



Global Legal News

Produced by Early Morning Media

*A media round-up of news, views
and comment pertaining to global law*

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NORTH AMERICA

Commitment to False Claims Act urged

Lawyers, academics and public interest groups representing whistleblowers want outgoing U.S. Senate Judiciary Committee Chairman Chuck Grassley to ensure protection of the False Claims Act (FCA). The FCA, which offers a bounty to private whistleblowers who file fraud suits on behalf of the U.S., is one of the Iowa Republican's signature pieces of legislation. The whistleblower advocates were making their voice heard ahead of Attorney General nominee William Barr coming before the Senate in confirmation hearings. Mr. Barr had previously described the FCA as an unconstitutional "abomination" - although on January 15th he said he will "diligently enforce" the law.

Reuters

U.S. negotiators seek to protect intellectual property

Negotiators in the U.S. have said they pushed Chinese officials to implement structural reforms aimed at preventing Chinese firms from stealing U.S. technology, during three days of trade talks. Scott Kennedy, senior adviser for China at the Center for Strategic and International Studies, noted: "You've got strong desire to develop technology, you've got a very poor domestic innovation system and you have a large, attractive domestic market . . . You've got to break one of those three things to fundamentally change the landscape." Mr. Kennedy and others believe there are specific actions that U.S. firms can take to halt intellectual property theft from Chinese companies.

[Wall Street Journal](#)

Google employees want to end forced arbitration employment agreements

A group of Google employees has launched a social media blitz on Twitter and Instagram in a bid to heighten public awareness about forced arbitration. Stories and facts about forced arbitration, as well as interviews with sexual harassment and assault survivors, will be shared. A month ago, the same group of 35 employees came together to demand Google end forced arbitration as it relates to any case of discrimination. "Ending forced arbitration is the gateway change needed to transparently address inequity in the workplace," a statement from the group said.

[Recode](#) [Business Insider](#)

Insider trading proves hard to resist

Trading on confidential information remains a focus for the Department of Justice and the Securities and Exchange Commission despite a decade of criminal enforcement and jail terms for those who are prosecuted. The *New York Times* reports on four insider trading cases in December and notes the difficulty for government of showing a defendant used inside information, even if it can prove the person knew it.

[New York Times](#)

Law firms appointing chief innovation officers

An increasing number of law firms are appointing chief innovation officers (CINOs) to help with the adoption of the latest legal technology. Experts believe demand will grow as AI continues to become more integrated into legal tech. Mark Yacano, global practice leader for managed legal services with the legal consulting firm Major, Lindsey & Africa, claims the role of a CINO will “soon will become mission critical for the legal industry.”

[Bloomberg Law](#)

Blockchain smart contracts will make legal services more affordable

Rocket Lawyer and LegalZoom, the two biggest players in mainstream U.S. online legal services, are experimenting with blockchain smart contracts as a way to make legal services cheaper and easier to use. LegalZoom has begun working on smart contract technology in collaboration with a startup called Clause. Meanwhile Rocket Lawyer’s mission is to use technology to expand “access to justice,” according to its CEO Charley Moore. He says: “We are not releasing any sort of a product that would require our users to be knowledgeable about cryptocurrency. That’s just not the kind of user we serve.”

[MIT Technology Review](#)

Patent lawyers working to calm U.S. Brexit fears

Julia Florence, president at the Chartered Institute of Patent Attorneys (CIPA) and a former patent lawyer at pharmaceutical giant GSK, is joining a series of Brexit roadshows in the U.S. from April to drive home the message that their work will be unaffected by Brexit - whatever the outcome. "Our key message to our U.S. colleagues, for whom we conduct much European work, will be that, because the European Patent Office is not an EU institution, our work for them in Europe can continue unaffected," Florence said.

[Law Society Gazette](#)

Crisis group chief questions safety of sending staff to China

Robert Malley, chief executive of the International Crisis Group, a conflict resolution NGO, has told the *FT* that organisations should now think twice before sending staff to China. Michael Kovrig, an employee with the ICG and former Canadian diplomat, has been detained while visiting Beijing amid a dispute centring on Canada's arrest of a Chinese executive at the request of the United States.

[Financial Times](#) [CBS News](#)

More people are victim of scams

New analysis of data suggests more people in the U.S. are becoming victim to scams. The Better Business Bureau has said that as fraud becomes more complex, even recognizing its signs has become increasingly difficult. Studies from the Finra Foundation, WISE Senior Services of Los Angeles and AARP Washington State have also shown that victims of investment scams are often better educated, wealthier and more experienced with investing than non-victims.

[Wall Street Journal](#)

EUROPE

SARs hit record high

The UK National Crime Agency (NCA) received a record number of suspicious activity reports (SARs) flagging potential money laundering, terrorist financing, and other activity last year. The agency said the number of allegations hit 463,938 - an increase of almost 10% on 2017. There was a 20% rise to 22,196 in cases linked to potential money laundering and there were 40 arrests in 28 inquiries. The NCA said that interventions had stopped £52m being flushed through the UK. The *Times* points out that lawyers, accountants and tax advisers made only 1.68% of the total reports, leading Ava Lee, an anti-corruption campaigner at Global Witness to comment: "Despite the fact that the UK as a whole appears to slowly be waking up to the scale of its dirty money problem, lawyers and accountants - the gatekeepers of the financial system - are asleep on the job." Accountants filed about 5,000 of all reports up 13% from the previous year, while legal professionals filed 2,660, down 12%.

Financial Times The Times Wall Street Journal

New laws on crypto may be needed

The European Banking Authority (EBA) has raised the possibility of pan-European regulation of crypto assets and tokens, saying it may be needed to "level the playing field." Publishing a report into crypto assets such as bitcoin, the EBA found that "a significant portion of activities involving crypto-assets do not fall within the scope of current EU financial services law (but may fall within the scope of national laws)." As a result, there is the possibility of regulatory divergence between members of the EU. The EBA noted that that there is currently "a relatively low level of crypto-asset activity" across EU-based financial institutions and said crypto "does not appear to give rise to implications for financial stability."

Financial Times The Daily Telegraph

Quarter of directors exposed to legal threat

Research by insurer QBE reveals one in four company directors has been subjected to at least one legal action from employees, shareholders, or regulators. The survey of 2,500 senior executives in Britain, Spain, Italy and France also revealed that a third of them felt that they were becoming more vulnerable owing to the increasing risks and responsibilities of their roles. About a third of bosses said that regulators, staff, and other stakeholders were increasingly likely to want to hold them to account for decisions made on their watch, particularly in relation to cybersecurity, political or regulatory issues, and competition decisions. Compliance with GDPR and the risk of a cyber-attack were most commonly cited in the survey as business issues that could lead to a legal claim.

The Times

ECJ: Google should be able to limit 'right to be forgotten'

Search engines such as Google should be allowed to limit user requests to delete outdated or irrelevant search results to just those existing within the European Union, a non-binding preliminary opinion in the European Court of Justice has found. France's CNIL data regulator has argued that the right to be forgotten should apply to the entirety of Google's search engine, not just the separate versions created for countries in Europe, as Google itself argues. Advocate General Maciej Szpunar told the European Court of Justice that EU law "should limit the scope of the de-referencing that search engine operators are required to carry out, to the EU." Richard Cumbley, global head of technology at Linklaters, said a worldwide extension of the law risked allowing other states to try and suppress search results and affect people's right to access information.

France 24 The Daily Telegraph City AM

France to put Danske Bank back under investigation

Danske Bank has been told it will be formally investigated by a French judge examining its €200bn (\$290bn) money laundering scandal, following a complaint from a prominent campaigner against Russian corruption. Meanwhile, the Copenhagen headquartered bank and four former executives are being sued by a New York pension fund that accuses it of lying to investors and failing to stop money laundering at its Estonian branch. Deutsche

Bank has launched a second investigation into its role in the money-laundering scandal at the Estonian branch of Danske Bank.

[Wall Street Journal](#) [Financial Times](#) [Copenhagen Post](#) [Financial Times](#)

German politicians hacked

One of the biggest hacks in German history has seen the private data of hundreds of politicians and public figures released online. Data including private emails, telephone numbers and photos was released via a Twitter account, with Angela Merkel among those with information shared. The German Federal Office for IT Security said it was “intensively examining the case in close cooperation with other federal authorities,” adding that there is currently “no risk to government networks.”

[Deutsche Welle](#) [The Daily Telegraph](#)

Former Deutsche Börse boss settles insider trading case

The former chief executive of the German stock exchange has paid almost €5m to settle allegations of insider trading. Frankfurt prosecutors had been investigating Carsten Kengeter since 2016 after he bought Deutsche Börse shares worth €4.5m two months before the exchange said that it was in talks to combine with its London equivalent.

[The Times](#) [Financial Times](#)

Biomass loan sees lawsuit brought against European Investment Bank

A suit is being brought against the European Investment Bank (EIB) by not-for-profit environmental advocacy group ClientEarth, over a Spanish loan that lawyers contend will damage the environment. The loan for as much as €60m to build a biomass power plant in Galicia, northern Spain was considered economically, financially, technically and environmentally sound, according to an EIB spokesperson.

[Bloomberg](#) [Luxembourg Times](#)

Protest over Hungarian law

Thousands of protestors took to the streets of Budapest on the first Saturday of the New Year in a demonstration against a new law that allows employers to ask staff to work up to 400 hours per year of overtime. The protest, organised by opposition parties, trade unions and civic groups, says the "slave law" could add two hours to an average work day.

[The Sunday Telegraph](#) [Budapest Business Journal](#)

Swiss proposals to change whistleblower laws come under fire

Anti-corruption campaigners have warned that plans by the Swiss government to update laws on whistleblowers will fail to provide sufficient protection for employees keen to expose wrongdoing.

[Financial Times](#)

Ethnic discrimination is rife in Irish workplace, says report

A report for the Irish Human Rights and Equality Commission suggests black Irish, black non-Irish and Asian Irish employees experience greater levels of workplace discrimination than their white Irish peers.

[Silicon Republic](#)

AFRICA

Credit Suisse pledges cooperation in Mozambique fraud probe

Credit Suisse has pledged to cooperate with a US investigation into a \$2bn fraud which saw three former employees arrested. Charges filed in the US claim the suspects helped officials in Mozambique secure dubious loans, with Mozambique's former finance minister Manuel Chang also facing charges. The bank said the suspects "sought to hide these activities from the bank."

LATIN AMERICA

Brazilian President loosens gun laws

President Jair Bolsonaro has signed a decree making it easier for many Brazilians to own firearms. "The people decided in favour of buying guns and ammunition and we can't deny what the people wanted at that moment," Mr. Bolsonaro said, referring to a 2005 referendum in which Brazilians voted against banning the manufacturing and selling of guns. Last year, nearly 64,000 Brazilian citizens were killed, the majority being the victims of firearms.

[ABC News](#) [The Globe Post](#)

El Chapo 'paid \$100m bribe' to former Mexican president

Former Mexican President Enrique Peña Nieto accepted a \$100m bribe from drug cartel kingpin Joaquín "El Chapo" Guzmán, a witness has testified. Alex Cifuentes, who says he was a close associate of Guzmán for years, told a New York City courtroom that he had told authorities of the bribe in 2016. Guzmán is accused of being behind the Sinaloa drug cartel, which prosecutors say was the largest US drug supplier. Mr Peña Nieto served as the president of Mexico from 2012 to 2018.

[Fox News](#) [BBC News](#) [Mitú](#)

MIDDLE EAST

Barclays facing legal fees bill of £30m

Barclays has agreed to cover the legal fees of four ex-bosses charged with fraud in relation to the bank's bailout deal with Qatari investors, in a move that will cost the bank £30m. Barclays is reportedly paying the bill because the former executives faced legal proceedings during the course of their jobs. Top barristers have been called in to defend them while DLA Piper and Herbert Smith Freehills have also been appointed.

[The Daily Telegraph](#)

Kuwaiti fund sues Man Group

Kuwait's Public Institution for Social Security (PIFSS) has said that it has filed a lawsuit against Man Group and its subsidiaries. The pension fund is seeking \$156m in compensation relating to secret contracts between a former PIFSS executive and Man Group between 1996 and 2013. Man Group has said it will robustly defend any proceedings.

[Gulf Business](#) [Financial Times](#)

Saudi women to receive divorce texts

Saudi women are to receive text messages from courts notifying them they are being divorced, ending the practice of husbands leaving them in secret. Women will, however, still have no rights to contest the action. Sheikh Waleed bin Mohammed al Samaani, the Saudi justice minister, said notifying women of the change to their legal status would bring transparency to the system.

[The Times](#) [The National](#) [Aljazeera](#)

ASIA-PACIFIC

Pressure builds on Huawei

The U.S. federal pursuit of theft charges against Huawei is the second recent case where prosecutors have built criminal allegations on civil litigation adding pressure on the Chinese

tech giant Huawei in the fight against China's alleged encroachment on intellectual property. The *Wall Street Journal* nevertheless notes that a verdict isn't guaranteed where federal prosecutors pursue criminal claims on the back of civil litigation. Separately, the UK's University of Oxford has suspended new donations and sponsorships from the Chinese company. In a statement, Oxford University said: "The decision has been taken in the light of public concerns raised in recent months surrounding UK partnerships with Huawei." It added that it hoped those matters could be resolved shortly.

[Wall Street Journal](#) [BBC News](#) [The Daily Telegraph](#) [The Guardian](#)

Detained Ghosn offers to wear ankle tag

Former Nissan chairman Carlos Ghosn has offered to wear an ankle tag if he is granted bail by Tokyo prosecutors. Mr Ghosn has been in detention since he was arrested on November 19th following allegations that he underreported his income by tens of millions of dollars and transferred personal investment losses to the auto maker. The Tokyo district court has already turned down one bail request, believing Mr Ghosn to be a flight risk who could tamper with evidence.

[Kyodo News Plus](#) [The Guardian](#) [Forbes](#)

Malaysia seeks \$7.5bn from Goldman Sachs

Malaysia will consider dropping criminal charges against Goldman Sachs over the 1MDB scandal if the bank pays \$7.5bn in compensation. Dismissing an apology from Goldman's CEO David Solomon, Malaysia's finance minister Lim Guan Eng said that only "repatriation and compensation" would suffice.

[Financial Times](#) [New Straits Times](#) [HITC](#) [The Times](#)

New China rules for blockchain-related companies

Beijing is introducing new anti-anonymity rules for blockchain-related companies. The guidelines from the Cyberspace Administration of China, which will come into force on February 15th, will require blockchain start-ups to allow authorities access to stored data, and to introduce registry procedures that would require ID card or mobile numbers from its users. They will be obliged to oversee content and censor information that is prohibited under current Chinese law.

[Coin Telegraph](#)

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