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ACICE Monthly Digest

A monthly round-up of significant news around the world



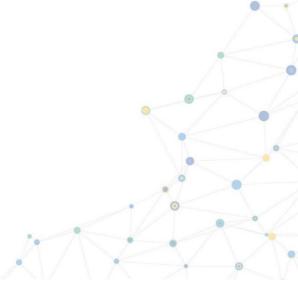
Blockchain Technology and Cryptocurrency

How blockchain technology and cryptocurrency have been used to bypass regulations

- Cryptocurrencies such as Bitcoin have emerged as an alternative to traditional currencies due to its anonymising features. In fact, there has been an accelerated growth in the legitimate and illicit use of cryptocurrency of late, which some have attributed to the crisis in Ukraine.
- For instance, the Ukrainian government had received USD 106 million worth of crypto donations to support its army to date more than the initial value of humanitarian aid sent by the entire European Union (EU) to Ukraine.



- In addition, cryptocurrency related-crime hit a five-year high in 2021. Some have alleged that cryptocurrencies have allowed pariah states and illicit actors to bypass sanctions regimes and anti-money laundering efforts.
- That said, Bitcoin and related cryptocurrencies that run on blockchain technology are not entirely anonymous. The identities of users are still traceable although it will require significant effort.
- As law enforcement officials and states tighten their regulations and step up efforts to trace illicit users of cryptocurrencies, those who seek to evade detection will turn to privacy-preserving coins. Privacy-preserving coins such as Monero and Zcash have emerged, offering no linkages between crypto wallets and the users.
- States and enforcement agencies will have to closely monitor the latest trends and adapt their strategies to overcome new challenges.



Humanitarian Assistance and Disaster Relief

How the scarcity of climate data costs lives

• Climate change has resulted in increasingly volatile climate patterns and a higher frequency of natural disasters. This has adversely impacted the income and sustenance of people who depend on the environment for their livelihood.



• Having access to sufficient historical climate data and better technology will provide an accurate picture of climate patterns over a longer period. This will help people, businesses and governments anticipate change, make plans and adapt their strategies. For instance, governments could better prepare for natural disasters, and create long-term policies to adapt to climate change.

- However, due to factors including inadequate funding, poor datasharing between countries, and conflict, few countries have access to such information and technology. According to the UN's World Meteorological Organisation (WMO), more than half of the world's countries do not have basic water information services to gather and analyse water data to reduce flooding and better manage their water resources.
- This challenge is more acute in developing countries, which do not have the resources to invest in disaster-resilient infrastructure and technology such as hazard warning systems and risk modelling.
- There are ongoing efforts to address this issue. The Systematic Observations Financing Facility, a UN Multi-Partner Trust Fund backed by the WMO, UN Development Programme and UN Environment Programme, hopes to support developing countries by providing them with data and resources to access these technologies and build climate resilience.

Terrorism

Update On Terrorism In Southeast Asia

- The Armed Forces of the Philippines (AFP) has identified Faharudin Benito Hadji **Satar** as the new emir for ISIS-East Asia (ISIS-EA). Satar is also known as Abu Bakar, Abu Omar, Jer Mimbantas, or Abu Zacharia.
- Satar is also the leader of the Maute Group, a pro-ISIS militant group in the southern Philippines, and was involved in the 2017 Marawi siege. The previous ISIS-EA emirs, Hassan Salahuddin and Asim Karinda, were killed in military operations conducted by AFP in Oct 2021 and Dec 2021 respectively.
- Satar has been reported to be aggressively recruiting and potentially planning an alliance between the Maute Group and the Bangsamoro Islamic Freedom Fighters (BIFF), which could strengthen the pro-ISIS groups in the region.
- Under Satar, the Maute Group has also started targeting critical infrastructure, a tactic aligned with ISIS' "Economic War" strategy and used commonly by pro-ISIS groups in other regions.

How the Ukraine crisis has fuelled right-wing extremism

- Amidst the ongoing Russia-Ukraine conflict, there are growing fears that some state actors could use far-right groups in Europe and the US to destabilise governments.
- These far-right groups include neo-Nazi extremist groups, such as Alternative for Deutschland (AfD) and Proud Boys. Some research point to an intimate political connection between several European far-right organisations and external state actors, with extensive policy coordination and funding.
- Some of these far-right groups may be prompted or encouraged by the ongoing conflict in Ukraine to take actions against ethnic minorities or groups that are ideologically opposed to them. These could sow discord within societies and bring instability and insecurity to specific communities. For instance, there had been reports of daily attacks on ethnic minorities by far-right extremists in Germany, such as a recent attack conducted by a 55 year old far-right extremist, firing three rounds at a place of worship adjacent to his apartment.
- In response, preparations are ongoing to better protect these communities. In Germany, there has been an attitude shift by the recently elected government, as they have taken a more serious and proactive approach in dealing with the issue. Recently, a German court had ruled that AfD could be classified as a "suspected threat to democracy", allowing the German government to monitor AfD's communications.

Maritime Security

Shipping is falling short in cyber preparedness

- The shipping industry has increasingly been relying on technology to digitise and automate its processes, such as the use online applications to keep vessels and cargo moving. However, the industry's poor levels of cybersecurity leave them vulnerable to cyber-attacks by malicious threat actors.
- Cyber-attacks on the shipping industry can cause operations to come to a standstill, leading to major disruptions and significant financial losses. For instance, AP Moller-Maersk, a Danish shipping company, was hit by the NotPetya malware attack of 2017, causing an outage of its systems that cost them hundreds of millions of dollars and unwanted reputational damage.
- Notably, in the 2021 edition of the Global Maritime Issues Monitor, a survey that tracks attitudes on critical issues facing the maritime industry, cyber-related issues ranked third in the likelihood of issues occurring within the next ten years, behind new environmental regulations and decarbonisation.
- The International Maritime Organisation has introduced its first set of comprehensive cyber-security recommendations, as part of efforts to create awareness and guidelines for best practices.
- However, observers have said that these recommendations are insufficient because industry personnel are not aware of their company's cyber-security practices, nor were they receiving any basic cybersecurity training.

Annex

Sources

Blockchain Technology and Cryptocurrency

- How the crisis in Ukraine could accelerate the growth of the crypto sector
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