

Dentons Flashpoint

Global Situation Report

September 30, 2022

Global Situation Update: September 30, 2022

KEY TAKEAWAYS

Russian President Putin prepares to annex Ukrainian territory, escalating the conflict with the West.

NATO formally blames Russia for pipeline attack, saying attacks on its members' infrastructure would be met with a collective NATO response.

The ECB and US Federal Reserve signal more interest rate hikes are in the offing.

Global Situation Update: September 30, 2022

WHAT WE'RE WATCHING

Brazilians will vote in consequential presidential and legislative elections this weekend. Many polls predict that left-wing candidate and former president Luiz Inácio Lula da Silva (2003-10) will defeat incumbent President Bolsonaro. If neither receives more than 50 percent of valid votes, a runoff election will take place on 30 October.

Bolsonaro will have insufficient domestic and international support to successfully challenge the election results, but after the vote his behavior could spur isolated acts of political violence and legal artifice. Companies will likely remain exposed to political and institutional instability at least until the change in government in January 2023.



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

Global

Russian President Vladimir Putin will host a Kremlin ceremony today annexing four regions of Ukraine. The UN General Secretary warned that annexation would mark a "*dangerous escalation*" that would jeopardize the prospects for peace in the region.

- Ukraine's president Zelensky pledged a "*tough*" military response to **Russia's annexation effort**. Russian officials have warned that any attack on those still-contested territories, where fighting is on-going, would be considered an attack on Russia itself.
- The US announced a **\$1.1 billion weapons package** to Ukraine, including 18 High Mobility Artillery Rocket System (HIMARS) launchers. Nearly 20 other nations had also agreed to accelerate arms production to replace Ukraine's Soviet-era equipment with modern systems used by NATO.
- Western governments and Russia traded accusations over responsibility for Tuesday's **attack on the Nord Stream pipelines** running under the Baltic Sea. NATO formally blamed Russia and said attacks on its members' infrastructure would be met with a collective response from the military alliance. The pipeline attacks took place in the waters of Sweden and NATO member Denmark.
- The US is pushing for a vote today at the UN Security Council on a resolution condemning **Russia's annexation plans** of Ukrainian territory, in an effort to push past fence-sitters who abstained on Russia's actions to vote in accordance with the principles of the UN Charter which prohibit acquisition of territory by force.

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

Markets & Business

Global M&A shrank for the third consecutive quarter as rising interest rates forced lenders to pull back from financing large deals, with third-quarter activity dropping 54 percent to \$716.62 billion from \$1.56 trillion in the same period last year, per Dealogic data.

- A federal judge dismissed two antitrust lawsuits accusing **Amazon.com** and five large publishers of illegally conspiring to fix US prices of electronic and traditional books, causing consumers and bookstores to pay more.
- The US Securities and Exchange Commission fined the Chinese affiliate of **Deloitte** \$20 million for letting some clients, including foreign companies listed on US exchanges, conduct their own audit work.
- **Google** conceded defeat in its attempt to remake the gaming industry around the cloud, planning to shut down its Stadia games streaming service early next year.
- Facebook parent **Meta Platforms Inc.** has told employees that it will be implementing a hiring freeze and will be taking more steps to reduce the company's costs.
- The US convened the first meeting of a working group of East Asian countries to discuss how to strengthen the **semiconductor supply chain**, after a two-year global chip shortage.

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

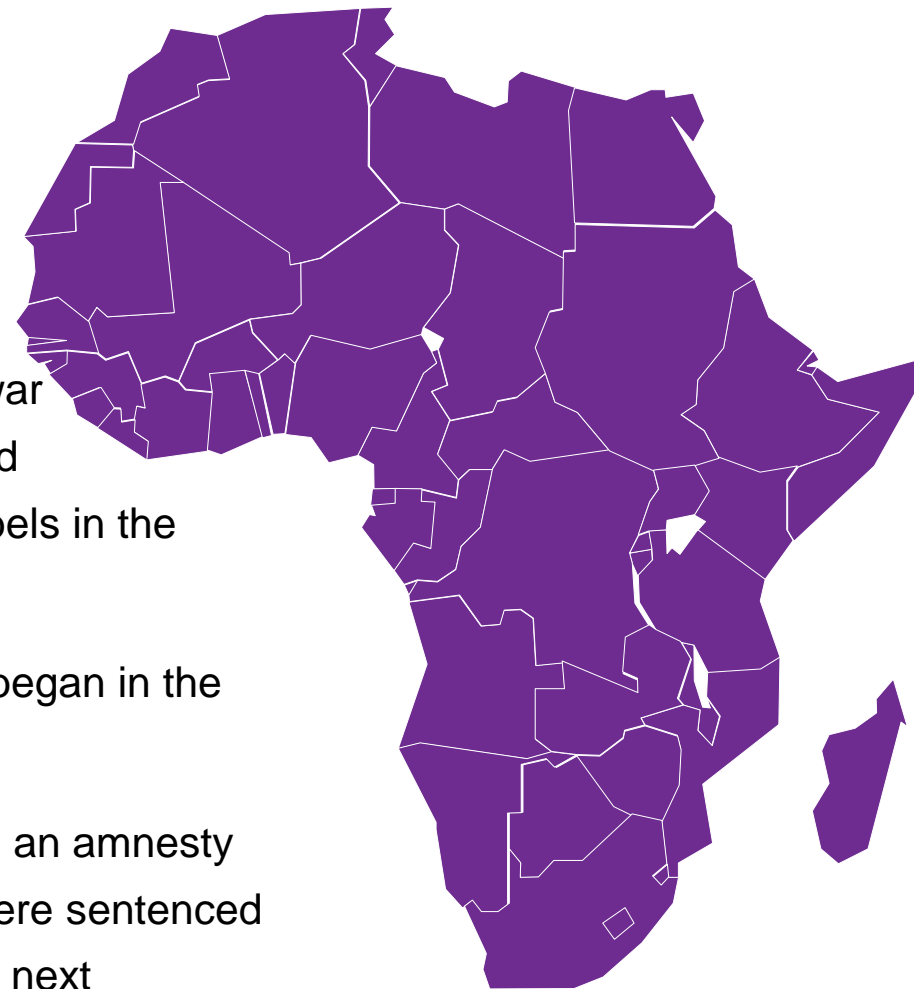
Environment, Sustainability & Governance

The damage to the Nord Stream pipelines could result in the largest-ever single release of methane into the atmosphere.

- The European Commission proposed rules making it easier for individuals and companies to **sue makers of drones, robots and other products equipped with artificial intelligence software** for compensation for harm.
- The Federal Reserve announced that six of the nation's largest banks would participate in a pilot **climate scenario analysis exercise** in 2023.
- In the US, New York state is banning the sale of new gasoline-powered vehicles by 2035, in a move to get more **electric vehicles** on the road.
- More big US companies have tied their **CEO pay to climate goals**, but few give executives much incentive to make significant emissions cuts, a new study shows.

Africa

- New satellite images show a military build-up in **Eritrea** along its border with **Ethiopia**, foreshadowing deeper involvement in the civil war there. Ethiopia's government-funded human rights commission alleged that security forces killed dozens of civilians following clashes with rebels in the country's Gambella region in June.
- The long-awaited trial of a top suspect in **Rwanda's** 1990s genocide began in the Hague, despite the suspect's decision to boycott from his jail cell.
- **Senegal's** President Macky Sall asked the justice ministry to look into an amnesty scheme that could allow two of his biggest political opponents, who were sentenced on graft charges, to regain their voting rights and potentially run in the next presidential election in 2024.
- **Mali** announced that it will not honor regional sanctions on **Guinea** in the wake of the country's military coup last year.



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

Asia

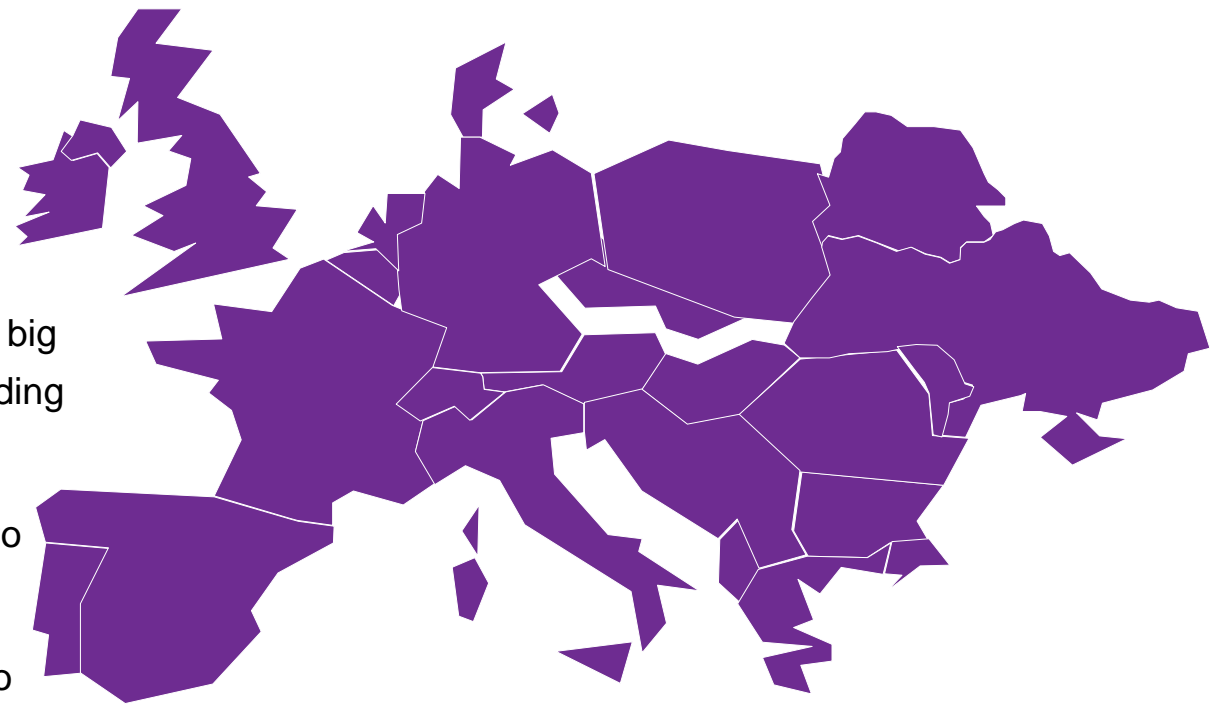
- Heirs of a late **Malaysian** sultan asked a Dutch court for permission to seize Malaysian assets in the **Netherlands**, seeking enforcement of a \$15 billion arbitration award granted to them against Malaysia's government.
- **Taiwan** will end its mandatory COVID-19 quarantine for arrivals from October 13 and welcome tourists back, completing a major step on its plan to re-open to the outside world.
- The **US** imposed sanctions on companies it accused of involvement in **Iran's** petrochemical and petroleum trade, including five based in **China**.
- **North Korea** fired two ballistic missiles from north of its capital, Pyongyang, late on Thursday in the direction of **US** Vice President Harris' flight from **South Korea**, the third such launch in five days. VP Harris toured the demilitarized zone between North and South Korea on Thursday, becoming the most senior Biden administration official to inspect the demarcation line during a four-day trip to Asia that has been dominated by Indo-Pacific security concerns.



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

Europe

- **European** Central Bank policymakers voiced support for another big interest rate hike as inflation in **Germany** hit double digits, exceeding expectations.
- The **UK** remains the only G7 economy that has failed to recover to pre-pandemic levels, according to revised official data.
- Thousands of people took to the streets in **France** on Thursday to demand higher wages to cope with inflation and to protest President Emmanuel Macron's plan to raise the country's retirement age.
- In a sign that the Kremlin is concerned about the criticism, **Russian** President Putin acknowledged on Thursday that "*mistakes*" had been made in calling up people who did not have military experience or who qualified for exemptions.
- **Finland** closed its border to **Russian** tourists, shutting off the last remaining direct land route to the **EU** for them as thousands of Russians seek to avoid conscription into the war in **Ukraine**. The almost 17,000 Russians who crossed the border into Finland during the weekend, represent an 80 percent rise from a week earlier.
- **Latvians** go to the polls on Saturday for parliamentary elections, which could widen a rift between the country's Latvian majority and its **Russian**-speaking minority over the latter's place in society. The **Ukraine** war has prompted efforts by Prime Minister Karins' center-right coalition government to impose limits on the use of the Russian language in public life.



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

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.

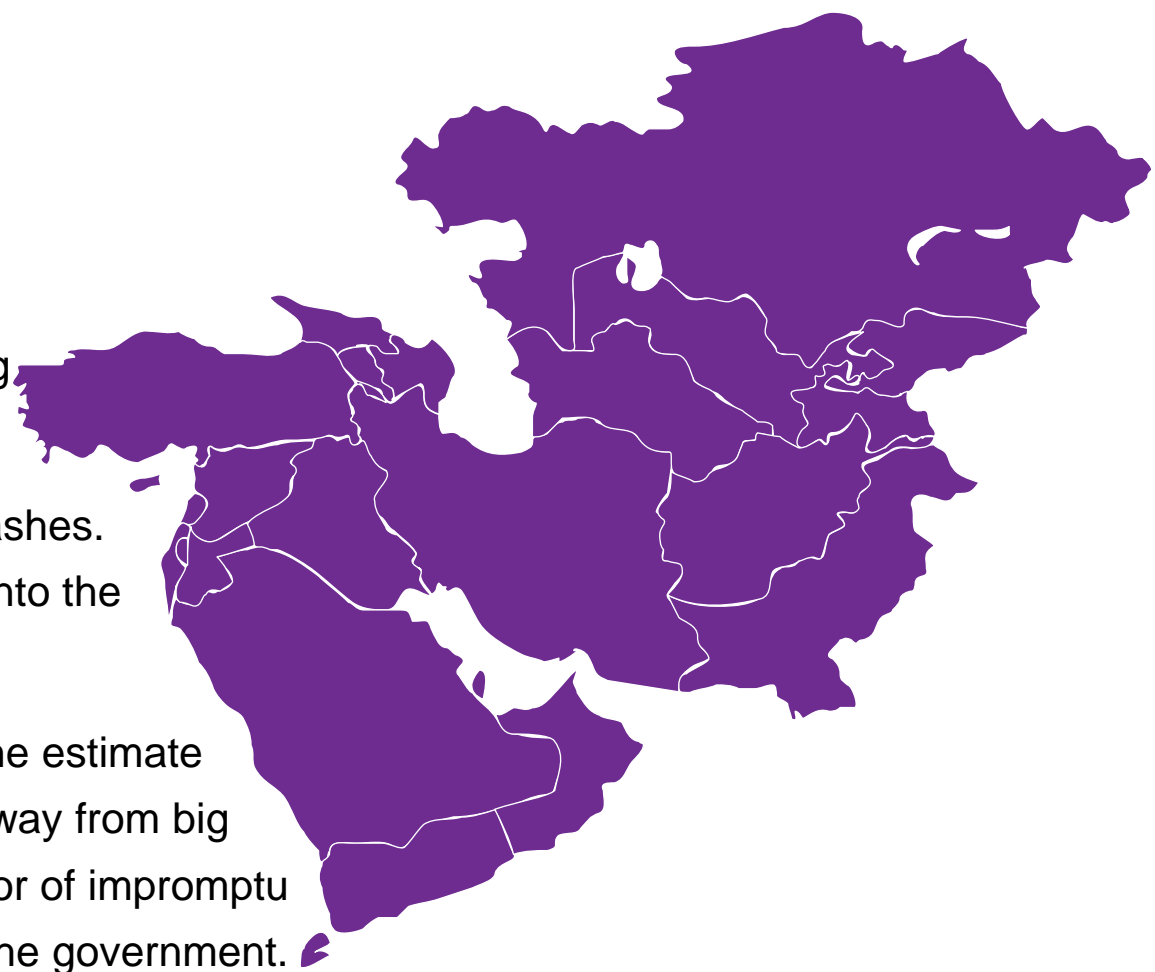
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ 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](#).

Middle East



- **Lebanon's** parliament failed to elect a new president, creating further roadblocks for solving the country's economic crisis.
- **Israeli** raids in the occupied Palestinian territories sparked clashes. The **US** and other countries called for an independent probe into the death of a Palestinian seven-year-old.
- Protests continued in **Iran**, and a local rights group updated the estimate of demonstrators killed to 83. Iranian protesters are moving away from big gatherings and street clashes with authorities in Tehran in favor of impromptu demonstrations and individual displays of resistance against the government.
- A suicide bomber targeted an education center on Friday in the **Afghan** capital of Kabul where students were taking practice university entrance exams, killing at least 20. The target was in the Dasht-i-Barchi neighborhood, which is predominantly populated by ethnic minority Hazaras, a mostly Shiite Muslim group.

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

Americas

- An estimated 239,000 homes and businesses were still without power in **Puerto Rico** on almost two weeks after Hurricane Fiona.
- **Cuba** had begun to progressively restore power to the capital Havana by early on Thursday, but much of the country remained without power following Hurricane Ian.
- **Brazilians** go to the polls on Sunday for presidential elections. Luiz Inácio Lula da Silva has taken a dominant lead, with polls suggesting the leftwing former leader is within the margin of error for a first-round victory.
- More environmentalists were killed in **Latin America** than any other region in the world last year, according to a report by advocacy group Global Witness.
- The IMF said on Wednesday agreed on \$293 million in new financing for **Barbados**, including \$183 million via the first disbursement from a new trust fund created to help vulnerable middle-income and island countries.



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

Americas: US

- President Biden declared a major disaster in Florida and pledged federal support after **Hurricane Ian** churned through the state, causing widespread damage and leaving millions of residents without power.
- The president of the Atlanta branch of the Federal Reserve has backed a fourth consecutive 0.75 percentage point **interest rate** rise at the next policy meeting in November, while urging the US central bank to be “*mindful*” of geopolitical and economic turbulence abroad.
- The Senate passed a bill to **fund federal government** activities through December 16, as Congress moved to stave off a partial government shutdown at midnight on Friday, when the new fiscal year begins.
- President Biden this week is welcoming to the White House for the first time more than a dozen **Pacific Island** leaders whose countries are receiving fresh attention and resources as China asserts its own influence in the region.



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

Organizations Face Cyber Workforce Staffing Challenges

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

There is a disconcerting shortage of qualified cybersecurity personnel to meet the security needs of organizations. Approximately 700,000 cybersecurity positions remain unfilled across America, while the total global cyber workforce shortage is estimated at 3.5 million people.

Among the foremost reasons why there are not enough skilled and experienced professionals to fill all open cybersecurity positions include a relatively small number of graduates, inadequate financial compensation, competition for recruitment, limited opportunity for advancement, work stress, and poor management support. The ability of companies to bridge the shortage gap will largely depend on their budgets and priorities and may rely on innovative approaches to ensure key data and business processes are properly protected.

Public and Private Problem

The current cyber workforce shortage is felt across both the public and private sectors worldwide. The US government is taking the issue seriously and actively developing a cyber workforce strategy

to help compete for candidates with its private sector counterparts. An official strategy was discussed at a recent cyber workforce summit and will strengthen implementation mechanisms to ensure that federal agencies can support their cybersecurity plans and meet their objectives. Washington is also improving skills-based pathways to cyber jobs, which will benefit both the government and the private sector.

Capable Cyber Workforce

A competent cyber workforce includes diverse positions of personnel who support the implementation, security, and daily operations of an enterprise network. Professionals should possess an array of capabilities and responsibilities to safeguard a large and integrated enterprise environment. They build architectures,

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

Organizations Face Cyber Workforce Staffing Challenges

monitor security centers, apply vulnerability patches, support helpdesk operations, provide training, disseminate threat information and intelligence, among other functions. Of course, organizations must make sure to prioritize regular education and training for cybersecurity professionals so that they are proficient with new technologies and techniques and aware of emerging threats.

Maintaining Morale

Organizations that already employ a capable cyber workforce should make sure to maintain morale among staff and simultaneously prepare them to confront future threats. A recent survey of cyber professionals by a leading information security association found that a majority believe the cyber skills gap has not improved in recent years, while nearly half perceive that the gap has only increased. If left unaddressed, this could lead IT leaders to feel unprepared to handle more advanced attacks.

Experienced cybersecurity personnel are at a premium and companies must prioritize the retention of top talent and assure them that more support is on the way. A recent report on filling key cybersecurity roles at companies found that 62 percent believe they

have understaffed cybersecurity teams, while one in five said that it took more than six months to hire a qualified professional. Burnout looms for cyber workforces with an excessive workload and an expectancy to be available around the clock, especially when they have to cover the lack of experience of other team members.

Way Ahead

Building and retaining a team of reliable and skilled cyber professionals requires a concerted effort by organizational leadership. Some approaches that might be helpful as they try to address the cyber workforce challenge include:

- Look to underrepresented communities for talent. Accelerating diversity in cybersecurity will ultimately enhance the ability of an organization to counter threats and women, for example, currently comprise only one quarter of the cyber workforce.
- Build cyber skills in-house through identifying potential candidates internally and investing in their training. This provides opportunities and advancement while supporting organizational needs.

Organizations Face Cyber Workforce Staffing Challenges

- Support existing talent by providing training and leadership opportunities that will help curb the potential for burnout and demonstrate a commitment to retaining experienced personnel.

Dentons offers business leaders a full complement of counselling and advice for cyber personnel management. Furthermore, Dentons offers regulatory and litigation services, and analysis and intelligence products, that can help clients to better understand fast-changing threat environments. Importantly, all interaction is attorney-client privileged. To learn more about the bespoke cyber intelligence and risk services from Dentons please contact us today.

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

Coronavirus Condition Updates

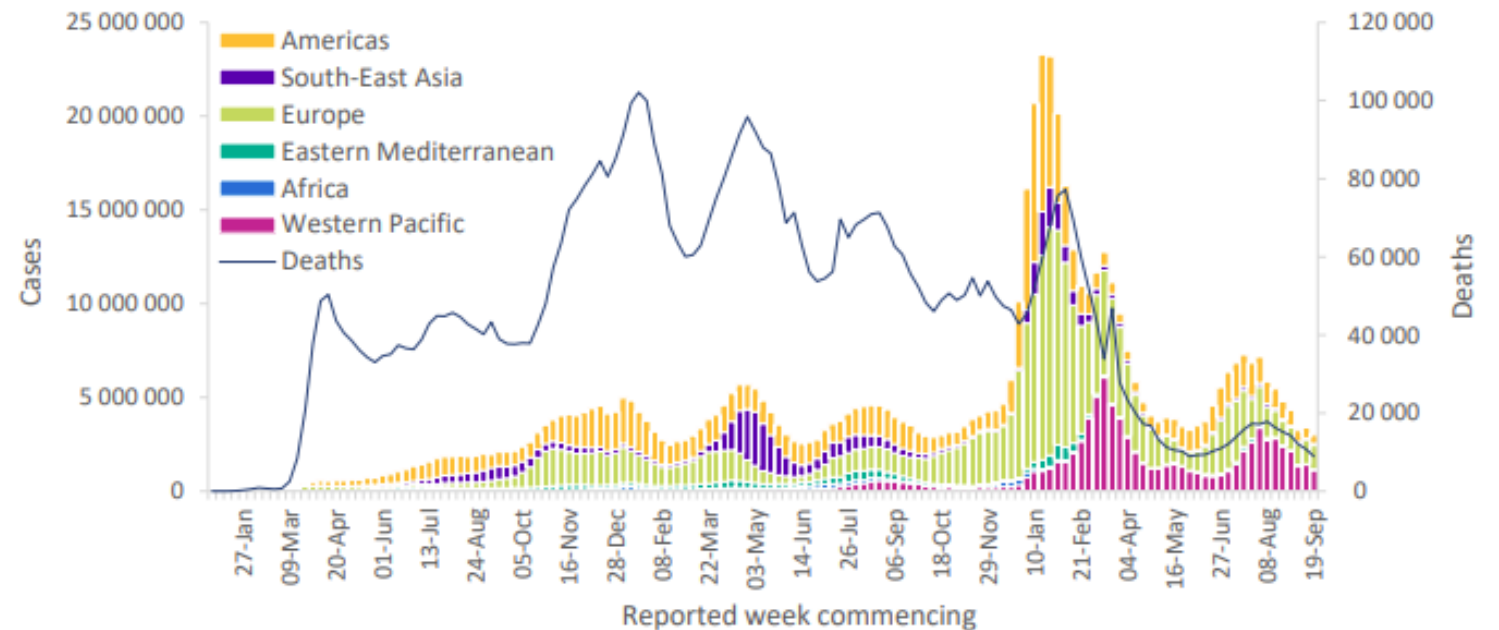
As of 6:29 pm CEST on September 29, 2022

Coronavirus Snapshot

Globally, confirmed coronavirus cases topped 613.9 million with 6.5 million deaths; more than 12.6 billion vaccine doses have been administered.

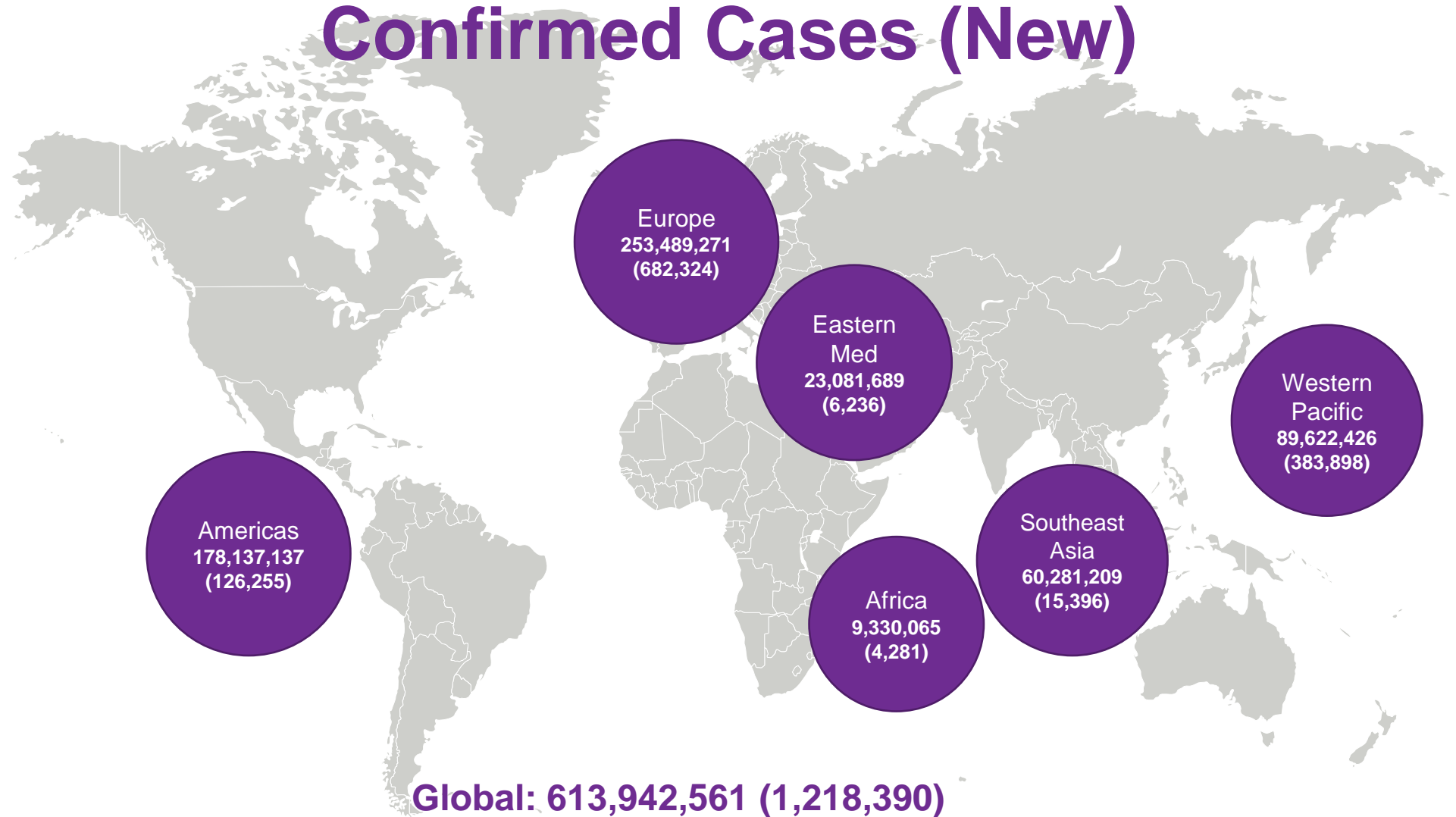
- Globally, the number of new weekly cases decreased by 11 percent during the week of 19 to 25 September 2022, as compared to the previous week, with over three million new cases reported.
- The number of new weekly deaths decreased by 18 percent, as compared to the previous week, with just over 8,900 fatalities reported.

Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 25 September 2022**



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

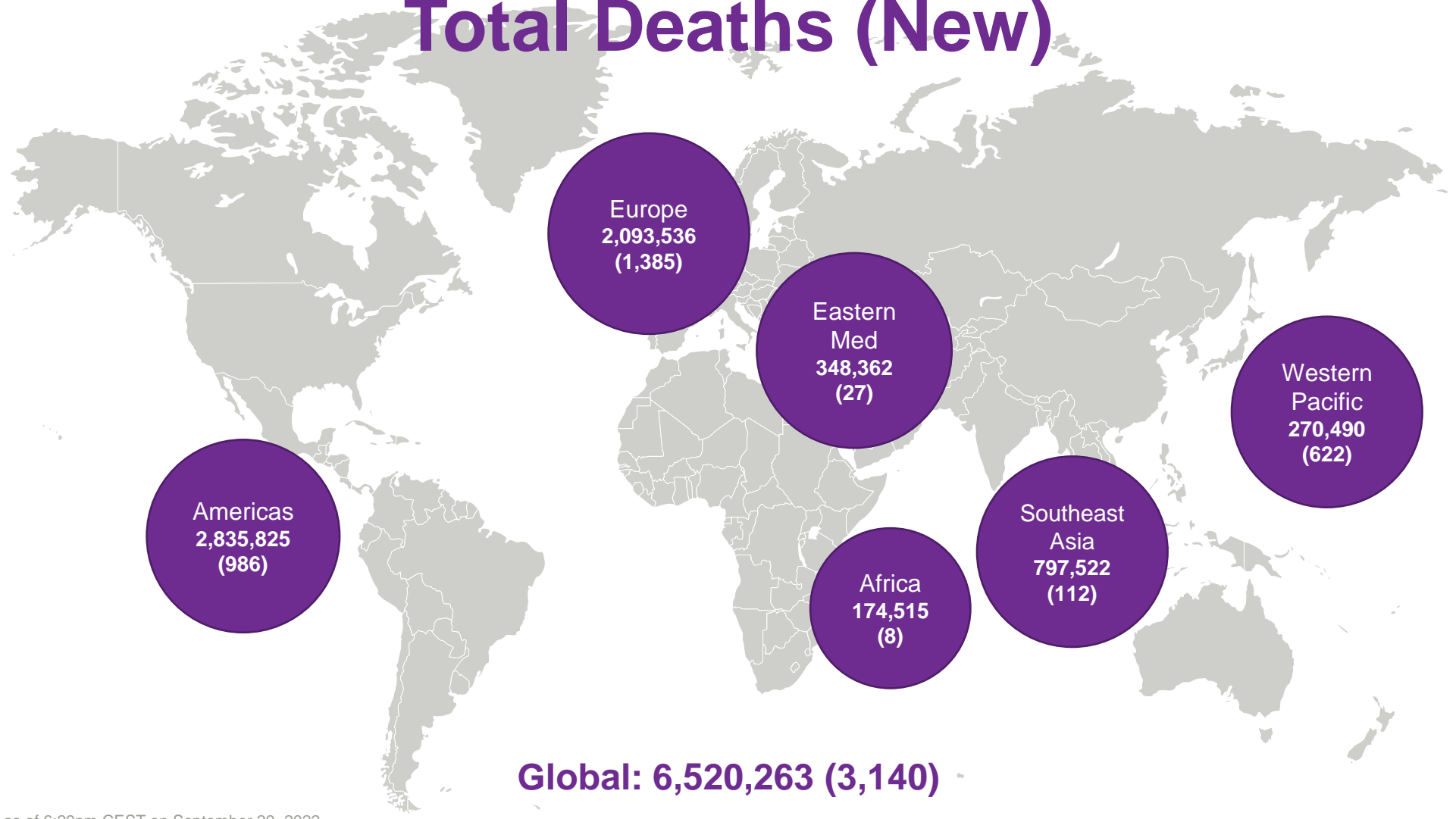
Confirmed Cases (New)



Reflects data as of 6:29pm CEST on September 29, 2022.
Data Source: World Health Organization

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

Total Deaths (New)



Reflects data as of 6:29pm CEST on September 29, 2022.
Data Source: World Health Organization

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

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