

Turkey's Halkbank facing fines for avoiding US sanctions case

Author:

Sun, 2020-01-26 00:27

JEDDAH: Turkey's state-owned Halkbank has failed to defend itself in court in New York amid charges related to Iranian sanctions.

The non-appearances have increased the penalties the bank could pay for violating US sanctions against Iran between 2012 to 2016.

The suggested fine is \$1 million for each day of absence during the first week of noncompliance, increasing to \$2 million per day in the following week, with fines reaching \$105 million after a month and \$1.8 billion after two months.

Halkbank – one of Turkey's largest lenders – is accused of being involved in a gold-for-oil scheme and transferring \$20 billion of restricted Iranian funds through the intermediaries of several senior ministers in the ruling Justice and Development Party.

A court in New York, which last year rejected the bank's appeal for the case to be dropped, is set to begin hearings about the case on Feb. 25.

Halkbank may also be restricted from acceding to the US financial system and dollar transactions if found guilty of violating sanctions.

The case has been contentious due to the tense relationship between Ankara and Washington.

The bank's senior executive, Hakan Atilla, was sentenced to 32 months in jail two years ago.

In October 2019, Atilla, former jailed banker and former executive of the bank, was selected to become the CEO of the Istanbul stock exchange.

The European Bank for Reconstruction and Development, the second-biggest shareholder, sold its 10 percent stake in the stock exchange allegedly because of Atilla's selection.

He was sentenced to prison in the US for helping Iran in evade sanctions in a multibillion-dollar scheme. He was then released and returned to Turkey in July 2019 after serving 28 months behind bars.

FASTFACT

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His appointment came a week after US prosecutors in New York filed fraud and money laundering charges against Halkbank.

Ibrahim Kahveci, a Turkish economist, said the Halkbank case became political because it was used as a stick by Washington during a period of difficult relations.

"If Halkbank faces huge penalties, then the bank can cancel all its SWIFT

operations. Foreign investors would avoid the bank and Turkey-based operators would not conduct operations through it. It would lead to short-term fluctuations in the economy,” he told Arab News.

Timothy Ash, an analyst at BlueBay Asset Management, told Arab News that the “US reaction seems to reflect the personal relationship between US President Donald Trump and Turkish President Recep Tayyip Erdogan. For some reason there is a ‘connection’ between the two leaders and Trump keeps blocking any sanctions on Turkey.”

He added: “Perhaps this case might be a little different in that the fine will be levied by the Southern District of New York (SDNY), which might be beyond the control of Trump.”



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Hundreds of employees fired from Turkey's Incirlik air base
Turkey's Erdogan takes on former ally with foundation takeover

[Protesters reject confidence vote on new Lebanon government](#)

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Sat, 2020-01-25 22:18

BEIRUT: Protesters in Beirut on Saturday carried banners expressing their objections to the granting on Jan. 21 of a confidence vote on the government of Hassan Diab.

They consider the new government an extension of previous ones accused of corruption. Streets leading to the Parliament were blocked by high concrete walls to ward off any attempt to break through the security cordon around the building.

Parliament is expected to hold legislative sessions over two days from Monday to discuss the 2020 budget that was prepared by the former government of Saad Hariri before it resigned on Oct. 29 under pressure from peaceful demonstrations.

Parliament Speaker Nabih Berri said Parliament cannot discuss any task before voting on the 2020 budget plan. This means the confidence vote cannot be held before the budget is endorsed.

Former Prime Minister Najib Mikati said the new government has to "work on a new draft budget that includes reform plans, with a timeline to implement them."

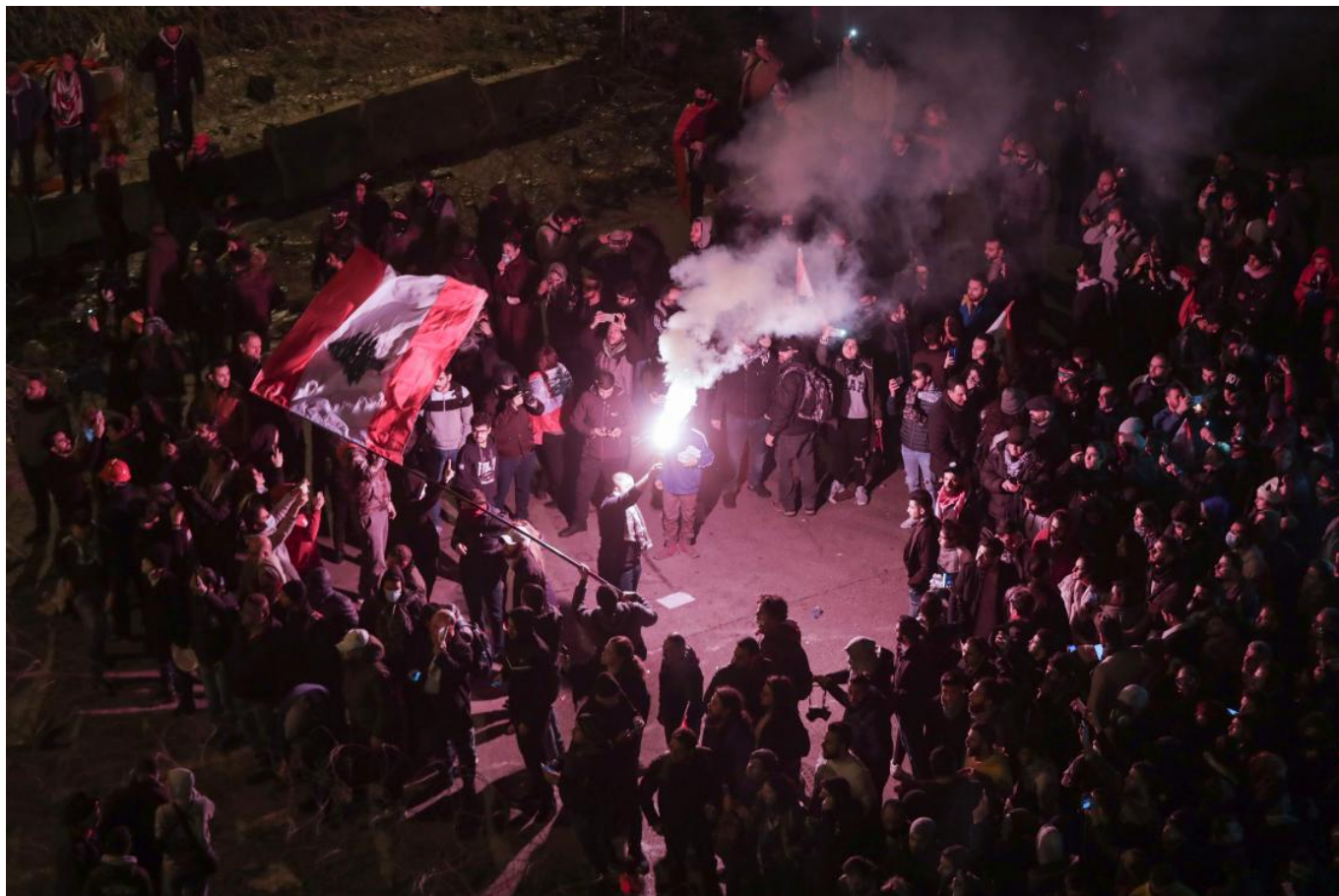
Activist Mohammed Kassem told Arab News: "All signs indicate that Diab's government will head to Parliament to endorse the previous government's budget that's full of flaws, especially with regards to the reform pledge." He said: "Protesters will step up their actions on the streets until they get a rescue plan, end banks' policies and their restrictions on people's deposits, end the Central Bank's financial policies, and achieve the independence of the judiciary so judges will be able to handle cases with full transparency, especially ones related to recovering embezzled public assets."

He added: "Activists are trying to forbid political parties from riding the wave of the revolution, and are trying to limit rioting, which has characterized many protests."

Kassem called on the authorities to protect protesters rather than attack them. He said protesters will remain on the streets to change Lebanon from a "country of banks and money exchange to a productive country."

There has been leaked information that the government will propose a five-month contingency plan to reform the judiciary; fight illicit enrichment, corruption and economic crime; and modernize public institutions.





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Lebanon's new finance minister to meet IMF official

Hundreds of employees fired from Turkey's Incirlik air base

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Sat, 2020-01-25 17:24

ANKARA: More than 420 people working at a crucial military air base in southern Turkey have lost their jobs, with some analysts considering it symbolic of decreased cooperation levels with the US and as the Pentagon reconsiders Middle East deployments.

Incirlik Air Base is located in Turkey's Adana province, near the Syrian border, and it has been a strategic element in ties between Ankara and Washington. It has also played a key role for the US-led Operation Inherent Resolve (OIR) against Daesh in Syria and Iraq in the past, as well as hosting US nuclear warheads.

The Colorado-based company Vectrus System Corporation, which provides day-to-day maintenance and operation services at the base, terminated the contracts of almost half of its employees at the base earlier this month.

"The base surged to support OIR," Aaron Stein, director of the Middle East program at the Foreign Policy Research Institute, told Arab News. "The Turkey-based staff for OIR has mostly left. So, the base is going back to its pre-OIR level of people, and that level requires less contractor support." Vectrus did not reply to Arab News' request for comment about its decision to scale back at the base.

Joe Macaron, a resident fellow at the Arab Center in Washington, said the move was largely symbolic as the canceled contracts related to logistical support rather than the US military mission.

"But obviously, it comes against the background of some tensions in the US-Turkish relationship and previous hints by Ankara that it might reconsider the status of the Incirlik base," he told Arab News. "The Pentagon is reconsidering its deployment across the Middle East and it might be looking to become less dependent on Incirlik without fully exiting this crucial military air base."

Incirlik air base has been used in the past as a bargaining chip at times of tension between the two countries.

"Turkey may re-evaluate the status of the Incirlik Air Base if the US imposes sanctions," Turkish Foreign Minister Mevlut Cavusoglu said last month in an

interview with pro-government channel A-Haber, referring to the potential fallout from Turkey's decision to buy an air defense system from Russia. Washington has threatened to use its Countering America's Adversaries through Sanctions Act to punish Ankara for buying the S-400 system.

Seth J. Frantzman, who is executive director of the Middle East Center for Reporting and Analysis, said reports of the US reducing presence at Incirlik, or challenges to the US presence there, have been growing over the last years.

"Whether these reports relate to changes or are just random is unclear and it is important to note that the large interests of the military and history tend to mean the US does not simply walk away from bases, even if it reduces its role slowly over time," he told Arab News.

The US has invested heavily in the Jordanian Muwaffaq Salti Air Base to expand its presence there.



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Germany decides to quit Turkey's Incirlik base

[Suspected arson at East Jerusalem](#)

mosque

Author:

Sat, 2020-01-25 00:56

JERUSALEM: Israeli police launched a manhunt on Friday after an apparent arson attack, accompanied by Hebrew-language graffiti, at a mosque in Israeli-annexed East Jerusalem.

"Police were summoned to a mosque in Beit Safafa, in Jerusalem, following a report of arson in one of the building's rooms and spraying of graffiti on a nearby wall outside the building," a police statement said.

"A wide-scale search is taking place in Jerusalem," police spokesman Micky Rosenfeld told AFP. "We believe that the incident took place overnight. We are searching for suspects."

The spokesman would not say if police viewed it as a hate crime. The graffiti, on a wall in the mosque compound and viewed by an AFP journalist, contained the name Kumi Ori, a small settlement outpost in the north of the Israeli-occupied West Bank.

The Times of Israel newspaper said on Friday that the wildcat outpost "is home to seven families along with roughly a dozen extremist Israeli teens." "Earlier this month security forces razed a pair of illegally built settler homes in the outpost," it reported.

All settlements on occupied Palestinian land are considered illegal under international law, but Israel distinguishes between those it has approved and those it has not.

The paper said: "A number of young settlers living there were involved in a string of violent attacks on Palestinians and (Israeli) security forces." Police said that nobody was injured in the mosque incident.

The attack had the appearance of a "price tag" attack, a euphemism for Jewish nationalist-motivated hate crimes that generally target Palestinian or Arab Israeli property in revenge for nationalistic attacks against Israelis or Israeli government moves against unauthorized outposts like Kumi Ori.

"This is price tag," Israeli Arab lawmaker Osama Saadi told AFP at the scene. "The settlers didn't only write words, they also burned the place and they burnt a Qur'an," said Saadi, who lives in the area.

Ismail Awwad, the local mayor, said he called the police after he found apparent evidence of arson, pointing to an empty can he said had contained petrol or some other accelerant and scorch marks in the burned room.

"The fire in the mosque burned in many straight lines which is a sign that somebody poured inflammable material," he said.

There was damage to an interior prayer room but the building's structure was unharmed.

In December, more than 160 cars were vandalized in the Shuafaat neighborhood of east Jerusalem with anti-Arab slogans scrawled nearby.

The slogans read "Arabs=enemies," "There is no room in the country for enemies" and "When Jews are stabbed we aren't silent."

The attackers were described by a local resident as "masked settlers."



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[Saudi-led military committee moves heavy weapons outside Aden](#)

Author:

Sat, 2020-01-25 00:52

AL-MUKALLA, Yemen: A military committee led by Saudi officers in Yemen has transported heavy weapons from bases in the southern port city of Aden, a committee member told Arab News on Friday.

"We've moved tanks, cannons and ammunition from Aden military bases to a military outpost in Ras Abbas, on the outskirts of Aden," said the member on condition of anonymity because he was not authorized to speak to the press.

Under the Riyadh Agreement, the internationally recognized government and the separatist Southern Transitional Council are obliged to hand over their heavy weapons to the Saudi-led military committee, which is tasked with collecting

them at a location outside Aden before dispatching them to battlefields.

The committee is also charged with making other security and military arrangements, including the withdrawal of forces from the southern provinces of Shabwa and Abyan.

The Riyadh Agreement, signed in the Saudi capital in November, was designed to defuse tensions between both sides following bloody clashes last year in Aden, Shabwa and Abyan.

Residents in Aden reported seeing columns of lorries carrying tanks leaving military bases and heading to the city's outskirts.

Despite failing to meet some deadlines included in the Riyadh Agreement, many of its terms have been implemented.

These include the return of the prime minister, the partial withdrawal of forces, an exchange of prisoners and the process of disarmament.

Following the relocation of military units, Yemen's President Abed Rabbo Mansour Hadi is expected to appoint a new governor for Aden before forming a new government.

FASTFACT

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On the battlefield, heavy fighting continued on Friday in the Nehim district just outside Houthi-held Sanaa as government forces, backed by Saudi-led warplanes, pushed forward to pave the way for the liberation of the capital. Dozens have been killed since Wednesday as both sides claimed gains on the ground.

In Marib, senior army commanders on Friday said the army would keep pressing its offensive until the Houthis are expelled from Sanaa.

At a meeting attended by the Saudi-led coalition commander in Marib, Maj. Gen. Abdul Hamed Al-Muzaini, Defense Minister Lt. Gen. Mohammed Ali Al-Maqdashi said the Yemeni Army is determined to push the Houthis out of Sanaa and other areas under their control, and to work on restoring state institutions.

The commanders discussed military plans and the recent escalation of fighting in Nehim, Jouf and Marib.

The conflict in Yemen began in late 2014 when the Houthis seized Sanaa and began expanding across the country.

A military coalition led by Saudi Arabia has helped government forces advance

on all fronts, pushing the Houthis to mountainous provinces in northern Yemen.



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