

Dentons Flashpoint

Daily Global Situation Report

August 18, 2022

Global Situation Update: August 18, 2022

KEY TAKEAWAYS

Israel and Turkey decide to restore full diplomatic ties, broken off in 2018.

Euro zone inflation rises and prompts ECB to consider more rate hikes.

Violent storms and flooding hit France after months of extreme heat and drought.

Global Situation Update: August 18, 2022

WHAT WE'RE WATCHING

Costa Rica and Ecuador are negotiating a bilateral free trade agreement, while both nations are also applying for membership to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Joining these trade alliances will deliver more opportunities for businesses in both countries, especially as the CPTPP is considered the fastest-growing free trade organization in the world.

The US is currently the largest trade partner of Costa Rica, but the Central American nation and Ecuador want to expand trade with Asia. The CPTPP, a spinoff of the TPP, which the US exited in 2018, already has major economic powers like China and the UK lined up to join the trade pact.



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

Global

NATO's secretary-general called on Moscow to give nuclear inspectors immediate access to an atomic plant in Ukraine seized by Russian troops, accusing Moscow of using the facility to endanger Ukraine and neighboring countries.

- South Korea is expected to attend a preliminary meeting of the “Chip 4 Group” a US-led group of major **microchip manufacturers** including Taiwan and Japan. South Korean chip manufacturers are closely divided over the benefits/risks. Semiconductors are South Korea's top export item, and China is its largest overall trade partner. The manufacturing alliance seeks to create a trustworthy supplier network alternative to China.
- The WHO stated that studies are under way to see whether genetic changes in the **monkeypox virus** are driving the rapid spread of the disease. More than 35,000 cases in 92 countries, and 12 deaths, have now been reported to the WHO.

Markets & Business

The UK government blocked the takeover of an electronic design company Pulsic Ltd by a Hong Kong-based Super Orange HK Holding Ltd, citing national security risks.

- Australia's highest court overturned a ruling that had found **Google** engaged in defamation by supplying a link to a contested newspaper article.
- Vietnam's government has ordered technology firms to **store their users' data locally** and set up local offices, its latest move to tighten cybersecurity rules.
- Dubai's **Emirates** will suspend flights to Nigeria from next month over an inability to repatriate funds from Africa's most populous nation.
- **Genesis Global Trading** is laying off 20 percent of its 260-person workforce weeks after court filings revealed that the crypto brokerage firm lent \$2.4 billion to the now-bankrupt crypto hedge fund **Three Arrows Capital Ltd.**

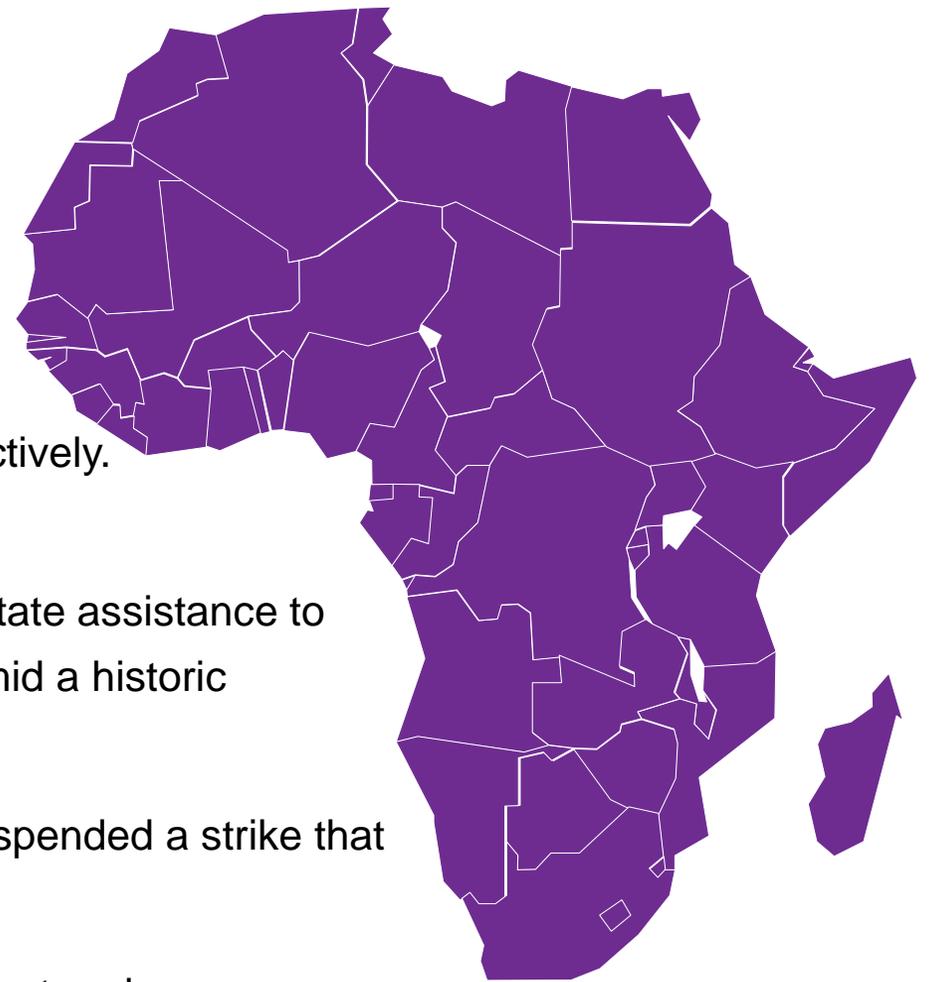
Environment, Sustainability & Governance

UN Special Rapporteur on contemporary forms of slavery released a report finding that it is "reasonable to conclude" that forced labor of members of minority groups has taken place in China's western Xinjiang region.

- After months of extreme heat and drought, **violent storms and flooding** are forecast for much of southern France, where an "orange" alert — the second highest level — was issued in five Mediterranean departments. Paris was struck by intense storms, dumping a large proportion of the French capital's average monthly rainfall in an hour and a half.
- Attorneys general in 18 US states have joined Missouri's probe into whether Morningstar violated **consumer-protection law** with its evaluations of companies' performance on environmental, social and governance (ESG) issues.
- Malaysian utility Tenaga Nasional Bhd plans for capital expenditure of about 20 billion ringgit (\$4.48 billion) annually till 2050 to fast track its energy transition plans to **net zero emissions**.

Africa

- **Sudan's** military-aligned National Accord Group previewed the transition plan they have negotiated in recent weeks, calling for a constitution that balances the military and civilian elements more effectively. Major protest blocs have boycotted the dialogue.
- **Ethiopia's** Oromo rebel group proposed a humanitarian truce to facilitate assistance to hungry people in the country's Oromia region as it warns of famine amid a historic drought.
- Workers at the Transmission Company of **Nigeria** began and then suspended a strike that caused a nationwide blackout after a meeting with the government.
- Suspected rebels killed civilians and damaged a major hydropower plant under construction in Virunga National Park in eastern **Democratic Republic of Congo**.



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Asia

- **China** is working to alleviate power shortages and bring more water to the drought-hit basin of the Yangtze River as it battles a record-breaking heatwave, deploying relief funds, seeding clouds and developing new sources of supply.
- **Chinese** troops will travel to **Russia** to take part in joint military exercises led by the host and including **India, Belarus, Mongolia, Tajikistan** and other countries. Over the past year, China and Russia have held a notable increase in the number of joint military exercises.
- A delegation of **Canadian** lawmakers plans to visit **Taiwan** in October to seek economic opportunities in the Asia Pacific region, a move that could further stoke tensions between **China** and the West.
- **India's** home ministry said that Rohingya refugees in the capital New Delhi would be held at a detention center and then deported, contradicting a minister's earlier statement promising flats and security to members of the Muslim minority.



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How do You Manage Incident Response?

2022 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:

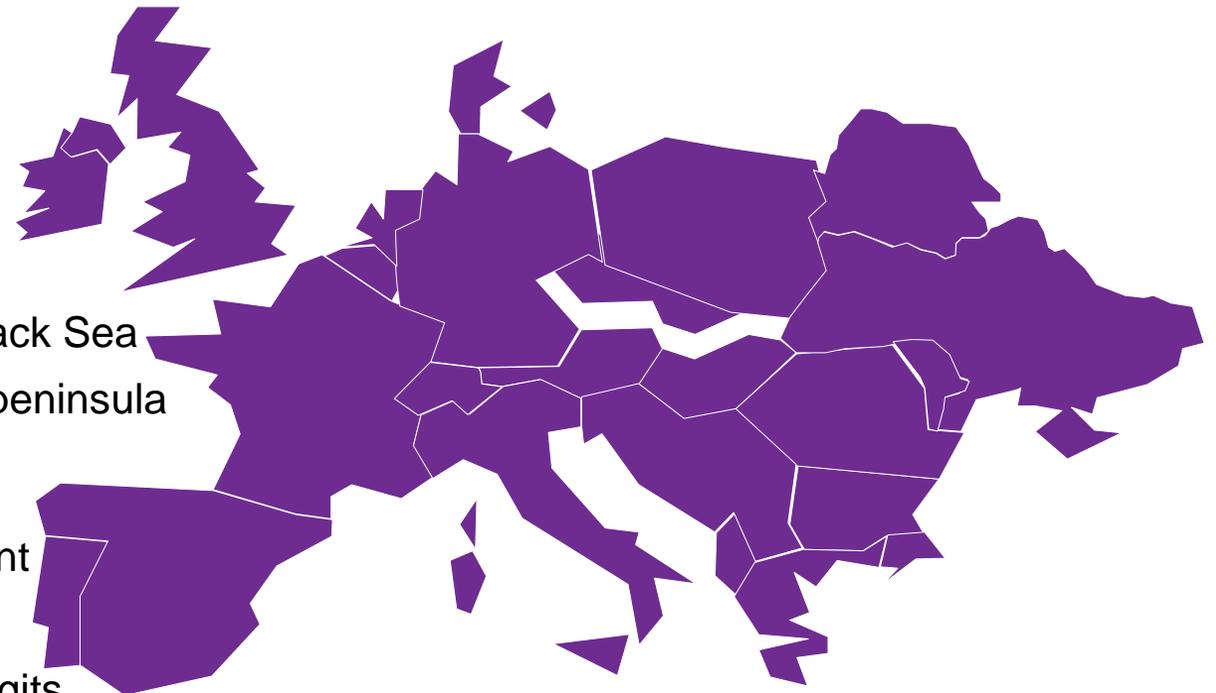
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

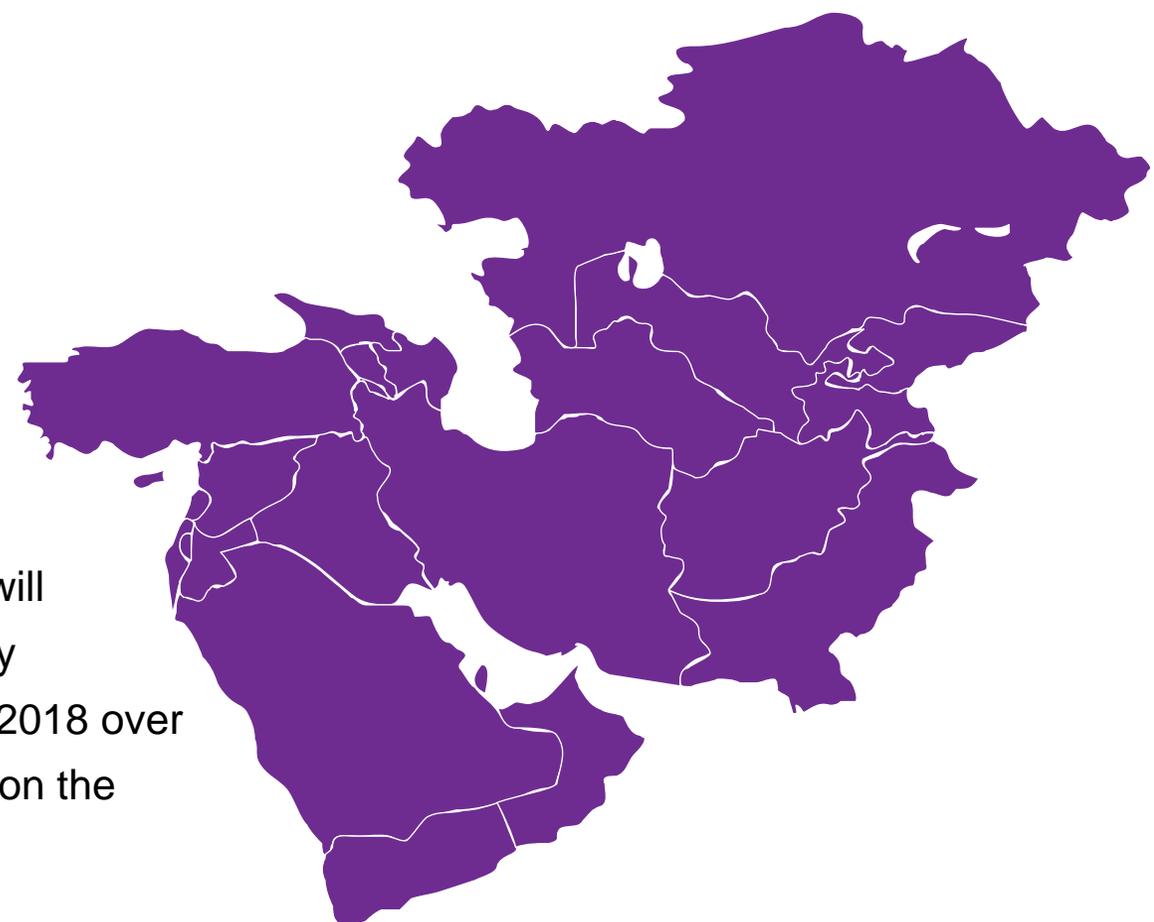
To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).

Europe

- **Russia** replaced the commander of its Crimea-based Black Sea Fleet, after a series of explosions rocked the **Ukrainian** peninsula it annexed in 2014.
- Consumer price inflation in **Britain** jumped to 10.1 percent in July, the highest since February 1982, making it the first major rich economy to see price growth hit double digits.
- The **euro zone** inflation outlook, reaching a new record high of 8.9 percent year-on-year in July, failed to improve since a July rate hike, prompting European Central Bank to consider another large interest rate increase next month even as recession risks harden.
- The **Czech** government will hand out state aid to ensure people do not spend more than 30 percent of their income on housing including energy amid soaring gas and electricity prices.



Middle East

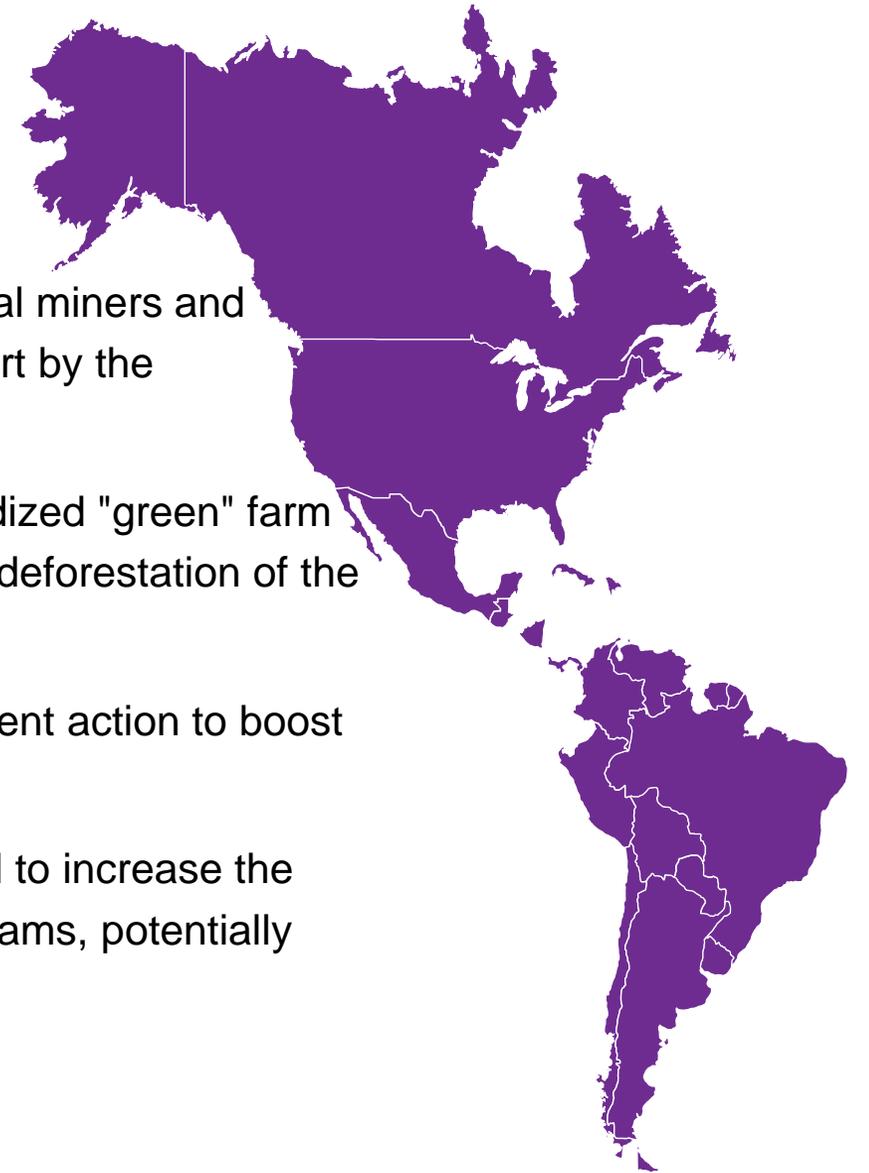


- **Syria** denied kidnapping or holding **US** journalist Austin Tice a week after President Biden renewed calls for Damascus to release him.
- **Israel and Turkey** decided to restore full diplomatic ties and will return ambassadors to each other's country following a steady improvement in relations. The countries broke off relations in 2018 over the killing of 60 Palestinians by Israeli forces during a protest on the **Gaza** border.
- **Iraq's** main political leaders -- without populist Shiite cleric Moqtada al-Sadr -- agreed to work on a roadmap aimed at ending the country's political impasse.
- **Egypt's** central bank governor resigned as the country struggles to address its economic woes.

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Americas

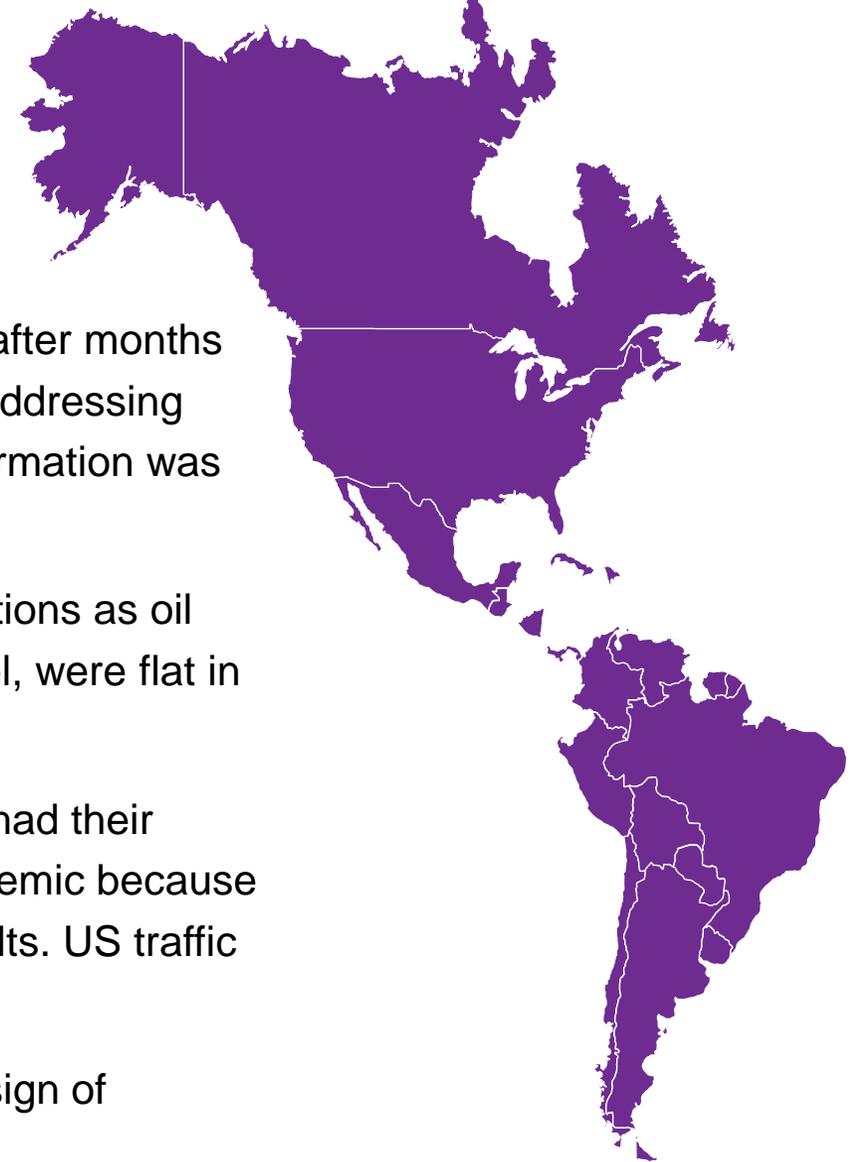
- Attacks on Brazil's indigenous people and invasions of their lands by illegal miners and loggers, mainly in the Amazon, increased dramatically in 2021, per a report by the Catholic Church's Indigenous Missionary Council.
- Advisors to leftist **Brazilian** presidential hopeful Lula are proposing subsidized "green" farm loans to spur planting of soybeans and corn on open pasture and reduce deforestation of the Amazon rainforest.
- Thousands of **Argentines** protested in Buenos Aires to demand government action to boost salaries and unemployment benefits.
- **Colombian** President Gustavo Petro's administration will send a proposal to increase the government's budget for 2023 in the coming weeks to bolster social programs, potentially funded by further public debt swaps.



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Americas: US

- The CDC said it will prioritize its **public health response** in a restructuring after months of criticism over its handling of the COVID-19 and monkeypox pandemics, addressing shortcomings in public guidance had caused confusion, while important information was sometimes released too late to inform federal decisions.
- **US retail sales** held steady in July owing to a drop in spending at petrol stations as oil prices eased. Headline retail sales, which include spending on food and fuel, were flat in July from the previous month, per the US Census Bureau.
- National Highway Traffic Safety Administration reports that American roads had their deadliest first quarter in 20 years. **Traffic deaths** increased during the pandemic because of more drivers speeding, driving under the influence or not wearing seat belts. US traffic fatalities reached a 16-year high in 2021, with nearly 43,000 deaths.
- The US has announced its plan to launch trade talks with **Taiwan** in a new sign of support amid soaring tensions with China over the self-ruled island.



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Popular Malware Strains Remain Persistent Threats in 2022

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

Several malware strains that dominated the cybercrime landscape in 2021 continue to pose a threat to organizations in 2022.

A recent joint report from the US Cybersecurity and Infrastructure Security Agency (CISA) and Australian Cyber Security Centre (ACSC) highlighted many of these persistently popular strains which cyber criminals prefer because they have proven to be effective over time and are able to evolve amid changing environments. Today, the breadth and vitality of the modern malware ecosystem is greater than ever, and top strains remain in use for financial gain and to steal information that can be traded or used for business intelligence. Organizations must prepare to defend information assets from amateurs and sophisticated bad actors using such popular strains.

Trojan Malware Remains Popular

Trojans were the most commonly observed malware type in 2021, according to American and Australian authorities. This malware disguises itself as a legitimate program, to entice victims to download it onto their device. Popular trojan malware families such as Qakbot and Ursnif, among others, have been on the market for up to a

decade. The longevity of these families is owed to the diligence of their developers, who regularly provide updated versions with improved functionality and additional capabilities. Because of the competitive nature of cybercrime, it has forced more professional criminals to constantly improve their offerings to attract customers.

Also, the brand-recognition of certain strains prompts their continued use by cyber criminals, who have confidence purchasing malware with proven effectiveness, which in some cases even includes 'customer support' from developers. The malware-as-a-service (MaaS) operations of some popular brands are highly profitable for technically sophisticated malware developers who develop and sell strains on the dark web, similar to licensing for legitimate operations. This limits the risk of law enforcement detection for themselves and generates significant profits. It also allows for less capable customers to engage in cybercrime, thereby expanding the cyber-criminal landscape.

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Popular Malware Strains Remain Persistent Threats in 2022

Agent Tesla

At the top of the list of most popular malware strains for 2021, according to CISA and ACSC, is Agent Tesla, a remote access trojan (RAT) in operation since 2014. Agent Tesla is specialized to steal information on targeted devices, where it can pilfer information via screenshots, videos and Windows clipboard data from email servers, web browsers, and file transfer protocols. The malware is most commonly observed being distributed via phishing emails and can exfiltrate credentials from multiple software programs like Google Chrome, Mozilla Firefox, and Microsoft Outlook.

Agent Tesla is available online for purchase under the guise of a legitimate tool for remote desktop management and penetration testing. It is sold and distributed across a number of hacking forums and platforms for anyone to purchase and its developers continue to add new functionality and mask its widespread misuse for credential stealing. In 2022 thus far, cybercriminals in Nigeria, Russia and other locales around the world have been caught using Agent Tesla against targets.

Qakbot

Less popular than Agent Tesla, Qakbot (aka Qbot or Pinksliplot) was regularly leveraged throughout 2021 and is so far again this year. Qakbot began life as a banking trojan in 2007, designed to steal banking credentials and orchestrate the draining of accounts. Since then, however, Qakbot's developers have vastly improved its capabilities, and are using a modular approach with added reconnaissance, lateral movement, data exfiltration, and payload delivery to the malware. Nowadays, it can be delivered via email as malicious attachments, hyperlinks, or embedded images. Since it is modular in nature, cyber actors can configure Qakbot to their needs. Several hacks that used Qakbot in 2022 involved spoofed email from outside contacts that purported to contain data files previously requested by other team members. Enterprise organizations were infected with the malware in tandem with other tools to seize valuable information. One other threat from Qakbot is that it can also be used to form botnets, or networks of infected computers, which are often developed and operated by cyber criminals in eastern Europe and Asia.

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Popular Malware Strains Remain Persistent Threats in 2022

TrickBot

TrickBot malware is often used to form botnets or enable initial access for the Ryuk banking trojan and Conti ransomware. Now disbanded, Conti was responsible for approximately 450 attacks in

the first half of 2021. It is thought that Conti's operators purchased the TrickBot source-code outright, and today use it for initial access into target organizations and to fetch the Conti ransomware itself. The strain is developed and operated by a sophisticated group of malicious cyber actors and has evolved into a highly modular, multi-stage malware. Based on information from trusted third parties, TrickBot's infrastructure was still active in July 2022, and the malware is currently delivered to Ukrainian targets via email as a hyperlink, in campaigns that align with Russian state interests.

Protecting Against Malware

- Attacks that are enabled by these malware strains may seem relentless, but this conversely means that there is available threat intelligence for organizations to better prepare, identify, and mitigate attacks from them. A multifaceted approach to preventing successful malware attacks includes:

- Updates of the latest software versions to prevent malware from taking advantage of vulnerabilities.
- Staff reminders to be aware of social engineering attempts via cautious of external emails and unusual links that can help maintain external emails and unusual links. This is especially important when considering trojan malware.
- Enabling multi-factor authentication wherever possible to prevent pilfered credentials from being used by cyber criminals.
- Finally, organizations should leverage anti-malware solutions on their devices, which are able to detect more popular malware samples when they infiltrate a victim's machine.

Dentons offers business leaders a full complement of counselling and advice for cyber risk management and also offers regulatory and litigation services. Analysis and intelligence products from Dentons can help to better understand fast-changing complex operating environments and, importantly, all interaction 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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Coronavirus Condition Updates

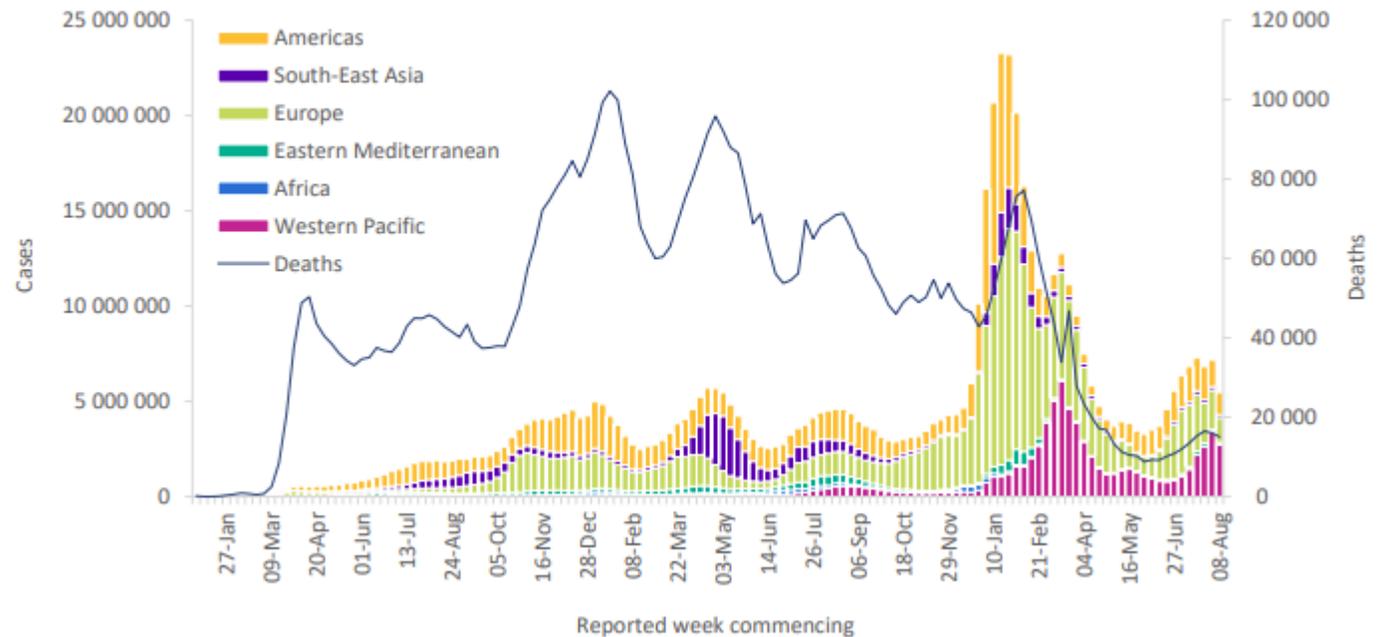
As of 5:03 pm CEST on August 17, 2022

Coronavirus Snapshot

Globally, confirmed coronavirus cases topped 589.6 million with 6.4 million deaths; more than 12.3 billion vaccine doses have been administered.

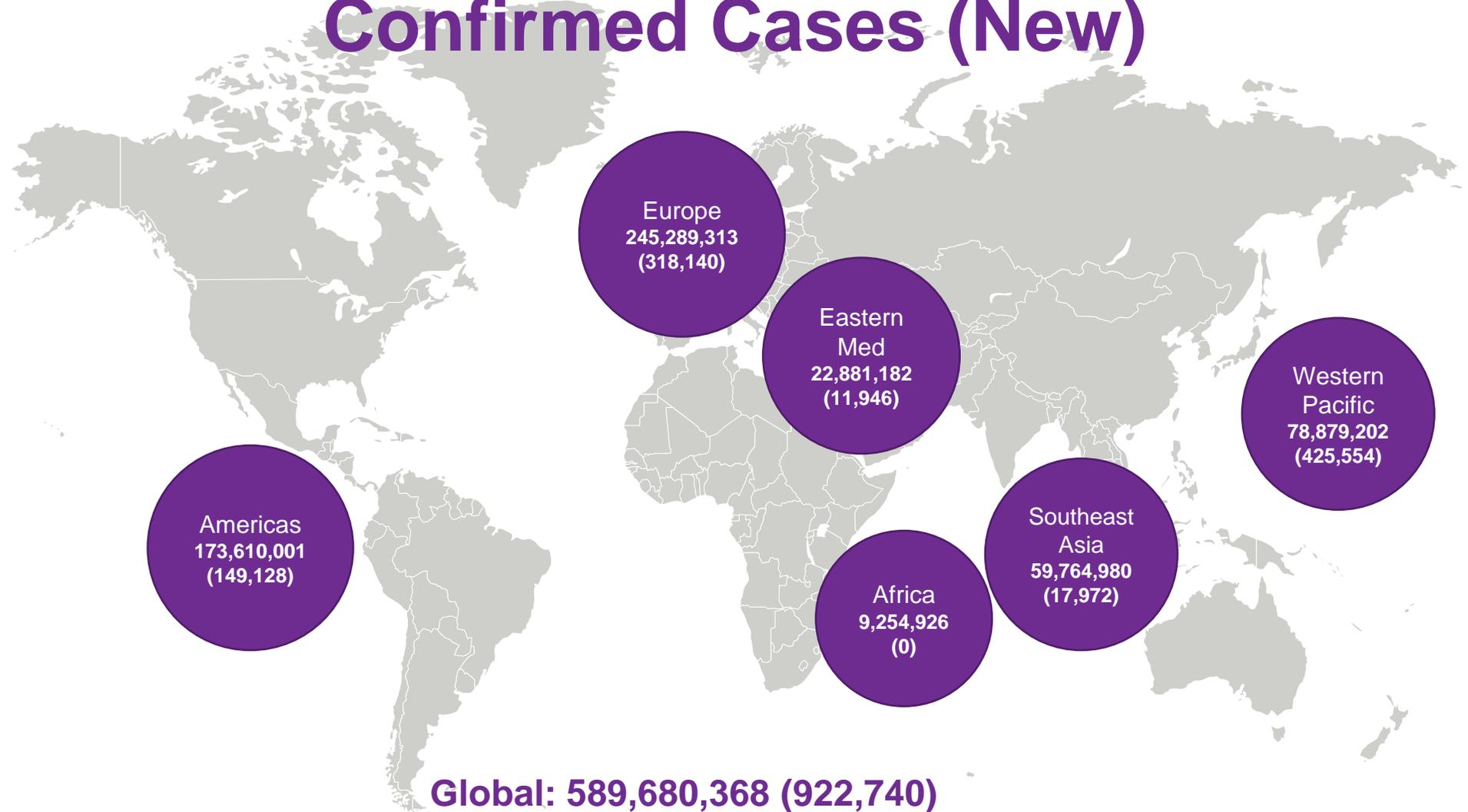
- Globally, the number of new weekly cases decreased by 24 percent during the week of 8 to 14 August 2022, as compared to the previous week, with over 5.4 million new cases reported.
- The number of new weekly deaths decreased by 6 percent, as compared to the previous week, with over 15,000 fatalities reported.

Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 14 August 2022**



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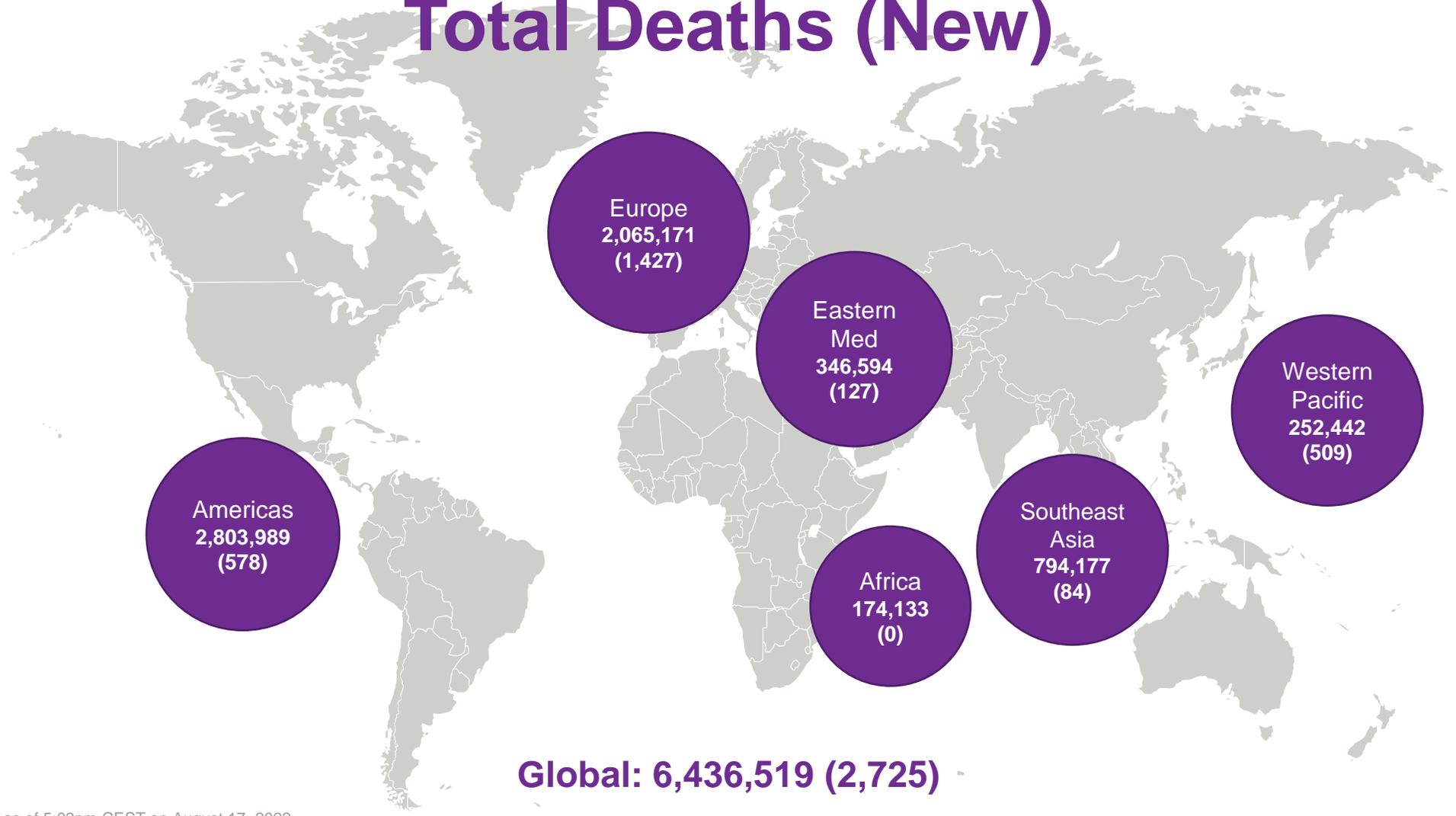
Confirmed Cases (New)



Reflects data as of 5:03pm CEST on August 17, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Global: 6,436,519 (2,725)

Reflects data as of 5:03pm CEST on August 17, 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.

Karl Hopkins

Partner and Global Chief Security Officer
Dentons
Washington, DC

D +1 202 408 9225
karl.hopkins@dentons.com

Melissa Mahle

Senior Analyst
Dentons
Washington, DC

D +1 202 408 6383
melissa.mahle@dentons.com