

# Dentons Flashpoint

## Daily Global Situation Report

April 1, 2022

# Global Situation Update: April 1, 2022

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## KEY TAKEAWAYS

Russia accuses Ukraine of strike on border fuel depot, which would be the first Ukrainian airstrike on Russian soil.

First COVID-19 human challenge trial finds no relation between severity of symptoms and level of viral shedding.

Oil prices down 7% on historic SPR release.

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

# Global Situation Update: April 1, 2021

## WHAT WE'RE WATCHING

Serbia will hold presidential, parliamentary and municipal elections this weekend. Observers predict victories for the ruling conservative Serbian Progressive Party (SNS). Led by President Aleksandar Vučić, a former propaganda minister for Slobodan Milošević, the SNS has presided over a gradual erosion of the rule of law and, increasingly, widespread anti-government protests.

While some aspects of Serbia's business environment will continue to improve as the SNS seeks to attract foreign investment, institutional risks are likely to grow due to persistent high-level corruption and a lack of enforcement of environmental, social and governance (ESG) standards. Serbia's accession to the EU is unlikely as legitimate democratic channels are increasingly closed to opposition and civil society.



# Global

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**Russian gas was still flowing to Europe this morning despite a Kremlin directive requiring “unfriendly nations” to pay in roubles via a Gazprombank account; Russia said that the directive would apply to shipments in late April and May.**

- **Mariupol** remained under attack, casting further doubt on Russian pledges to partially withdraw; the Pentagon assessed that it is not clear that the Russian convo to Kyiv has survived. Kyiv reported that Russian troops had withdrawn from **Chernobyl**; the IAEA announced a team to survey damage. In a video address, President Zelenskiy said that the situation in the Donbas remained dangerous and that he had fired two high-ranking officials who were “**traitors**.” The Russian military accused Ukraine of striking a fuel depot in the Russian city of **Bolgorod**, which would be the first Ukrainian strike on Russian soil.
- Following a defense conference with 35 nations, the UK said that the countries had pledged to supply Ukraine with **more lethal aid**.
- **EU** and **Chinese** leaders meet for a summit today for the first time in two years; EU leaders are expected to press Beijing to not supply Russia with arms.
- The world’s first “**human challenge**” trial in which participants were purposefully infected by the coronavirus found no relation between severity of symptoms and level of viral shedding.

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# Markets & Business

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**Oil prices fell 7% after President Biden's historic release from the SPR and on an IEA meeting to explore further emergency reserve releases.**

- The European Bank for Reconstruction and Development estimated that the **Russian economy** will shrink 10% this year, its deepest recession since the 1990s. **BNY Mellon** launched a scheme to allow investors to trade stocks in Russia's largest companies for local listings. The US targeted **Russian chipmakers** and the technology sector in a latest round of sanctions. Ukraine asked the EU, UK, US and Japanese central banks to **ban transactions** in roubles.
- **US stocks** ended the quarter down 4.9%, their worst quarter since the onset of the pandemic.
- **Volkswagen** suspended Shanghai production as lockdowns were extended; Tesla extended its shutdown.
- **Global dealmaking** fell to its lowest level since the onset of the pandemic in the first quarter of 2022.

# Environment, Sustainability & Governance

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**PetroChina, China's largest oil and gas producer, said that it will aim for renewables to make up 30% of its output by 2030 and 50% by 2050, accelerating previous goals.**

- Hundreds of **environmental protesters** blocked oil terminals in Britain, leading to ten arrests; the group promised daily protests going forward.

# Africa

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- Another **Sudanese** protester was killed in demonstrations against the coup and economic downturn in Khartoum, bringing the total death toll of protesters since the coup to 93.
- **Angola** announced the suspension of salaries of striking doctors, who represent the vast majority of physicians in the country; doctors are protesting a shortage of medical equipment.
- A **South African** court rejected a plea to reschedule former President Zuma's corruption trial from April; Zuma's original imprisonment last July prompted historic unrest.
- **Kenya's** top court blocked efforts by President Kenyatta to enact controversial changes to the constitution, which opponents say are an effort to widen the presidency's powers ahead of Kenyatta's likely second and final term.
- **Burkina Faso's** military junta rejected efforts by regional blocs to force a shorter timeline to civilian rule, calling the previously-announced three year roadmap "realistic."

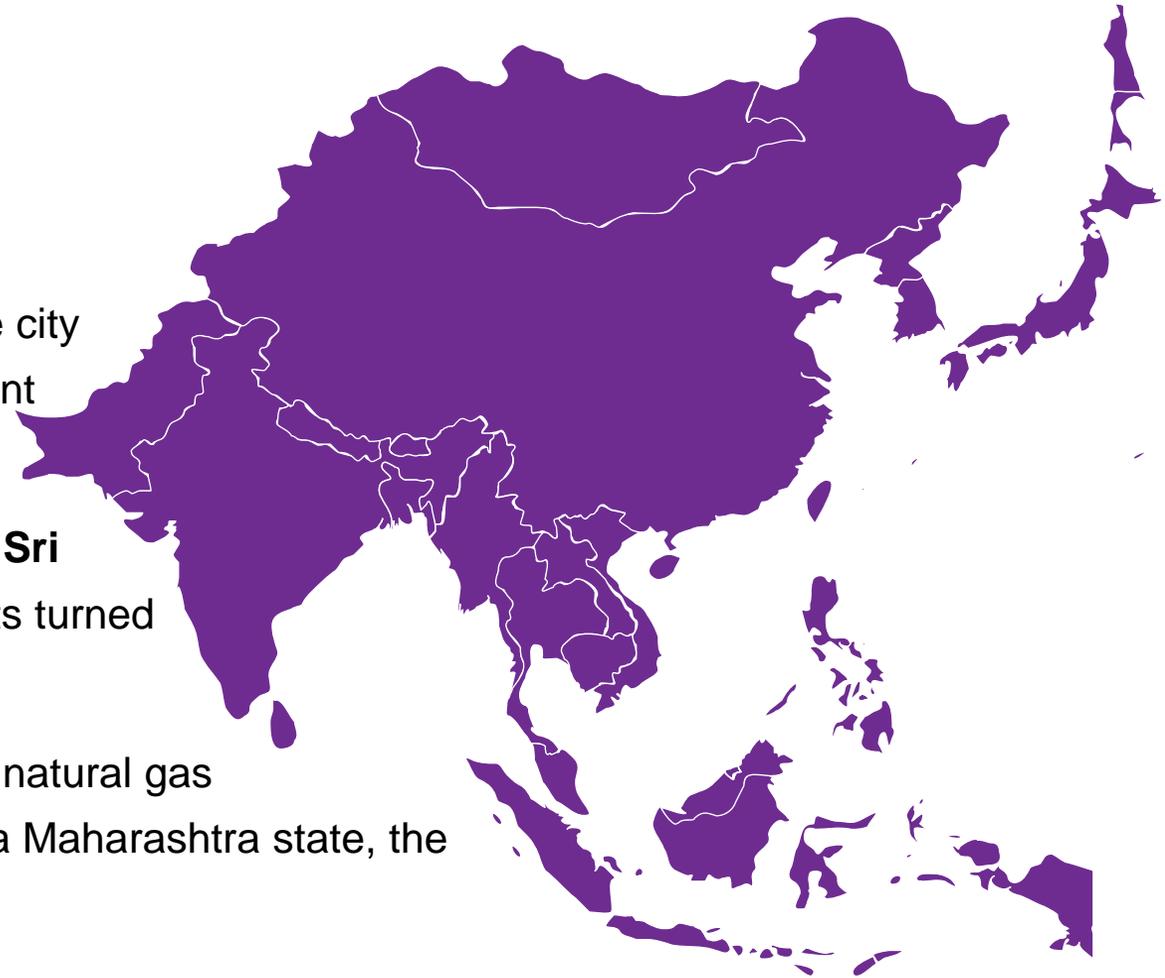


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# Asia

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- **Shanghai** will extend the lockdown in several portions of the city rather than lifting it as expected today, confirming commitment to COVID zero policies despite economic impact.
- Officials lifted an overnight curfew imposed in many parts of **Sri Lanka's** largest city, Colombo, after anti-government protests turned violent.
- **India** more than doubled the price of domestically produced natural gas for the rest of the fiscal half, reflecting rising fuel prices. India Maharashtra state, the country's richest, will lift its mask mandate today.
- **US** and **South Korean** intelligence reported that there are increasing signs that **North Korea** may test a nuclear weapon for the first time since 2017 in a bid to increase its arsenal and boost pressure.
- **The Solomon Islands** will not allow a **Chinese** base on its territory following regional backlash, despite plans to sign a security pact with Beijing.

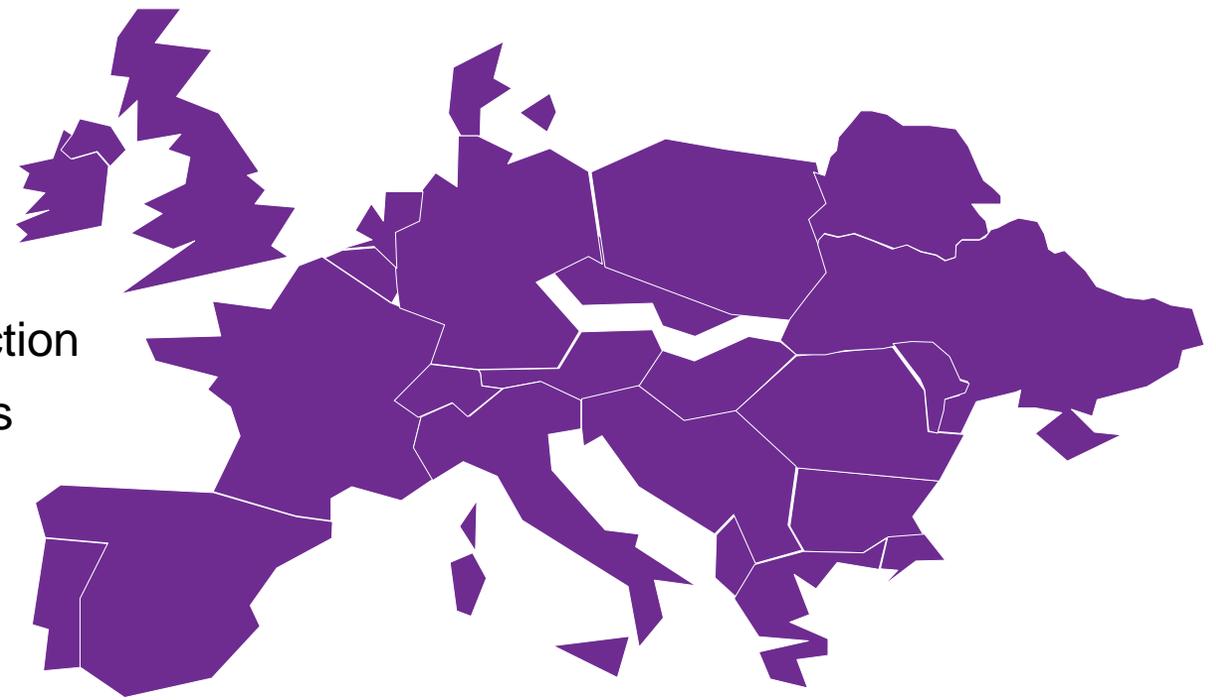


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# Europe

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- **Hungarian** election officials reported cases of election fraud in ongoing presidential elections; both parties accused the other of orchestrating the fraud.
- New **UK** sanctions on Russia target the media to combat disinformation.
- **Russian** President Putin said that conscripts would not be sent to Ukraine, despite a decree adding 134,000 new conscripts to the upcoming spring draft.
- Consumer prices in the **eurozone** rose 7.5% in the last quarter over last year, a new record for the bloc.



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# How do You Manage Incident Response?

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*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.*

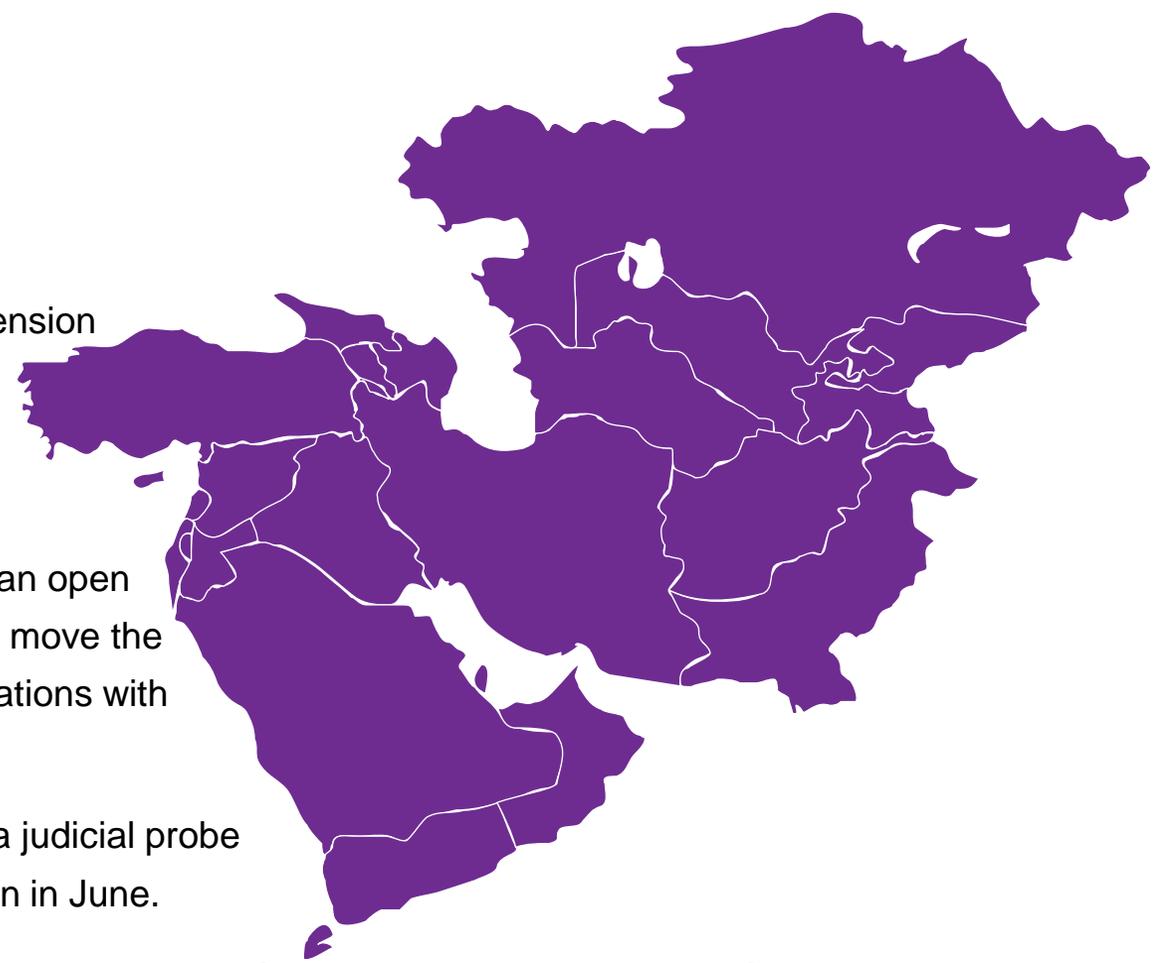
*Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:*

- ❖ 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



- **Tunisian** President Saied dissolved parliament after it defied his suspension to meet online and repeal decrees allowing him to act almost unilaterally, accusing them of an attempted coup; Prime Minister Ghannouchi said he had been summoned for questioning.
- **Turkish** courts are expected to approve a prosecutor request to close an open case investigating the murder of Saudi dissident Jamal Khashoggi and move the case to **Saudi Arabia**, an olive branch as Turkey attempts to mend relations with Gulf partners.
- **Lebanese** central bank governor Salameh did not attend a hearing in a judicial probe investigating corruption, prompting the judge to schedule a new session in June.
- **Germany** repatriated ten women and seven children suspected to be the relatives of **ISIL** members from a camp in Syria.
- **Israeli** forces raided a refugee camp in the West Bank, killing one, following a spate of terrorist violence against Israelis.
- Fathi Bashagha, who was appointed prime minister by the **Libyan** eastern-based parliament last month despite a refusal by former prime minister Dbeibah to recognize the vote, said that he will enter the capital of Tripoli and take over the government without force in the coming days. It is unclear whether Dbeibah and his supporters have made agreements or will oppose the entry.

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# Americas

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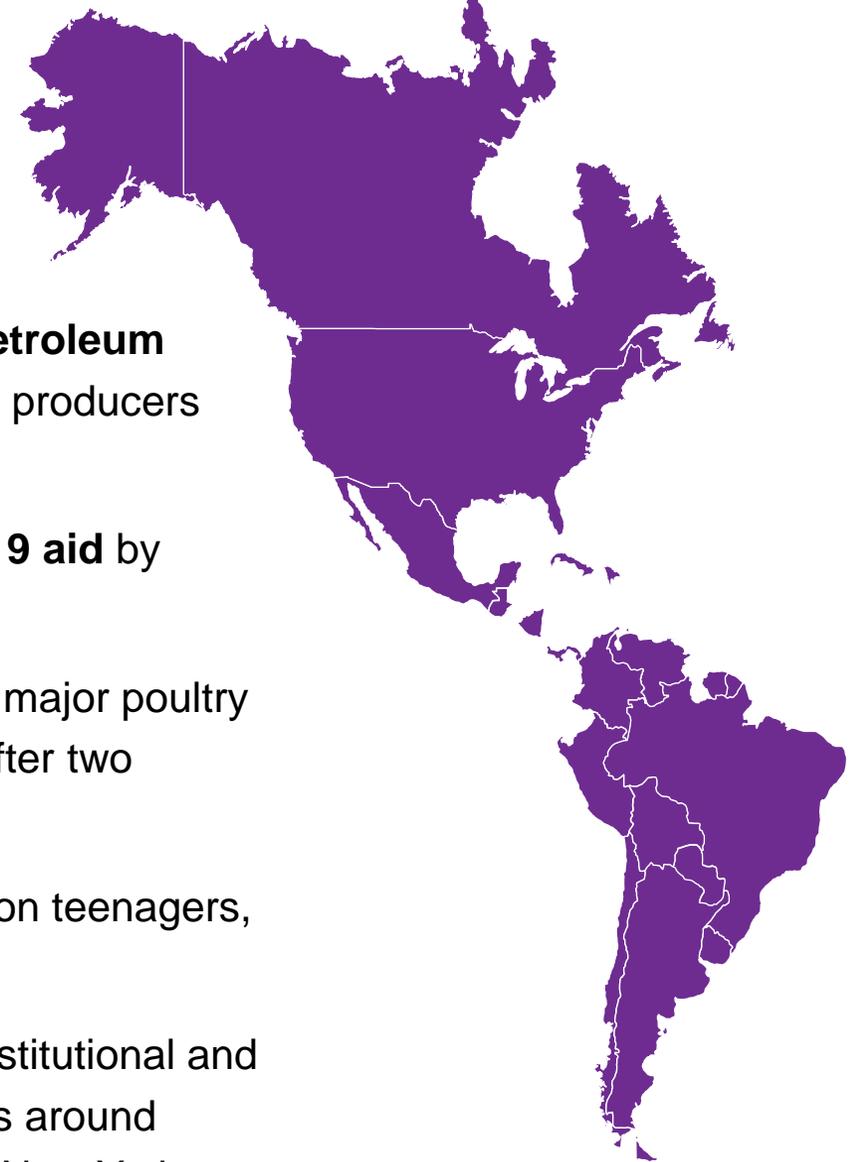
- **Costa Rica's** presidential elections go to a runoff on Sunday; center-right Rodrigo Chaves has a slight edge over socialist José María Figueres, but the election cycle has been marred by very low voter turnout.
- Two **Brazilian** presidential candidates – a former corruption judge and the governor of Sao Paulo – dropped out of the race, narrowing the field in what is expected to be a polarized election between incumbent Bolsonaro and former president Lula.
- The International Criminal Court said that it would establish an office in **Venezuela** to support ongoing investigations into human rights abuses.
- **Colombia's** central bank raised its interest rate to 5%, significantly lower than expected to tame inflation.
- **Mexican** President Obrador said that the government would consider fixing food prices if inflation continues.
- **Nicaragua's** parliament approved a slate of education reforms that critics say weaken educational autonomy and strengthen President Ortega's control over universities.



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# Americas: US

- The White House announced the largest-ever release from the **Strategic Petroleum Reserve** at 180 million barrels, and pledged to seek levies against domestic producers that do not increase production.
- Members of Congress are near an agreement to pass **emergency COVID-19 aid** by slashing the package from \$15.6 to \$10 billion.
- The federal government dropped charges against five executives of several major poultry firms in a price fixing case focused on **competition in the poultry sector** after two mistrials, but maintained charges against five others.
- A new CDC study shed light on the **mental health impact** of the pandemic on teenagers, with almost half reporting persistent feelings of hopelessness in 2021.
- A Florida judge ruled that sections of Florida's **new election law** was unconstitutional and racially-motivated, a ruling that is likely to be appealed, teeing up more fights around several Republican-led election reform efforts ahead of the 2022 election. A New York State judge threw out a **Democrat-backed election map**.



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# As Iran Nuclear Deal Draws Near, Organizations Must Assess Cyber Exposure to Potential Fallout

By Emilio Iasiello, Global Cyber Threat Intelligence Manager, Scott Muir, Senior Analyst, and Courtney Barnard, Global Cyber Threat Intelligence Coordinator

***While much of the world is on guard for Russian cyberattacks, there is another conflict that could trigger cyber warfare which disrupts business and critical infrastructure in many places: Iran versus Israel.***

The Biden administration, and many others, believe the best way to prevent Iran from acquiring a nuclear bomb is a new agreement. However, Israel and its new Arab allies will not be party to a new deal and are signaling they might act independently to thwart Tehran's nuclear ambitions. This could involve a preemptive military move against Iran, whether with a conventional air strike or cyber shutdown, that would invite wide ranging retaliation by Tehran. A recently unveiled annual report from the US Intelligence Community affirms that Iran is among the nation-state actors most willing to push back and target countries with cyber capabilities stronger than its own. Thus, organizations with exposure must stay alert as nuclear negotiations reach a conclusion to assess the likelihood of such a scenario.

## ***Latest Cyberattacks***

In mid-March, Israel's government was targeted in a distributed denial of service (DDoS) attack that blocked access to the websites of several ministries and the Prime Minister's Office. The attack was one of the largest on record in Israel and although it inflicted limited damage, it served as a reminder that during times of heightened geopolitical tensions supporters of Iran and Israel will trade tit-for-tat blows with uncertain endgames. In the aftermath of a serious military strike, it is not difficult to envision state-linked, for-hire hackers and activist threat actors would enter the fray, just like in the war between Russia and Ukraine. Governments and militaries will be prime targets as usual, but entities that support the opposing side will also face disruptive attacks as well as attempts to steal sensitive information to leak for public consumption.

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# As Iran Nuclear Deal Draws Near, Organizations Must Assess Cyber Exposure to Potential Fallout

## Threats to CNI

While the US government has put critical national infrastructure (CNI) stakeholders on alert for possible Russian cyber activity, the Iran-Israel conflict has seen disruptive cyberattacks against critical infrastructure many times in the past. In April 2020, for example, pro-Iranian hackers struck several Israeli water facilities, impacting operations and, in one instance, attempted to modify chlorine levels that would harm civilians. That same year, the US electrical grid was hit by Tehran-linked threat actors, while the year prior, the British Post Office was struck. The recently released Annual Threat Assessment by the US Intelligence Community concludes that attacks on critical infrastructure reflect Iran's "growing willingness to take risks when it believes retaliation is justified." Of course, Israel has repeatedly struck select targets in Iran, with a sophisticated cyberattack on an Iranian port facility in May 2020 causing widespread chaos, and a strike against the Natanz nuclear facility that caused a temporary blackout.

## Stay Alert

As with all modern conflicts, organizations must assess where they fit in the context of a potential Iran-Israel war set in motion by the

signing of a new nuclear deal with Tehran. Cyber threats to business and individuals around the world will originate from various threat actors seeking to exploit the conflict for gain. While hackers are likely to launch destructive wiper malware attacks against official targets, other bad actors could target individuals with ties to Israel or Israeli-American businesses and entities. Just a few weeks ago, pro-Iran hackers leaked personal data about Israel's intelligence chief online after a multi-year hacking campaign. And, of course, even if organizations are not targeted directly, reliance on critical infrastructures (power, telecommunications, transportation, water) that will be hit in any war will impact business operations.

Disruptive cyberattacks involving Israel and Iran will highly likely continue over the coming months as negotiations on a new deal draws near. Organizations should understand the cyber threat environment they face and adjust cyber security postures accordingly, with the understanding that the rate of attacks will likely depend on geopolitical tension. The "Shields Up" strategy promoted by the US Department of Homeland Security is not just applicable for the current Ukraine war, but could also help mitigate any fallout from a potential conflict that follows a nuclear deal with Tehran. Cyber threats to business and individuals around the world will originate from various threat actors seeking to exploit the conflict for gain.

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## ***Dentons Cyber Expertise***

Dentons offers business leaders a full complement of counseling and advice for addressing the complex economic and political changes

affecting international business today. For cyber risk management, Dentons also offers regulatory and litigation services, as well as analysis and intelligence products to better understand fast-changing complex operating environments. Importantly, all interaction with Dentons is attorney-client privileged. To learn more about the bespoke cyber intelligence and risk services from Dentons please contact us today.

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# Ukraine War Update: Western Donor's Conference, Russian Troop Morale, Increased Air Strikes

***Western allies impose new sanctions on Russia and pledge additional military support to Ukraine. Meanwhile, they do not ease pressure on the Kremlin, judging that Russian troops are merely redeploying, not returning to barracks.***

## ***Political Developments***

The UK hosted the second International Defense Donor Conference for Ukraine (IDDCU), bringing together over 35 international partners. Britain and its allies have agreed to send more military aid to Ukraine, including air and coastal defense systems, longer-range artillery and counter-battery capabilities, armored vehicles and wider training and logistical support.

German Defense Minister Lambrecht said Germany has delivered more than €80 million (\$88.62 million) worth of weapons to Ukraine so far, "and more are to follow."

US President Joe Biden said Russian President Vladimir Putin seems to be self-isolating and may have sacked some of his advisers.

Moscow has imposed entry bans on representatives of the European

Union in response to Western sanctions.

## ***Battlefield Developments***

NATO Secretary General Jens Stoltenberg said Russia's forces are not withdrawing from Ukraine but are regrouping after Russia announced it would be scaling back military operations around Kyiv. Yesterday, Russia stepped up its air strikes in Ukraine, carrying out more than 300 in the past 24 hours, according to the US Pentagon. The strikes are concentrated around Kyiv, Chernihiv, Izium, Mariupol and the Donbas.

Ukraine's nuclear operator company reported that most Russian troops have left Chernobyl nuclear power station and are headed toward Belarus. The company stated that Russian troops were exposed to significant doses of radiation from digging trenches at the highly-contaminated site and were already showing signs of illness.

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# Ukraine War Update: Western Donor's Conference, Russian Troop Morale, Increased Air Strikes

Russian President Putin signed a decree ordering 134,500 new conscripts into the army as part of the annual spring draft while denying the decree had anything to do with the "special military operation" in Ukraine. Russian Defense Minister Sergei Shoigu said those drafted would not be sent to any "hot spots."

Morale among Russian troops fighting in Ukraine continues to suffer amid growing dissatisfaction across all ranks, the head of the British armed forces said, although that discontent is still far from turning into a substantial revolt.

## *Humanitarian Developments*

The UN refugee agency, UNHCR, said 4,059,105 Ukrainians had fled across the country's borders since the Russian invasion started on February 24. Some 13 million people are estimated to be stranded in affected areas or unable to leave, according to UNHCR.

Russian forces shelled an evacuation convoy out of the northern Ukrainian city of Chernihiv, according to Ukrainian officials, who assess there are tens of thousands of people trapped without food, water or heat in Chernihiv. Russia had previously announced it would

draw down military activities around Chernihiv.

The UN-facilitated a humanitarian convoy to Sumy on Thursday. However, efforts to reach Mariupol, Kherson and other southern Ukrainian cities have been unsuccessful over the past month due to safety concerns.

The International Committee of the Red Cross (ICRC) said its team has assembled in the southeastern Ukrainian city of Zaporizhzhia with medicines, food, water, hygiene items and other essentials. The team is preparing to take civilians out of the besieged port city of Mariupol.

## *Economic Developments*

The US imposed sanctions on Russia's biggest chipmaker and 20 other companies operating in the technology, marine and aerospace sectors that it said were helping facilitate Russia's war in Ukraine.

The UK announced it had sanctioned 14 more individuals including senior Russian state media figures over Russia's invasion of Ukraine.

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# Ukraine War Update: Western Donor's Conference, Russian Troop Morale, Increased Air Strikes

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Russia has announced that all foreign leased aircraft that are still in Russia after the termination of Western leasing contracts will remain in Russia. Western sanctions on Russia forced leasing companies to terminate contracts with Russian airlines for more than 500 aircraft. Over 400 of them remain in Russia.

Russian President Vladimir Putin has demanded that foreign countries open accounts with Gazprombank in order to continue receiving Russian gas. Putin signed a decree stipulating that foreign buyers must transfer foreign currency to a special Gazprombank account. The bank would then act as intermediary, buying rubles on behalf of the gas buyer to transfer the payment in Russian currency to another special account.

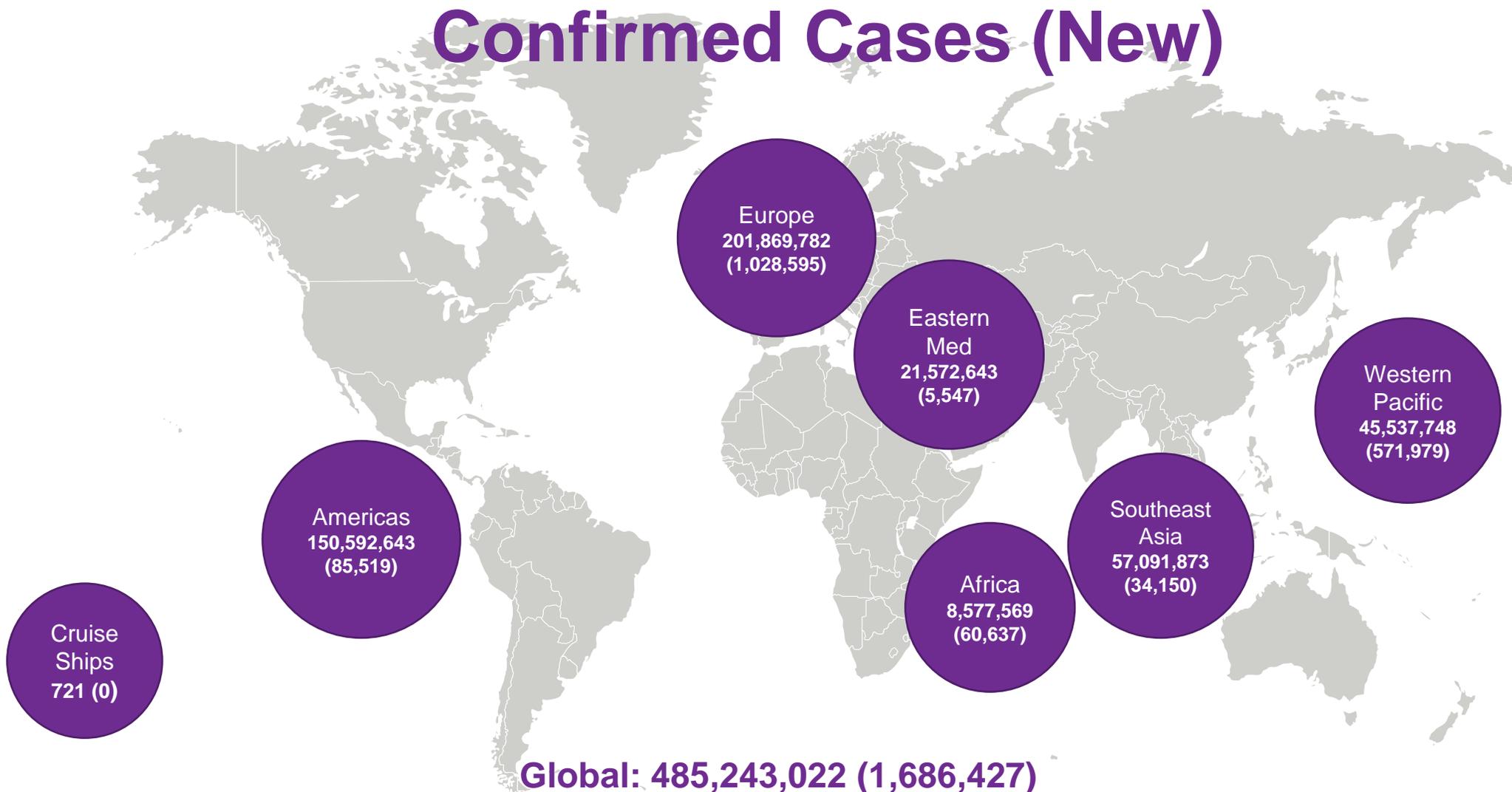
Moscow announced a ban on exports of sunflower seeds and rapeseeds and introduced a quota on sunflower oil as it sought to tame rising domestic prices. Russia is the world's third-largest exporter of sunflower seeds, which are used by food companies and in bread and snacks, as well as processed into oil.

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# Coronavirus Condition Updates

As of 5:19pm CEST, 31 March 2022

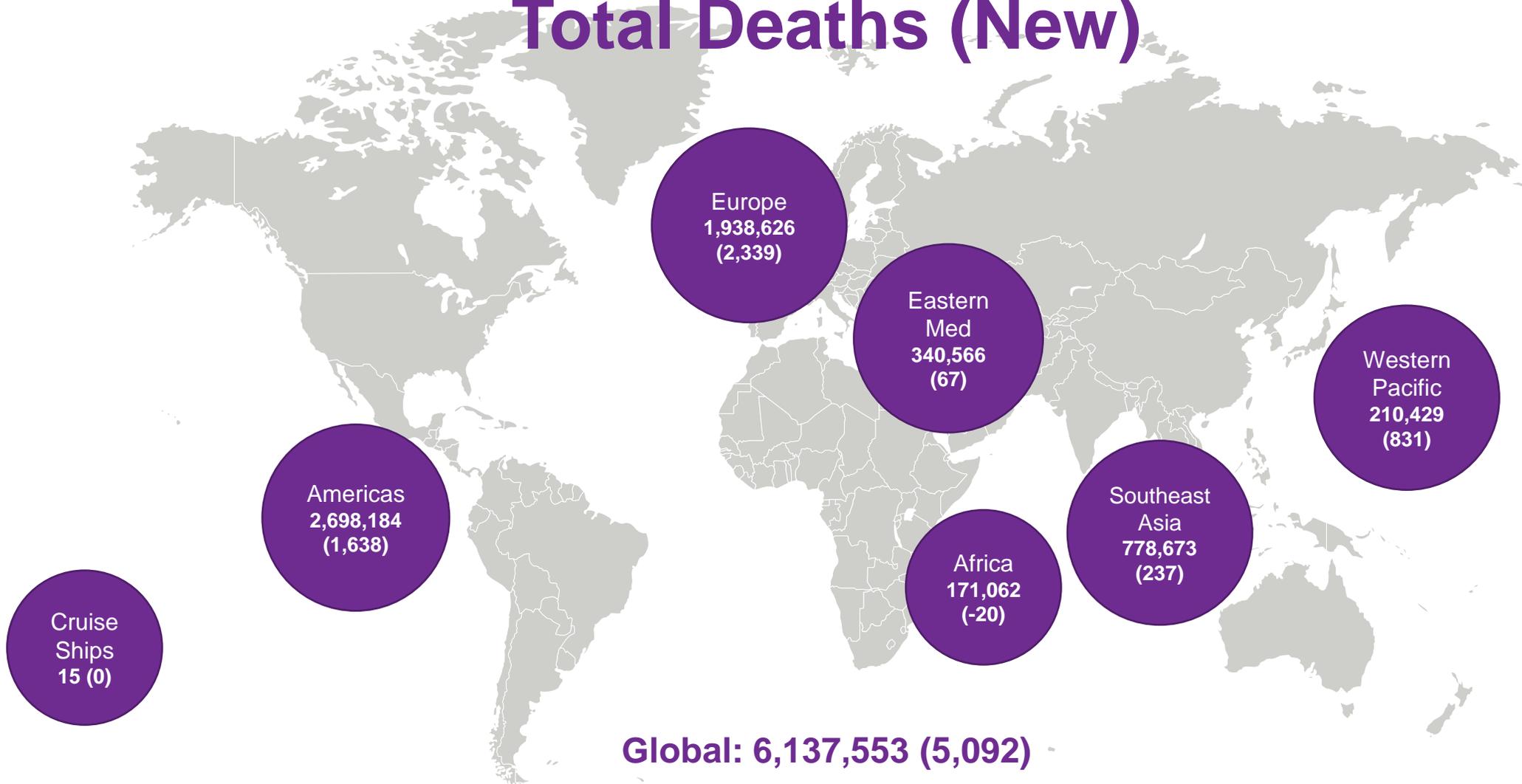
# Confirmed Cases (New)



Reflects data as of 5:04 pm CEST on March 30, 2022.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 5:04 pm CEST on March 30, 2022.  
Data Source: World Health Organization

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# Contacts

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*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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