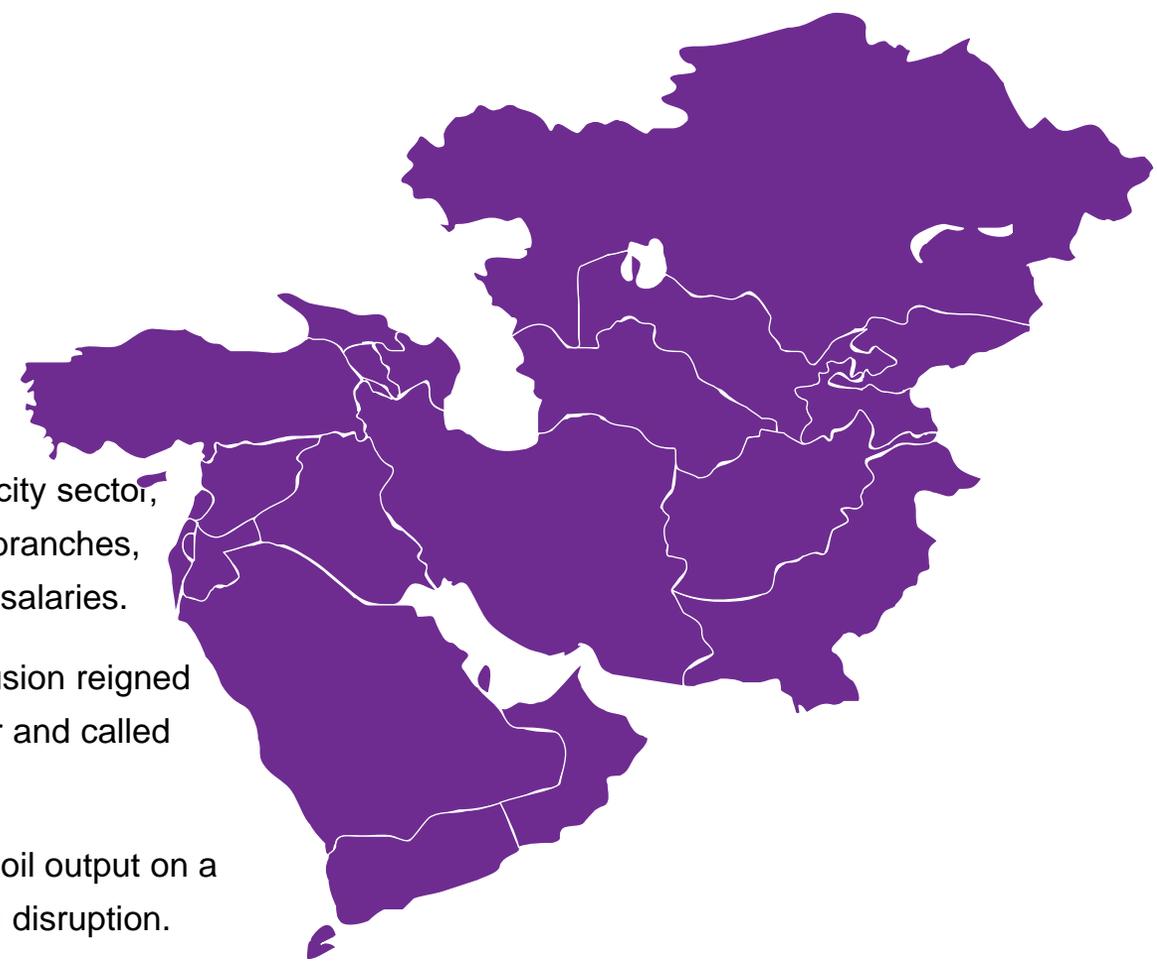
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).

Middle East



- At a new donor conference, the UN raised less than a third of the \$4.27 billion sought to avert starvation in **Yemen**.
- The **Lebanese** parliament okayed a plan to restructure the country's electricity sector, a prerequisite of international donors. Lebanon's Fransabank shuttered all branches, saying it was unable to fulfill client demands, including paying public sector salaries.
- The UN warned that **Libya** is in the process of splitting once again as confusion reigned over the status of both the incumbent and a newly-appointed prime minister and called for swift elections.
- **UK** Prime Minister Johnson did not secure public commitments to increase oil output on a trip the **Gulf**, despite a Western push for more production to offset **Russian** disruption.
- **Pakistani** Prime Minister Khan is reportedly in danger of losing his coalition partners in a planned no-confidence vote, which could lead to his ouster.
- Two British-Iranian academics detained in **Iran** for five and six years returned to the **UK**; the same day, UK officials said they were exploring ways to pay a historic debt to Iran, which Iran had previously linked to the academics' release. Iranian officials said that two of four "red line" issues with the US in nuclear negotiations have been essentially resolved.

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Americas

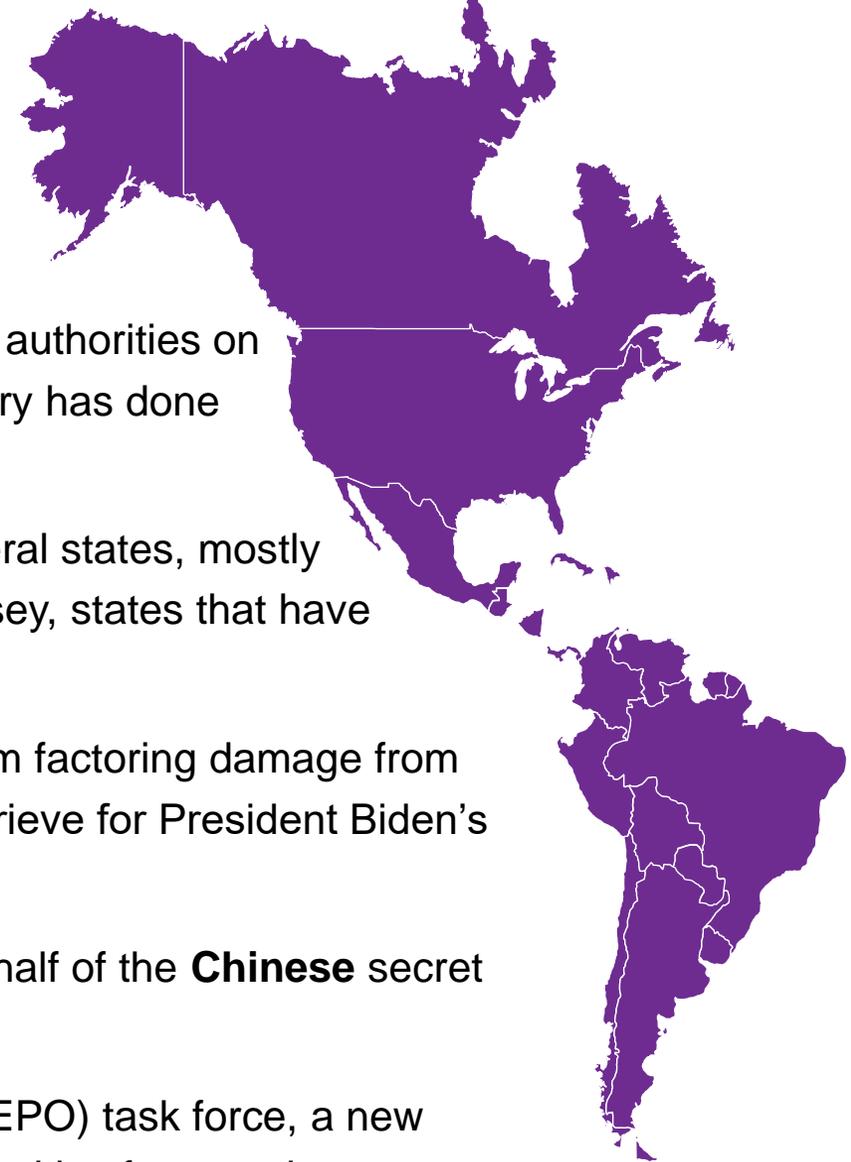
- **Canada** formally removed **Russia's** RT from Canadian TVs.
- **Canada's** inflation rate grew again in February, hitting a new 13-year high.
- The **Chilean** assembly tasked with drafting the country's new constitution approved language that would require the government to secure women's reproductive rights, teeing up abortion as a central issue in the upcoming referendum.
- **Brazilian** President Bolsonaro hinted that replacing the CEO of state-run oil company Petrobras is a possibility, increasing pressure in Bolsonaro's effort to change the company's pricing policy to reduce costs for consumers in an election year.



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Americas: US

- Surging **coronavirus infections** in Western Europe has experts and health authorities on alert for another wave of the pandemic in the US, even as most of the country has done away with restrictions after a sharp decline in cases.
- The White House reclaimed \$377 in unused **federal housing aid** from several states, mostly Republican-led, and redirected the aid to California, New York and New Jersey, states that have been calling for more help.
- An appeals court yesterday lifted a ban blocking the federal government from factoring damage from rising greenhouse gas emissions into its decisions, offering a temporary reprieve for President Biden's plans to tackle **climate change**.
- Federal prosecutors in Brooklyn have charged five people with acting on behalf of the **Chinese** secret police to stalk, spy on and harass US. residents critical of Beijing.
- The Treasury Department gave to Russian Elites, Proxies and Oligarchs (REPO) task force, a new international body, a list of 50 **Russian** elites that the US views as its top priorities for enacting new sanctions, as global law enforcement steps up its hunt for the assets of oligarchs tied to the Kremlin.



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Organizations Must Remain Vigilant Despite Absence of Massive Cyber Blowback by Moscow

More than three weeks into the Russian invasion of Ukraine, many around the world are wondering why we are not yet witnessing more destructive cyberattacks from Moscow.

To be sure, state-sponsored hackers and affiliates are striking targets, just not at the pace or scale anticipated. A few days ago, for example, security researchers identified a fourth Russian wiper targeting Ukraine since the start of the invasion: CaddyWiper. The malware erases everything in its path for purely destructive purposes, which was Ukrainian government data, programs, and hard drives in this case. Thus far, however, Moscow's cyber offensive appears limited in effort and impact, but this trend may not persist.

Russian Cyberattacks Not Destructive (So Far)

It is highly likely that Russia is holding back more destructive cyberattacks to unleash them at a future time. Other top reasons for why the world has not seen more damaging attacks is because Moscow would rather maintain access to already penetrated networks in Western nations for tracking information and intentions.

Of course, the US is also deeply embedded in Russian infrastructure today, and the calculus of deciding when to launch destructive cyberattacks against an adversary that can respond in kind is uncertain.

Russia is also aware that an errant cyber strike which extends into the networks of a NATO member could potentially initiate Article 5 considerations. It makes sense then when Western cyber experts point out that there are gradations before disrupting critical infrastructure and any hard punch between Russia and the US would be preceded by warnings and signals. Of course, a combination of Ukrainian resilience and Russian miscalculation may be the prime reason why there is not a greater cyber blowback against the West. Apparently, many in the Russian military were unaware of plans for the invasion, which begs the question: were Moscow's cyber operators also unaware of the assault until last moment? The answer could alternatively be that Russia did not cripple infrastructure it expected to occupy and hand to a surrogate pro-Russian leader. There is also the possibility that Russia's best hackers are currently on the defensive against an onslaught of attacks by Kyiv's cyber army, led by Anonymous and international hacktivists, while Ukraine and allies are helping suppress incoming Russian attacks.

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Moscow's Next Potential Moves in Cyberspace

Russia will certainly continue to try and eliminate Ukrainian command and control, as well as its communications, with cyberattacks. This will not be easy as Kyiv has been building cybersecurity capacity for years, and currently enjoys the assistance of some of the world's most skilled cyber operators. Last week, Ukraine was given the formal role of "contributing participant" in NATO's cyber hub which will further enhance Kyiv's capacity. Multinational firms that have recently exited Russia should be on alert for reprisals, while international banks and others helping to isolate the Russian economy could face retaliation. Non-state hackers that offer plausible deniability for their handlers might typically spearhead such attacks, but it is possible that they are currently being suppressed by Western cyber operators. Also, pro-Moscow hackers that usually deploy ransomware may presently be spending more time on disinformation campaigns and propaganda to sow confusion about the best encrypted messaging apps, for example, or steal the online identities of Ukrainian officials to trick warfighters.

A potential wildcard for what Russia might do next in cyberspace is a false flag operation. Mimicking another nation's advanced persistent

threat (APT) activity is manageable, particularly considering the volume of APT reports that are regularly published and publicly available. Typically, these reports disclose tactics, techniques, and procedures, as well as industry and sector targets. If Russia wants to replicate another APT group and blame a third party, these reports provide a blueprint to do so.

Prepare For What Lies Ahead

At this time, every organization must continue to adhere to the 'shields up' cybersecurity stance. Moscow may soon recalibrate its strategy from a focus on conventional war to cyber in order to gain leverage at the negotiating table. As mentioned previously, Russia could be saving the most devastating weapons in its cyber arsenal for forthcoming escalation against the US and Europe, which means companies and governments remain at risk. Regardless of these scenarios, the private sector withdrawal from Russia coupled with sanctions will drive long-term espionage by Moscow against the IT sector in Western countries to make up for lost ground. A scenario in which pro-Ukrainian hacktivists unintentionally strike Russian critical national infrastructure and injure or kill Russian nationals is dangerous because it could result in massive retaliation from Moscow.

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Organizations Must Remain Vigilant Despite Absence of Massive Cyber Blowback by Moscow

The US is leading the international community in how best to strengthen the information security environments for the foreseeable future. Last week, the US Senate passed a cyber incident reporting bill that mandates operators of critical infrastructure to alert the Cybersecurity and Infrastructure Security Agency (CISA) within 72 hours of a breach and 24 hours if the organization pays a ransom. Once the bill is signed into law, CISA will have up to two years to publish a notice in the Federal Register on proposed rulemaking to implement the program. Organizations are likely to receive immunity under mandatory reporting legislation even if they are struck and found to have insufficient cybersecurity.

Companies worldwide would also do well to review CISA updates to its guidance and services to help entities meet the goals of the White House's zero trust strategy. The model is organized around five pillars in "Identity, Devices, Networks, Applications and Workloads, and Data," as well as three cross-cutting themes "Visibility and Analytics, Automation and Orchestration, and Governance." The model is the basis of what US federal agencies should be building toward under the Office of Management and Budget's new zero trust

strategy, released in January 2022. Lesson learned and best practices from this initiative by the American government will benefit many other stakeholders in the riskier than ever online domain.

Ukraine War Update: Armed Drones, Russian Mobilization, Peace Talks

The US warns that Russian engagement in negotiations is also being accompanied by indicators that Moscow is mobilizing additional forces and equipment to augment battlefield capabilities.

Political Developments

Ukraine and Russia are reporting progress on a tentative peace plan including a ceasefire and Russian withdrawal if Kyiv declares neutrality and accepts limits on its armed forces. The 15-point draft would involve Kyiv renouncing its ambitions to join NATO and promising not to host foreign military bases or weaponry in exchange for protection from allies such as the US, UK and Turkey. Israel's Prime Minister Naftali Bennett has been the primary international mediator on the talks.

The Kremlin said negotiators were discussing a status for Ukraine similar to that of Austria or Sweden, both members of the European Union that are outside the NATO military alliance.

Ukrainian officials are skeptical that President Putin is fully committed to peace and worry that Moscow could be buying time to regroup its forces and resume its offensive.

After an impassioned address by Ukrainian President Zelensky before a joint session of Congress, the US announced it will expand the size and scope of weaponry being sent to Ukraine, to include for the first-time armed drones capable of inflicting significant damage on Russian ground units. US President Biden approved a new military aid package, valued at \$1 billion, for Ukraine will include 100 drones, 800 Stinger anti-aircraft systems, 9,000 anti-tank weapons and small arms such as grenade launchers, machine guns and pistols along with ammunition. The US continued to resist Zelensky's request for a no-fly zone or fighter jets. President Biden explicitly called Russian President Vladimir Putin a "*war criminal*" Wednesday, after weeks of avoiding the term.

Ukrainian President Volodymyr Zelenskyy is addressing the German parliament on Thursday morning.

The U.N. Security Council will hold an emergency meeting Thursday on the situation in Ukraine.

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Ukraine War Update: Armed Drones, Russian Mobilization, Peace Talks

The U.N. Security Council will hold an emergency meeting Thursday on the situation in Ukraine.

The United Nations International Court of Justice on Wednesday ordered Russia to stop hostilities in Ukraine. Two weeks ago, Ukraine asked the World Court to intervene, arguing Russia violated the 1948 Genocide Convention by falsely accusing Ukraine of committing one and using that as a pretext for the ongoing invasion. The ruling is largely symbolic as there is no enforcement mechanism.

In another measure severing Russia from the West, Russia quit the Council of Europe on Tuesday, the continent's leading human rights watchdog, ahead of a vote by the organization to expel it. It becomes only the second country to ever leave the human rights body set up in 1949 and which currently counts 47 member states.

In the information war, a manipulated video of Ukrainian President Zelensky calling on citizens to surrender to Russia has been shared online. The “deepfake” video appears to show Zelensky addressing the nation and encouraging citizens to “*lay down arms*.”

Journalists from Belarus’ oldest newspaper Nasha Niva have been imprisoned in the latest crackdown on independent media.

Russian investigators on Wednesday launched a criminal case against a blogger for spreading what they called “*knowingly false information*” about the war in Ukraine, in the first use of a new law that carries a possible sentence of up to 15 years in prison.

Battlefield Developments

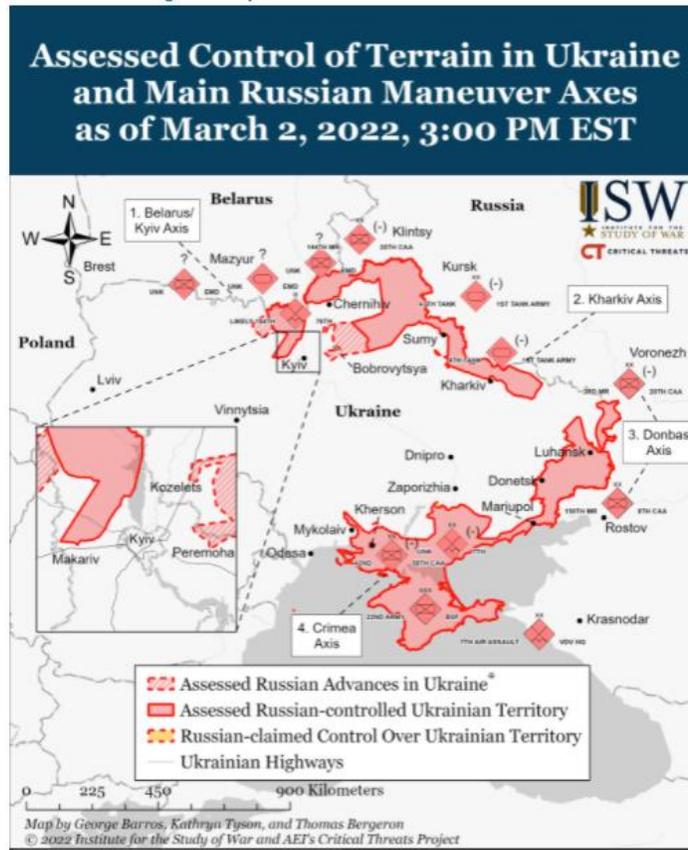
Now in the third week of fighting, Russia's invasion remains stalled on most fronts and its forces continued to suffer heavy losses from a staunch and well-coordinated Ukrainian resistance, per a report from British military intelligence.

Institute for the Study of War military analysts assessed Russian forces made limited, unsuccessful attacks northwest of Kyiv and did not conduct offensive operations in northeastern Ukraine, toward Kharkiv, or toward Mykolayiv. Russian forces did make limited territorial gains in Donetsk Oblast and around Mariupol and continued to target civilian infrastructure in the city.

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Ukraine War Update: Armed Drones, Russian Mobilization, Peace Talks

Visualizing Stalled Russian Offensive after Three Weeks



Source: [Institute for the Study of War](https://www.instituteforthe study of war.org/)

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Ukraine War Update: Armed Drones, Russian Mobilization, Peace Talks

President Zelensky created a new joint military-civilian headquarters responsible for the defense of Kyiv on March 15.

Ukraine's foreign ministry said Russian forces dropped a powerful bomb on a theatre in the besieged southern port city of Mariupol, leaving many civilians trapped and an unknown number of casualties, sparking renewed international outcry against Russia for targeting of civilians. There are reports of up to 1,000 civilians including children having been in the building. Russia denied responsibility, blaming the right-wing Ukrainian Azov Brigade for the attacks. Zelensky equated Russia's assault on Mariupol to the Nazi blockage of Leningrad during World War II.

The US Embassy in Kyiv said Russian forces had shot dead 10 people waiting in line for bread in the northern city of Chernihiv. The World Health Organization has verified at least 43 attacks on health care, including assaults on patients, health-care workers, facilities or infrastructure.

Further cutting against the idea of an imminent end to the war, Russia is deliberating reinforcement of its troops and supplies, the US Pentagon assessed, as naval forces bombarded towns outside

Odessa, a key port city on the Black Sea. A defense official said the Russians may be softening defenses before invading on the ground.

Russia is deploying reserves from Armenia and South Ossetia and forming new battalion tactical groups from the remnants of units lost early in the invasion. The Institute for the Study of War assessed that these reinforcements will likely face equal or greater command and logistics difficulties to current frontline Russian units.

Japan's military reported that it had spotted four large Russian amphibious warfare ships sailing close to its islands as they traveled west, possibly towards Europe. Pictures of the amphibious transports, typically used for landing expeditionary forces ashore, showed what appeared to be military trucks loaded onto the deck of one of the vessels.

Russian forces freed the mayor of the Ukrainian city of Melitopol in exchange for nine of their captured conscripts. Ukraine has accused Russia of taking civilian hostages as part of its invasion of Ukraine.

Ukrainian officials announced nine humanitarian corridors to evacuate civilians from besieged cities on Thursday, as well as plans to deliver humanitarian aid to places in need.

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Ukraine War Update: Armed Drones, Russian Mobilization, Peace Talks

According to the latest figures from the UN Refugee agency, 3.1 million people have fled Ukraine, about 7 percent of Ukraine's population.

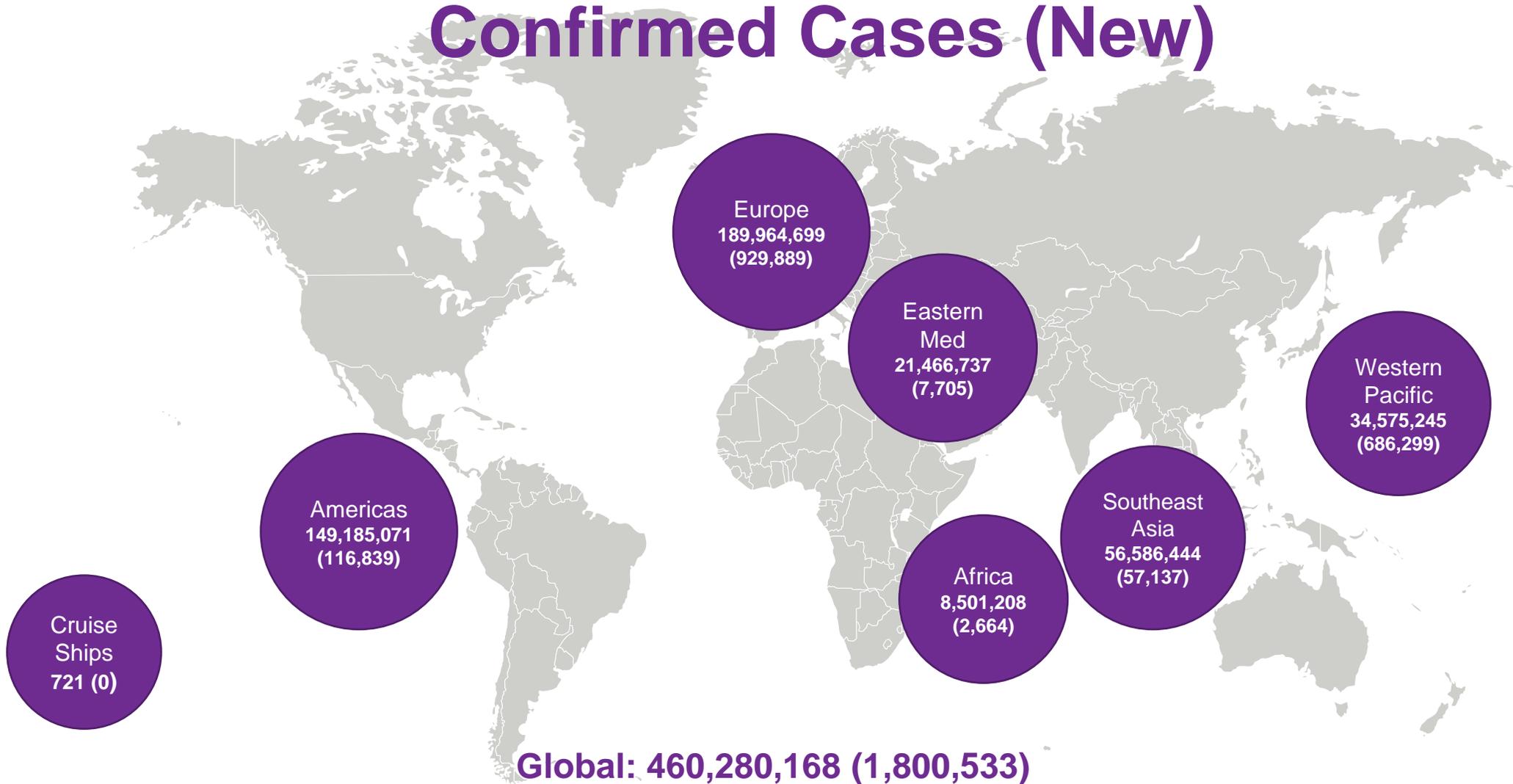
In the cyber battlespace, Russian government websites are facing unprecedented cyber attacks, and technical efforts are being made to filter foreign web traffic, per Russian media. Russian government entities and state-owned companies have been targeted, with the websites of Aeroflot and major lender Sberbank among those to have seen outages or temporary access issues in recent weeks.

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Coronavirus Condition Updates

As of 7:57 pm CEST on March 16, 2022

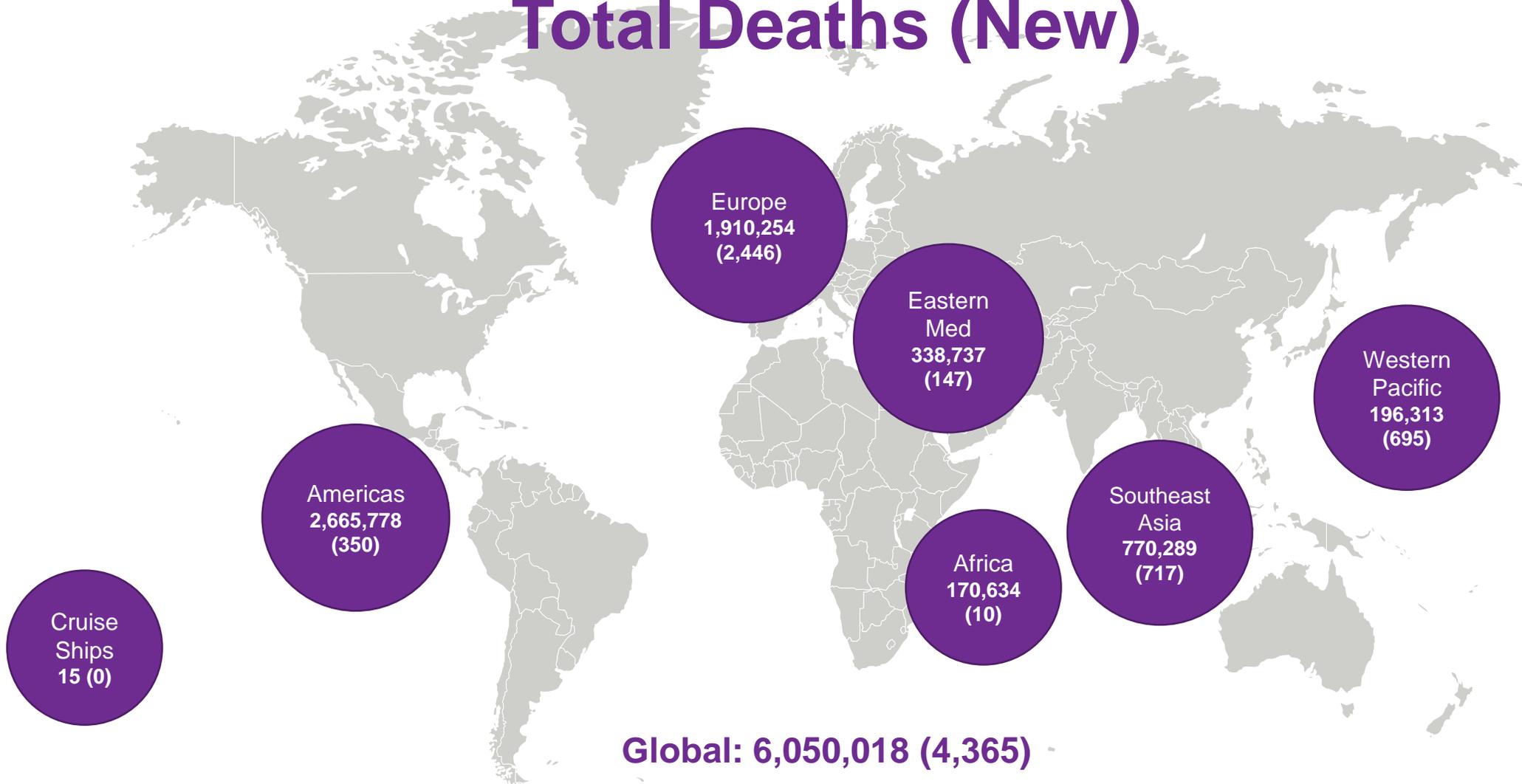
Confirmed Cases (New)



Reflects data as of 7:57 pm CEST on March 16, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 7:57 pm CEST on March 16, 2022
Data Source: World Health Organization

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Contacts

This summary is based on reports sourced from among the 75 countries in which Dentons currently serves clients as well as from firms in other locations, some of which will formally join Dentons later in 2020. We are pleased to share this complimentary summary and contemporaneous assessment, with the caveat that developments are changing rapidly. This is not legal advice, and you should not act or refrain from acting based solely on its contents. We urge you to consult with counsel regarding your particular circumstances.

To read additional analysis, visit the [Dentons Flashpoint portal](#) for insights into geopolitics and governance; industry and markets; cyber and security; science, health and culture; and economic and regulatory issues.

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