SonarPulse

AI-POWERED FINANCIAL CRIME SURVEILLANCE

WEEK OF 3 – 9 NOVEMBER 2026

Financial Crime Weekly Digest

Global enforcement actions, regulatory moves & intelligence from the world of AML & financial crime.

STORY OF THE WEEK

The FATF follows the money out of scam compounds: tens of billions lost a year, virtual assets a central laundering channel, and principles that start before the victim pays

ENFORCEMENT

FinCEN cuts MEXC Global off from US financial institutions · OFAC designates 45 more Prince Group targets · eight Canadian money services businesses sanctioned

REGULATORY

FinCEN and the Fed withdraw a travel rule proposal · OFAC's false-flag alert for maritime service providers · ADGM warns on firms falsely claiming an ADGM link

STORY OF THE WEEK · GLOBAL / FATF

Follow the Money Out of the Compound. The FATF Sets Out How to Disrupt Scam Centres

24–72 hrs

the window after a scam is detected or reported that the FATF calls critical for freezing funds, recovering assets and preventing further losses

On **5 November** the FATF published *Combating End-to-End Illicit Financial Flows linked to Scam Compounds*, the report adopted at its October Plenary. It follows the money around scam compounds, which the FATF says are estimated to cause **tens of billions of dollars** of losses every year, and documents compounds or related activity across Africa, Europe, the Americas and Asia. People from at least 80 jurisdictions have been identified in scam compounds in Southeast Asia, with an estimated 120,000 forced to carry out online scams in Myanmar alone; on the other side, people from more than 100 jurisdictions have been targeted.

The report identifies **virtual assets as a central money laundering channel**, including over-the-counter desks operating inside compounds, alongside cash, money mule accounts and informal transfer services; instant payments can move funds out of a victim's account in as little as two minutes. Enforcement has pushed operators towards smaller, more mobile operations, from rented rooms to moving vehicles. The FATF finds countries more effective downstream, on victim payments, proceeds and asset tracing, and calls for **upstream disruption** too, using signals such as fraudulent advertising, recruitment activity, malicious domains and suspicious phone numbers.

- New FATF principles: target the wider criminal ecosystem, disrupt flows end-to-end, connect the networks, act at speed across borders, put victims at the centre, adapt
- Almost 120 case studies and good practices, spanning more than 60 jurisdictions
- UK Scam Signals: mobile-network risk indicators at the point of payment, associated with a 41% reduction in people scammed and a 44% decrease in fraud losses
- Next: until February 2027 the FATF will work with the public and private sectors on scalable solutions to cyber-enabled fraud

WHY IT MATTERS FOR COMPLIANCE TEAMS

The report's practical point for a bank or payment firm is timing. If the first 24–72 hours decide whether money can be frozen, a scam alert that waits in a queue for days has already lost. The FATF also says enforcement is pushing operators into smaller, more mobile set-ups, so a typology built only on large compounds will age. Three questions for this week. **How fast can your team stop or recall an outbound payment once a customer reports a scam? Do your mule-account rules look at money coming in as well as going out? And do you use any signal from before the payment, such as telecom or device risk, when a customer authorises it?**

ENFORCEMENT ACTIONS

Law Enforcement Strikes This Week

FINANCIAL CRIMES ENFORCEMENT NETWORK · UNITED STATES / SEYCHELLES / RUSSIA / IRAN

$16B

FinCEN Cuts MEXC Global Off From the US Financial System

On **6 November**, under Operation Economic Outcast, FinCEN issued an order under **section 9714(a)** of the Combating Russian Money Laundering Act finding MEXC Global, a convertible virtual currency exchanger incorporated in the Seychelles, to be of primary money laundering concern in connection with Russian illicit finance. Treasury says MEXC facilitated **at least $16 billion** in funds connected to sanctions evasion, cybercrime and other illicit activity between May 2021 and May 2026, including nearly $1.5 billion linked to Russian sanctions evasion and approximately $1 billion in direct transactions with more than 40 identified Iranian exchangers. The order prohibits US financial institutions from any transmittal of funds from or to MEXC Global, effective 30 days after Federal Register publication.

OFFICE OF FOREIGN ASSETS CONTROL · UNITED STATES / HONG KONG / BVI / MADAGASCAR

4 + 41

OFAC Designates 45 More Targets in the Prince Group's Corporate Network

On **5 November** OFAC sanctioned **four individuals and 41 entities** that support the business network of the Prince Group Transnational Criminal Organization, already sanctioned for cyber-enabled fraud, money laundering and human trafficking. It separately designated a Malaysian national who led a network of Madagascar-based scammers targeting Americans. Treasury says the new targets helped sustain the group after its October 2025 and June 2026 designations by managing offshore corporate structures, **concealing beneficial ownership** and providing administrative and financial services to its executives. They include Qiu Yong, who Treasury says controls BVI and Hong Kong companies for the group, among them money lenders and wine businesses.

OFFICE OF FOREIGN ASSETS CONTROL · UNITED STATES / CANADA / IRAN

8 MSBs

Eight Canadian Money Services Businesses Designated for Iran's Digital Asset Sector

On **6 November** OFAC designated **eight money services businesses based in Canada** under E.O. 13902 for operating in the digital asset sector of the Iranian economy. Treasury says they exchange Iranian rials and other currencies for digital assets, that many transacted with sanctioned Iranian exchanges or addresses associated with the IRGC, and that several changed their business names and addresses to evade detection. It says several also worked with sanctioned Canadian drug trafficker Ryan Wedding, converting drug cash into digital assets sent abroad. The action was coordinated with FinCEN and FINTRAC. The SDN entries carry Canadian MSB registration numbers and, for several, TRX digital currency addresses.

REGULATORY DEVELOPMENTS

Regulatory Moves
Reshaping the Compliance Landscape

UNITED STATES

FinCEN and the Federal Reserve Withdraw a Proposed Travel Rule Change

On **6 November** FinCEN said it is withdrawing, jointly with the Federal Reserve Board, a notice of proposed rulemaking that would have amended the Recordkeeping and Travel Rule regarding **convertible virtual currencies**, and would also have lowered the threshold for funds transfers and transmittals of funds that begin or end outside the United States. FinCEN's release does not state the thresholds or give reasons. A withdrawn proposal changes nothing in force: the existing Recordkeeping and Travel Rule obligations stay as they are.

UNITED STATES / INDIA / IRAN

OFAC Alert on Falsely Flagged Vessels, and a Network Selling Fake Registries

On **4 November** OFAC published an alert, *Iranian Shadow Fleet Reliance on False Flags for Sanctions Evasion*, and designated a network led by India-based Suniel Kumar Sharma and his spouse, which Treasury says set up false flagging authorities and classification societies purporting to represent nations from Guyana to Eswatini and Laos. The alert encourages insurers, financial institutions offering trade financing and other maritime service providers to conduct **enhanced due diligence** on vessels with indicia of a falsely claimed flag. Its red flags include no or an unknown flag in maritime databases, an MMSI country prefix that contradicts the reported flag, a flag from a jurisdiction without a known registry, and registration documents that cannot be verified.

UAE / ADGM

ADGM Warns Twice in Five Days on Firms Falsely Claiming an ADGM Link

On **5 November** the FSRA warned that Airo Capitals, operating from airocapitals.com, has falsely claimed an association with ADGM and that it is regulated by the FSRA; the FSRA says it has never held a Financial Services Permission or been incorporated in ADGM. On **9 November** ADGM's Registration Authority warned about unauthorised use of the **ADGM Academy** name, logo and branding by persons offering investment and trading services through third-party websites and channels including WhatsApp. ADGM Academy does not provide investment opportunities or trading services. The alert urges particular caution where funds are to be transferred to bank accounts outside the UAE.

ON OUR RADAR

Watch This Space

BRIBERY · CARTEL FINANCE · UNITED STATES / MEXICO / CANADA

A Mexican Judge Charged Over a $2 Million Bribe to Free Wedding's Second-in-Command

Announced **5 November**: Luis Benítez Alcántara, at the time a district judge in Mexico City, was arrested on a nine-count indictment charging him as an accessory after the fact. The release says he accepted a **$2 million** bribe to grant bond to and release Andrew Clark, a Canadian drug trafficker and second-in-command to Ryan Wedding, and that Clark transferred approximately $2.75 million through intermediaries and in small increments. The United States will request his extradition from Colombia. An indictment is merely an allegation, and he is presumed innocent.

REGTECH · DETECTION · UNITED KINGDOM

The FCA Sets Up a Quantum Experimentation Group, Starting With Financial Crime

On **5 November** the FCA announced its Quantum Experimentation Group, which will initially explore how quantum machine learning could help detect money laundering and fraud. It launches in the first quarter of 2027, and participants will use an FCA synthetic dataset to overcome a key barrier to testing: access to suitable data. Firms, quantum technology providers and national research laboratories can register interest by 31 December 2026. The FCA describes it as the world's first regulator-led quantum computing experimentation group.

STR REPORTING · OUTREACH · MAURITIUS

FIU Mauritius Asks Bank MLROs for Feedback on Its Supplementary STR Guidance

Posted **5 November**: the FIU held a consultative meeting with the MLROs of banks on 22 October 2026, with the Mauritius Bankers Association in attendance. Discussions covered operational processes for information exchange between the FIU and reporting institutions, and feedback on the FIU's **Supplementary Suspicious Transaction Reporting (STR) Guidance Note 4.1**. The FIU says it aims to enhance the effectiveness of suspicious transaction reporting. Its post does not summarise the feedback or announce changes to the note.

This Week's 3 Key Takeaways

01 Measure Your Scam Response in Minutes and Hours

The FATF puts two numbers side by side: instant payments can move a victim's money in as little as two minutes, and the first 24–72 hours after a scam is detected or reported are critical for freezing it. Time your own path from a customer's scam report to a hold or recall request, including weekends, and check whether your outbound monitoring and your inbound mule-account monitoring hand cases to the same team.

02 Look for Exchanges and Money Services Businesses in Your Payment Flows

MEXC Global's order takes effect 30 days after Federal Register publication, and from then US financial institutions may not transmit funds from or to it. Treasury says several of the eight Canadian businesses changed names and addresses, so search on the aliases, registration numbers and digital currency addresses in the SDN entries, not only on trading names, and look again at customers that turn cash into digital assets.

03 Our Six: ADGM and Mauritius This Week

ADGM issued two warnings on false ADGM affiliations, and FIU Mauritius posted on its meeting with bank MLROs about STR guidance. From the regulators of Saudi Arabia, Qatar and Morocco, and from the UAE's federal authorities, we found no in-week financial crime item among the pages we could reach. Several of those sites block automated access, so that is what we could see, not proof that nothing was published.

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$16B+

ILLICIT FUNDS MEXC GLOBAL FACILITATED, MAY 2021 – MAY 2026

Treasury · 6 Nov · "at least $16 billion"

45

PRINCE GROUP-LINKED TARGETS DESIGNATED BY OFAC

OFAC · 5 Nov · 4 individuals, 41 entities

120,000

ESTIMATED NUMBER FORCED TO RUN ONLINE SCAMS IN MYANMAR ALONE

FATF · 5 Nov · an estimate

8

CANADIAN MONEY SERVICES BUSINESSES DESIGNATED

OFAC · 6 Nov · E.O. 13902

#FinancialCrime #AML #Sanctions #KYC #Fraud #FATF #Compliance #SonarPulse

Sources: FATF · FinCEN · US Treasury / OFAC · US Department of Justice · FCA · ADGM · FIU Mauritius