

March 22, 2022 | Myanmar

Telenor Group is aiding and abetting M1 Group to violate Myanmar sanctions

M1 Group, owned by the family of Lebanese Prime Minister Najib Mikati, is set to violate sanctions on Myanmar through their acquisition, activation and transfer of a lawful interception gateway (LIG) as part of their purchase of Telenor Myanmar. The sale involves M1 Group entities in Cyprus and the Cayman Islands, subject to EU and UK sanctions that prohibit the transfer and operation of surveillance technology.

The impending sanctions violations are being aided and abetted by Telenor Group, which is majority owned by the Norwegian government.

The M1 Group subsidiary that is contracted to purchase Telenor Myanmar, M1 Limited, is incorporated in the Republic of Cyprus, and is therefore subject to European Union sanctions.

Under Article 3.1 of EU restrictive measures, “The sale, supply, transfer or export of equipment, technology or software intended primarily for use in the monitoring or interception by the Government of Myanmar/Burma, or on its behalf, of the internet and of telephone communications on mobile or fixed networks in Myanmar/Burma, including the provision of any telecommunication or internet monitoring or interception services of any kind, as well as the provision of financial and technical assistance to install, operate or update such equipment, technology or software, by nationals of Member States or from the territories of Member States shall be prohibited.”

M1 Limited is registered at the south Nicosia address of the law firm Georgiades & Pelides LLC, which is affiliated to Themis Professional Services Limited. Two of the three company directors and the company secretary are Themis entities registered at the same address, and liable for EU sanctions violations. They are Themis Directors Limited, Themis Professional Directors Limited and Themis Secretarial Services Limited.

M1 Group’s shares in Investcom Pte. Ltd., a Singapore company set up for the sale, are held through a Cayman Islands shell company, M1 Infrastructure Limited.

The UK’s 2021 Myanmar (Sanctions) Regulations similarly prohibits the transfer of interception and monitoring goods, and is in force in the Cayman Islands.

Furthermore, the laws that govern the agreement between Telenor Group and M1 Group are those of the United Kingdom.

Following the Telenor Group transaction to Investcom Pte Ltd, in which M1 Group owns 51%, the company will transfer control of Telenor Myanmar, and its lawful interception gateway, to the military-linked company Shwe Byain Phyu, in violation of EU and UK sanctions.

According to an industry source, Telenor Myanmar management are aware that M1 Group and its local partner, Shwe Byain Phyu, intend to activate the lawful interception gateway (LIG) that Telenor Group has installed. The activation will also violate EU and UK sanctions.

Telenor Group owns Telenor Myanmar through Telenor South East Asia Investment Pte. Ltd, a Singapore holding company. Four Telenor Group executives exited the Telenor Myanmar board in June 2021, weeks before the announced sale to M1 Group. This included Håkon Bruaset Kjøl, a Telenor Group Senior Vice President who remains a director of the Singapore holding company. Telenor Group executives have overseen the sale and are responsible for transitional arrangements.

In recent comments to the Norwegian newspaper Aftenposten, Telenor Group CEO Sigve Brekke confirmed that the lawful interception system would be left in place. He refused to comment on the legal repercussions of the sale.

Justice For Myanmar therefore contends that Telenor Group has constructive knowledge that the Telenor Myanmar sale will result in breaches of EU and UK sanctions by M1 Group. Telenor Group is aiding and abetting M1 Group's imminent sanctions violations.

That is in addition to Telenor Group's own violations of Norwegian and EU sanctions as a result of their installation of the LIG, purchased from the Germany company, Utimaco, and its transfer to M1 Group, which Justice For Myanmar has previously documented.

In September 2021, Telenor stated that they have not yet activated the LIG because doing so would breach EU and Norwegian sanctions, and that they therefore have to exit Myanmar to prevent a sanctions breach.

It appears that Telenor's divestment strategy is aimed at preventing direct and immediate fault for sanctions breaches, but is reckless about enabling purchasers from doing the same.

Once activated, the LIG will allow the terrorist Myanmar military junta to monitor communication on the Telenor Myanmar network in real time.

The sale will also involve the transfer of historical call data of more than 18 million current subscribers, which the junta can use to hunt down activists, journalists and humanitarian workers, who face torture and murder at the hands of the Myanmar military.

Justice For Myanmar spokesperson Yadanar Maung says: "Telenor Group and M1 Group are continuing to show an appalling disregard for the law and for the lives of Myanmar people.

The sale of Telenor's Myanmar business to Shwe Byain Phyu and M1 Group will put millions at risk and embolden the military junta, which is a terrorist organisation.

Telenor has already provided de-facto recognition to the illegitimate junta in seeking regulatory approval.

Telenor is now proceeding to transfer dangerous surveillance technology to companies that intend to activate it, which will support the junta to intensify its terror campaign against the people.

We call on the Norwegian, UK, German and Cypriot governments to urgently intervene to stop the sale of Telenor Myanmar.”

More information:

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