

Dentons Flashpoint

Daily Global Situation Report

October 25, 2021

Global Situation Update: October 25, 2021

KEY TAKEAWAYS

Sudan's prime minister and cabinet members have been detained in an apparent military coup.

Vaccines will likely be available for children aged 5-11 in November in the US.

Treasury Secretary Yellen says that she expects inflation levels to return to normal by the second half of next year.

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: October 25, 2021

WHAT WE'RE WATCHING

An apparent coup is underway in Sudan. Soldiers have arrested most of the members of Sudan's cabinet. Thousands of protestors are in the streets. Pro-military protestors are entering the second week of a sit-in in Khartoum and yesterday shut down roads and bridges in the capital. Days earlier, tens of thousands marched in Khartoum in favor of civilian rule and over concerns of a military takeover. Meanwhile, tribes in eastern Sudan are blocking roads and shutting ports to protest poor political and economic conditions.

The US sent its special envoy to Khartoum over the weekend to negotiate with all sides.



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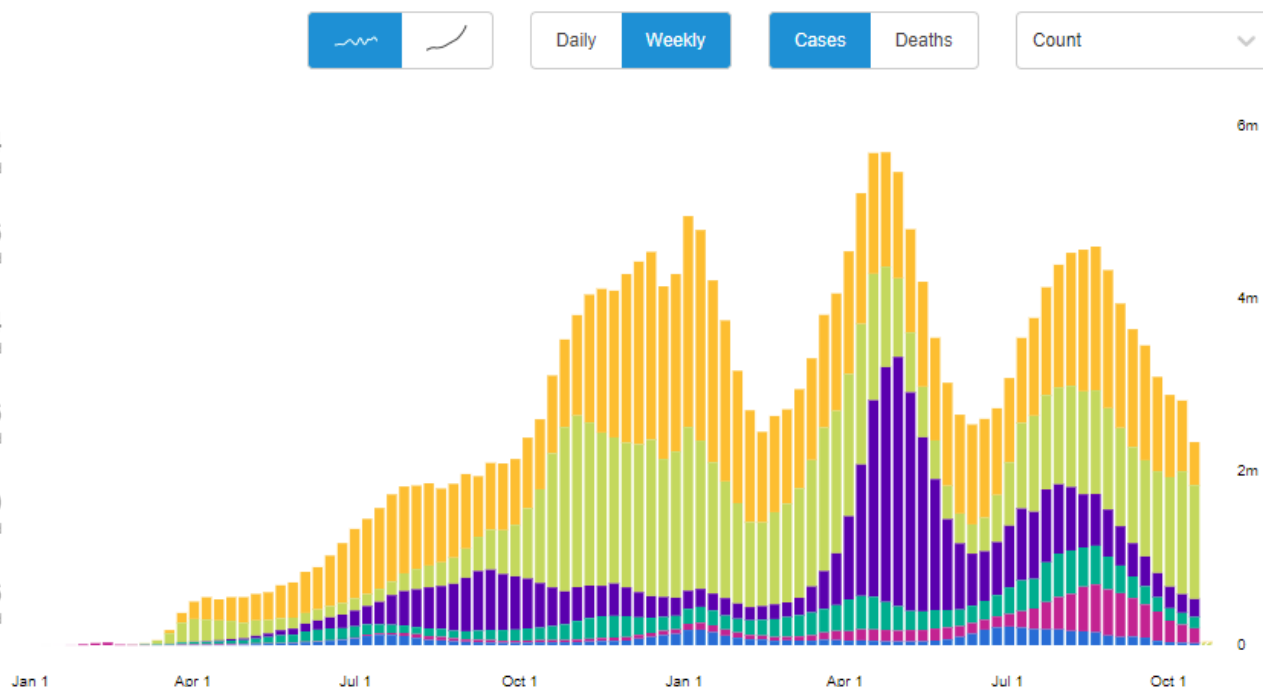
Global

Globally, confirmed coronavirus cases topped 242.6 million with 4.9 million deaths; more than 6.6 billion vaccine doses have been administered.

Situation by WHO Region

Americas	92,640,794 confirmed
Europe	74,606,226 confirmed
South-East Asia	43,805,354 confirmed
Eastern Mediterranean	16,236,086 confirmed
Western Pacific	9,267,819 confirmed
Africa	6,131,276 confirmed

Source: World Health Organization
Data may be incomplete for the current day or week.



Source: WHO

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Global

Wealthy countries have received over 16 times more COVID-19 vaccines per person than poorer nations that rely on the Covax program backed by the WHO, according to analysis by the *Financial Times*.

- Chinese state media published a **clean energy plan** ahead of the COP26 summit, which includes the key target of reducing fossil fuel use to under 20 percent by 2060. The junior partner in Australia's coalition government pledged provisional support for a net zero by 2050 emissions targets.
- Documents published by **climate** research organization Culture Unstained reveal that a number of major oil companies asked to sponsor COP26, but that the conference banned oil major sponsorships.

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Markets & Business

According to new guidelines, Hong Kong banks are advised to disclose the property of those violating its national security law.

- In a leaked post to staffers, **Facebook's** vice president of global affairs warned that more “*bad headlines*” are likely coming for the company, already embattled by multiple recent scandals.
- Talks between Italy and **UniCredit** to purchase **Monte dei Paschi di Siena** collapsed, a setback to the restructuring of Italy's banking sector.
- **Sibanye-Stillwater** is reportedly in talks to buy two Brazilian mining companies for about \$1 billion, signaling the South African miner's belief in the future of demand for metals used to produce electric-car batteries.

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Africa

- Soldiers arrested most of the members of **Sudan's** cabinet and a large number of pro-government party leaders on Monday in an apparent military coup.
- A UN delegation arrived in **Mali** to apply pressure to the military junta to speed up a democratic transition; the junta told the UN that it would confirm an election date in December.
- The **South African** Development Community appointed a special envoy to Eswatini to engage with the king on political issues amid intense anti-monarchy protests and police crackdowns.
- **Nigeria** will launch a digital currency today.



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How do You Manage Risks?

The coronavirus pandemic has not just added a new layer of risk for business leaders to navigate, but has accelerated drivers of change, including disruptive technologies, political and economic realignments and cultural priorities on equality, justice and conservation, while increasing vulnerabilities that bad actors seek to exploit.

Dentons Intelligence and Security Services Group offers bespoke services to provide business leaders with the intelligence they need to understand and thrive in complex operating environments.

- ❖ due diligence and compliance investigations
- ❖ physical and cyber security assessments
- ❖ country and political risk assessments
- ❖ enterprise risk management and organizational resiliency advice
- ❖ crisis and incident response (physical security breaches and cyber incidents, insider threats and reputational impacts)

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

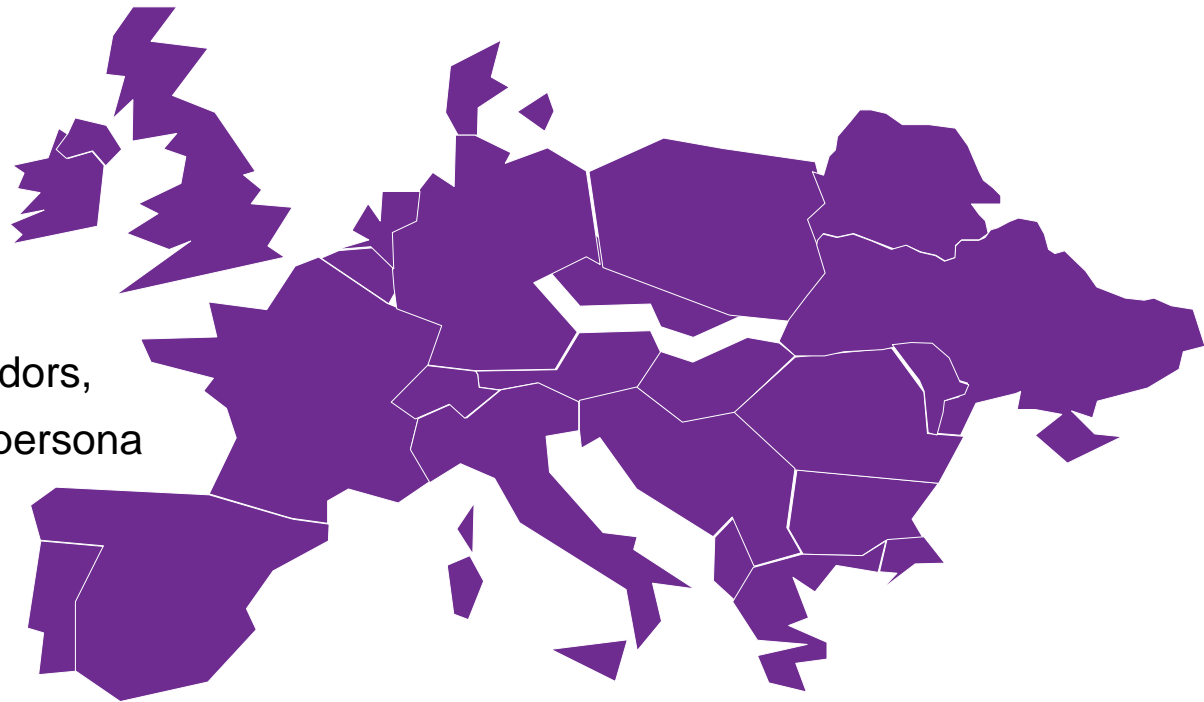
Asia

- A **Chinese** health official said that COVID-19 cases in the country are expected to rise in coming days, which may expand the areas effected by COVID-19 restrictions.
- A number of participants in the **Hong Kong** Marathon were told to change or cover slogans on clothing that city authorities deemed “*political slogans*,” one runner even reported being ordered to cover a tattoo with tape. International rights group Amnesty International will close its Hong Kong offices because a China-imposed security law had now made it “*effectively impossible*” to work freely without the risk of reprisals.
- **China** passed a new border security law that permits the use of weapons against those who cross the border illegally; analysts are watching the law for its potential impact on the China-**India** border standoff or indication of concerns in Beijing about its border with **Afghanistan**.
- **Japan’s** Prime Minister Fumio Kishida received mixed results in two by-elections on Sunday, which were being watched closely as a measure of support for Kishida’s Liberal Democratic Party (LDP) ahead of the country’s general election on October 31.



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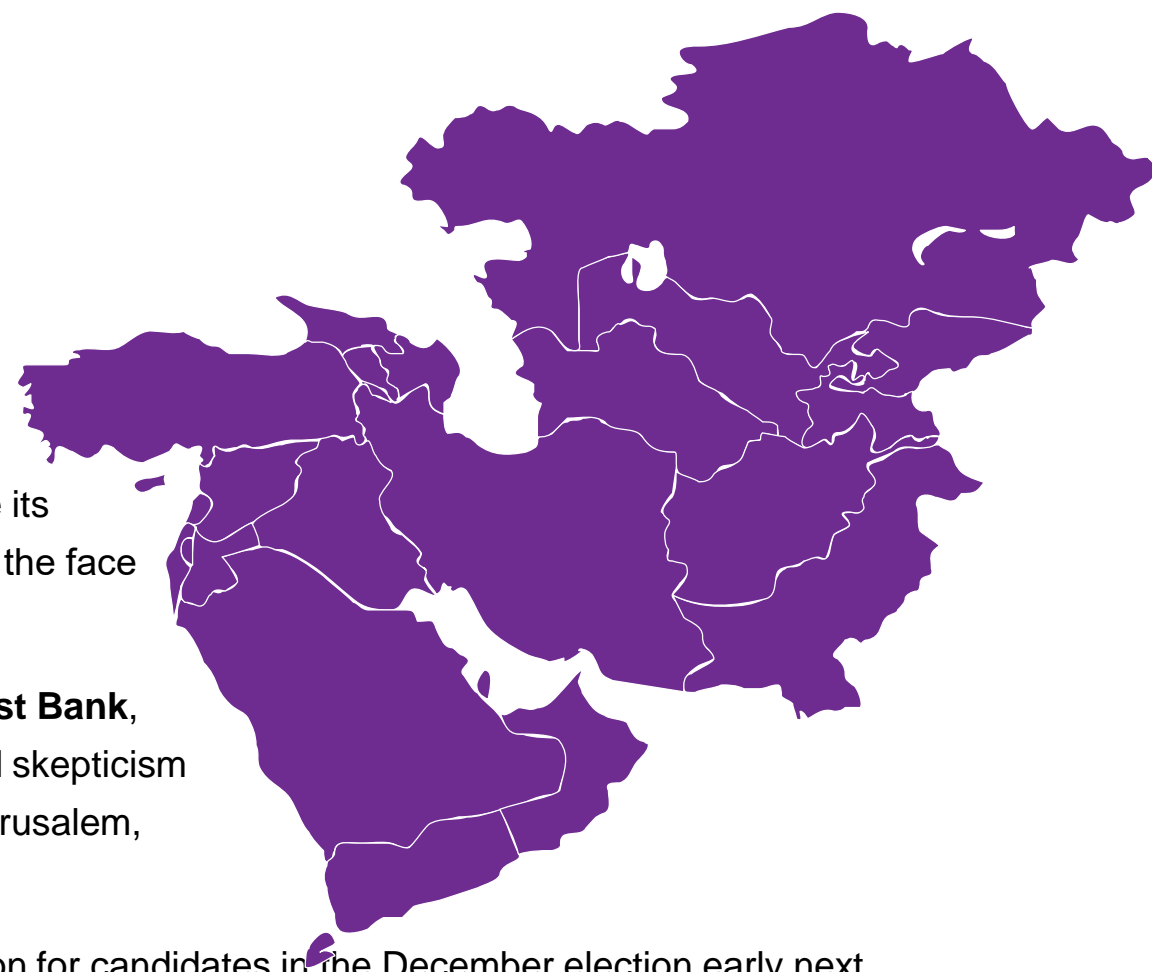
Europe



- **Turkish** President Erdogan ordered ten foreign ambassadors, including those of the **US and Germany**, to be declared persona non grata after they condemned the detention of Turkish activist Osman Kavala. The Turkish lira hit record lows after Erdogan's announcement.
- The total number of COVID-19 cases recorded in **eastern Europe** surpassed 20 million over the weekend, as several countries in the region face their worst outbreaks since the start of the pandemic. **Austrian** Chancellor Shellenberg warned that the unvaccinated could face new restrictions if cases continue to rise.
- **Italy's** former interior minister, Matteo Salvini of the right-wing League party, began a trial on kidnapping charges for refusing to allow the docking of a migrant rescue ship in 2019.
- **Poland's** prime minister has accused the **EU** of making demands of Warsaw with a "*gun to our head*", while promising dismantle by the end of the year a disciplinary chamber for judges that the European Court of Justice found to be illegal.

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Middle East



- The **EU** announced that it will reopen its diplomatic mission in **Afghanistan** within a month.
- **Saudi Arabia's** energy minister announced that OPEC will not change its strategy to increase production to “*solve a problem it did not create*” in the face of a global energy crunch.
- **Israel** announced plans to build 3,000 new homes in the occupied **West Bank**, teeing up renewed tension with Palestinian residents. Israel expressed skepticism that the **US** is in fact going to reopen a consulate for Palestinians in Jerusalem, extending US-Israeli disagreement on the issue.
- The **Libyan** election commission announced that it will open registration for candidates in the December election early next month, a positive step amid rising doubts about the election.
- **Tunisia** will require vaccines for all residents and foreign visitors. Israel and the UAE signed a “green corridor” agreement to allow travel of vaccinated visitors with reduced restrictions.
- **Lebanon's** foreign minister announced that talks with IMF to avert the country's financial crisis will start this week.

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Americas

- A container fire broke out on a cargo ship carrying mining chemicals off British Columbia over the weekend, but appeared to be under control by Sunday, per the **Canadian** Coast Guard.
- **Colombian** officials arrested the country's most-wanted drug trafficker, Otoniel, and announced that he will be extradited to the US, where has a \$5 million bounty.
- US Customs and Border Protection announced that they had detained 1.7 million migrants along the **US-Mexican** border over the last 12 months, the highest number ever reported.



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Americas: US

- Across the nation, 220.4 million have received at least one dose of the **vaccine**; or 66.4 percent of the total population. Dr. Fauci said that vaccines would likely be available for **children** aged 5-11 in November.
- Treasury Secretary Yellen said that the US is not losing control of **inflation**, and that she expects inflation levels to return to normal by the second half of next year.
- The **Supreme Court** agreed to quickly consider lawsuits challenging Texas's ban on most abortions, setting the stage for the conservative top court hear two major abortion cases within one month of each other.
- Rhode Island is set to become the first state to trial supervised spaces for injection of **illegal drugs**, testing the strategy of harm reduction over criminalization over a two-year pilot period.
- Senior Democrats announced that a new annual tax on billionaires' unrealized **capital gains** is likely to be included in the social spending and climate package that could be finalized this week.



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New Cybersecurity Initiatives Provide Glimmer of Hope Against Ransomware

By Scott Muir

This year is shaping up to set records for ransomware attacks in terms of the frequency and volume of reported incidents, while the number of variants detected, and ransom payouts are the highest ever recorded. An estimated 68 ransomware variants are currently in existence and striking entities in the US on average every 11 seconds.

In just the first half of 2021, ransomware payments from US-based organizations to cybercriminals totaled approximately \$590 million, more paid than in all of 2020. Amid the unrelenting surge in ransomware attacks, there are recent key indicators that the US government and members of the international community are taking more concrete measures to fight back. Newly announced cybersecurity alliances, legislation, and strategies worldwide may soon help to stem the flood of ransomware that affects every entity nowadays.

Global Efforts

While the US government recognizes Cybersecurity Awareness Month each October, this year the Biden Administration took

further action by hosting an international counter ransomware summit. The result was over 30 countries in agreement to coordinate efforts to address the threat of ransomware against public and private entities. The group of like-minded nations are now working together to disrupt ransomware operators, combat the illicit use of cryptocurrency by cybercriminals and more. Multinational and local businesses will have a role to play in this Counter Ransomware Initiative, as private industry is being asked to report all attacks so they can be databased for official trend analysis and will receive regular guidance on best practices to defend against and prepare for ransomware incidents. Importantly, China and Russia were not invited to the recent meeting of cyber allies, which may prove to be problematic.

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New Cybersecurity Initiatives Provide Glimmer of Hope Against Ransomware

Many cyber allies are also pursuing national initiatives to stymie ransomware operators. Australia, for example, launched a ransomware Action Plan this month to counter rising threats to organizations there. Australia remains a high-priority target for ransomware threat actors, as it is an economically developed country with high levels of dependence on IT systems. Australia also has data protection legislation that likely incentivizes threat actors to target organizations in data leak extortion attacks, as they likely see them as willing to pay ransoms to prevent costly data leaks. Japan, meanwhile, published a draft cyber security strategy in late September that names China, Russia and North Korea as cyber threats. Tokyo will collaborate further with allies in issuing public attributions for state-linked malicious cyber activity. Elsewhere, Singapore updated its national cybersecurity strategy this month in consultation with industry and local and international experts to take a more proactive stance to address cyber threats. In Europe, Germany adopted a refreshed cybersecurity strategy for the year ahead and announced the opening of a the German National Coordination Center for Cybersecurity in Industry, Technology and Research.

American Moves

The powers that be in Washington also have new plans to fight ransomware operators and other bad actors online, in addition to facilitating global cybersecurity collaboration. On Capitol Hill, cybersecurity is proving to be a rare bipartisan issue. The Senate Homeland Security and Governmental Affairs Committee is working on a bill that would mandate reporting on cyberattacks from companies and government agencies. Businesses with more than 50 employees, including nonprofits, along with state and local governments would have to notify the federal government within 24 hours if they make a ransom payment following a ransomware attack. Senior Biden administration officials have recently signaled approval of this legislation, which was introduced in late September, because more accurate, and timely incident reporting will help provide swifter assistance and enable long-term cross-sectoral analysis of the ransomware scourge.

The US Commerce Department is doing its part to combat cyberattacks with the proposal of a rule that outlaws the sale of hacking software and equipment to China and Russia, as well as

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New Cybersecurity Initiatives Provide Glimmer of Hope Against Ransomware

other countries of concern, without a government approved export license. Meanwhile, the US Justice Department announced in early October that it will sue government contractors and other companies that receive federal government grants if they fail to report breaches in a timely fashion. This follows a Transportation Security Administration (TSA) directive for American railroad and rail transit system operators to implement more stringent cybersecurity measure and hire a cybersecurity point person. The string of seemingly harsh government mandates and proposals are not intended to punish, but rather establish a more comprehensive, real-time data flow with crucial information about the latest ransomware and other cyber threats. That was made clear when the Biden administration's cyber czar recently highlighted how government and industry can work together dramatically improve the US cybersecurity.

Outlook

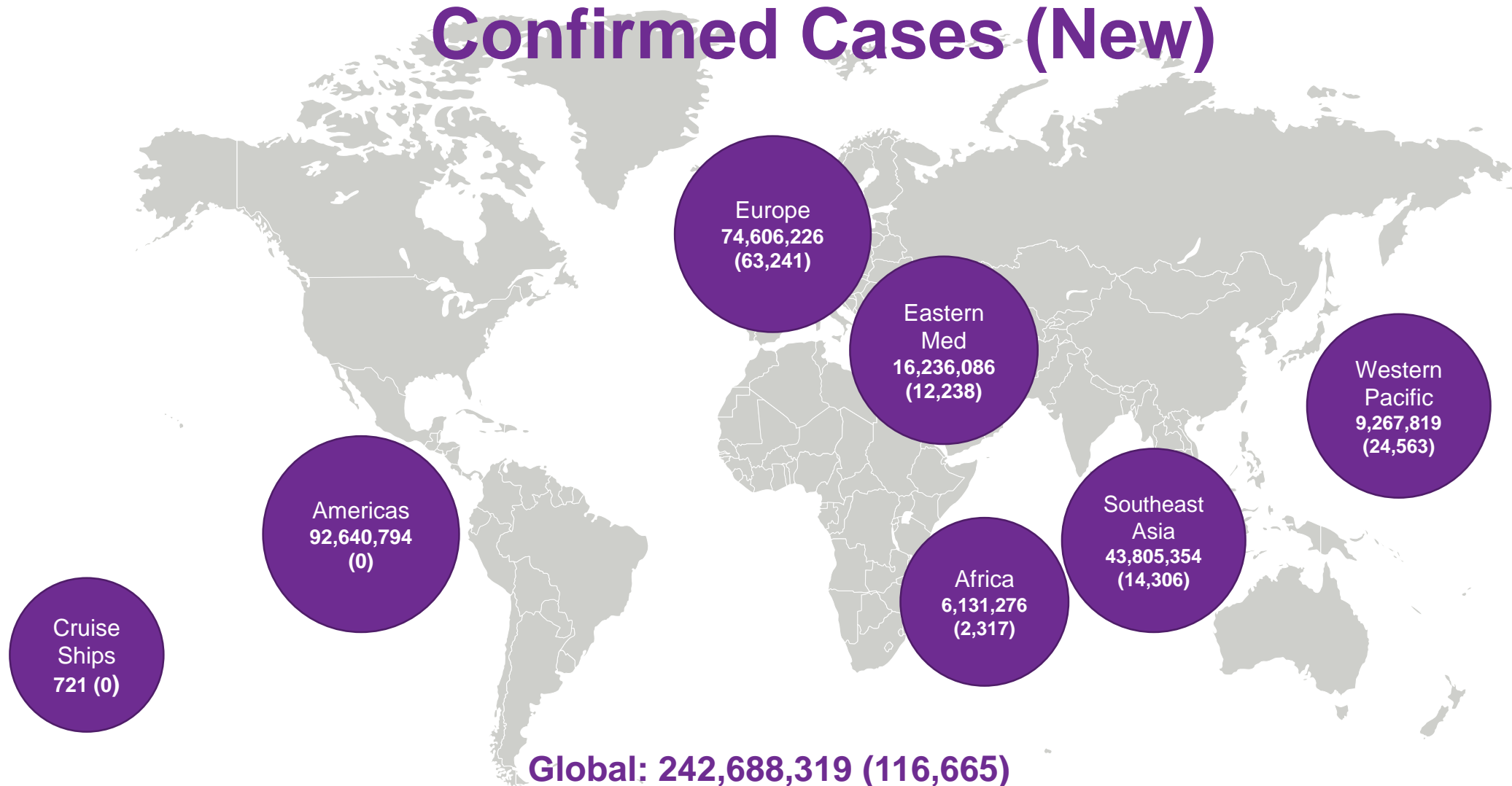
Positive results are already emerging from closer coordination among cybersecurity allies with news last week that the REvil

ransomware group was taken down by a multi-country operation. The infamous Russian-led criminal gang responsible for the cyberattack on the Colonial Pipeline was knocked offline by a team of like-minded nations, with a foreign partner of the US reportedly carrying out the hacking operation that penetrated its computer architecture. New national initiatives and the formulation of universal cybersecurity standards for countries, big and small, will also help strengthen defenses worldwide. Of course, for every recent cybersecurity success there is also a setback: hackers affiliated with nation-states recently breached the servers of PC maker Acer in India and Taiwan, and there are also reports that cybercriminals with a similar nation-state allegiance have infiltrated mobile networks around the world to access text messages and call records. The onslaught of cyberattacks is a constant nowadays for businesses and governments and, as such, the only logical course of action is greater public-private collaboration, cooperation and coordination.

Coronavirus Condition Updates

As of 10:07 am CEST on October 25, 2021

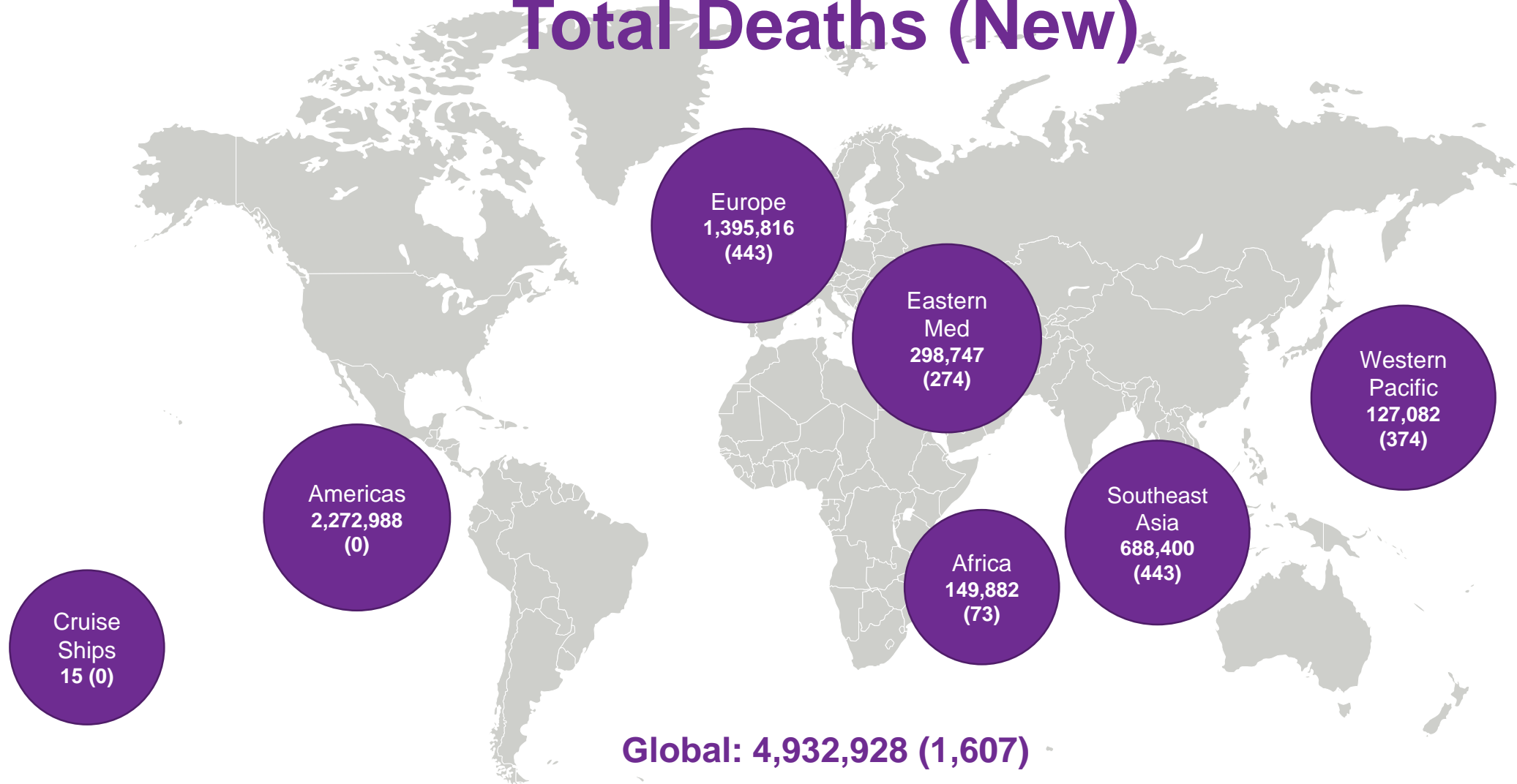
Confirmed Cases (New)



Reflects data as of 10:07 am CEST on October 25, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 10:07 am CEST on October 25, 2021
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.

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