



# ARTEMIS RESEARCH UPDATES

WINTER/SPRING 2025

## THE WIND DOES NOT BREAK THE TREE THAT BENDS - *African Proverb*

The past few months have seen a whirlwind of change in international trade. Companies that endure—and maybe even thrive—in these uncertain times must hone flexibility, contingency plans, and the ability to endure ambiguity.

While global powers vie for control of supply chain choke points, from literal shipping lanes to supply of critical minerals and components, success requires multiple supply routes. Consider your options.

As new tariffs shift old dynamics, companies must explore and establish new partners within the entire range of their value chain—both suppliers and customers, in case of reciprocal tariffs. These companies should be vetted.

With US Government downsizing, near-term staffing shortages may result in longer export license processing and longer waits for required inspections. Be flexible. Plan accordingly.

Regulations are also changing quickly and often. Beneficial ownership reporting requirements keep shifting as debate regarding the Corporate Transparency Act continues, while easing of sanctions means certain prohibited entities might once again become open for business. Companies should closely monitor compliance requirements. What was legal yesterday may not be today.

Therefore, we urge you—develop supply *webs* instead of chains. Thoroughly vet these new partners. Consider their effect on your reputation, even though trade may once again be legal. Monitor the rules closely. Bend with the wind, and you may develop resiliency to withstand any storm.

[We can help.](#)

## Taiwan's TSMC an Example of Diversified Supply Chain

The Taiwanese semiconductor manufacturer TSMC recently [declared plans](#) to invest over \$160 billion to build several chip foundries, a research and development facility, and two packaging facilities in Phoenix, Arizona. The facilities will exclude suppliers from China and, according to Taiwan's President, William Lai Ting-Che, represent the “best model” to break dependence on China for semiconductor



Aerial view of TSMC's facility under construction outside of Phoenix, Arizona. (Source: U.S. Geological Survey)

manufacturing. Artemis Research notes TSMC is one of the world's largest chip manufacturers, and if successful, this move can serve as a model for other companies as well on ways to diversify their supply chains.

## Lifting of Sanctions Necessitates Enduring Caution

In late March, the Trump Administration [indicated](#) it would consider lifting sanctions against Russia in exchange for a cease-fire in Ukraine, potentially reopening previously restricted entities to US trade.

Though these engagements may soon be legal once again, companies should exercise extreme caution, as it cannot be discounted the sanctions may be turned back on in the event the ceasefire fails. Additionally, dealing with previously prohibited entities may cause reputational damage even if not explicitly prohibited, and problematic partners may be more difficult to identify if not in sanctions databases used by many compliance and due diligence professionals. Finally, the legal changes may complicate investigation of any regulatory violations, as extra scrutiny will be necessary to determine the specific timing and legality of a given shipment.

## Increased Risk of Shell Company Activity in Wyoming

In a major upset to the historical business landscape, Wyoming has recently [overtaken](#) Delaware in the number of business incorporations per capita in the United States. This means a likely increase in exploitation of the state by illicit actors, risking threats to the reputation of Wyoming's business formation agents if found to be supporting this activity. It also means a new potential red flag for compliance professionals.

### Selected Upcoming Trade and Technology Conferences

#### [Biotechnology Innovation Organization \(BIO\)](#)

[Convention](#) – June 16th - 19th, Boston, MA (Technology)

[LogiPharma](#) – September 29<sup>th</sup> – October 1<sup>st</sup>, Boston, MA (Technology, Trade)

[SEMICON West 2025](#) – October 7<sup>th</sup> – 9<sup>th</sup>, Phoenix, AZ (Technology)

[National Association of Foreign-Trade Zones \(NAFTZ\) Annual Conference](#) – November 14<sup>th</sup> – 17<sup>th</sup>, Kansas City, MO (Trade)

According to the non-profit corporate data aggregator, Open Corporates, business incorporations in Wyoming have exploded since 2016. Open Corporates attributed this to a delayed reaction to legal changes starting in 2010 which enhanced privacy protections and reduced access to members' interest in an LLC in the event of court judgements against them. Complementary 2011 legislation gave additional protection and flexibility to "self-settled" trusts. The flight from Delaware is likely to be further exacerbated by a Tesla shareholder [lawsuit](#) in Delaware against owner Elon Musk, in which the judge's ruling went against Tesla's corporate interests.

This will likely mean an increase in money laundering and establishment of shell companies by illicit actors in the Wyoming. Due diligence professionals should conduct extra scrutiny to confirm the beneficial ownership of these companies, which may be more difficult given these privacy laws. Business formation agents should also consider establishing a due diligence process to vet potential clients to minimize potential legal risk or reputational damage caused by inadvertent engagement with illicit entities.

## Chinese Restrictions on US Companies Likely to Challenge Supply Lines and Heighten Risk to Employees

In early April, the government of the People's Republic of China (PRC) [placed export controls](#) on a number of rare earth minerals crucial to the defense and technology industries, restricting export of these key minerals to the United States. Additionally, [in early March](#), the PRC placed export restrictions on 15 US companies and added 10 more to the “Unreliable-Entity” list.

### Export Restrictions

Aerokomm  
AeroVironment  
General Atomics Aeronautical Systems  
General Dynamics Land Systems  
Gibbs & Cox  
Group W  
HavocAI  
IP Video Market Info  
Aerokomm  
AeroVironment  
Leidos  
Neros Tehcnologies  
Rapid Flight  
Red Six Solutions  
Shield AI  
Skydio  
Sourcemap

### “Unreliable” Entities

ACT1 Federal  
Cubic  
Exovera  
Huntington Ingalls Industries  
Planate Management Group  
S3 AeroDefense  
Stick Rudder Enterprises  
TCOM  
Teledyne Brown Engineering  
TextOre

These export restrictions will very likely limit these companies' ability to obtain “dual-use” items from China—which could possibly include anything from raw materials for manufacturing to surprising incidentals—though it is also likely these companies also procure via subcontractors, suppliers, and resellers which may insulate them from some of the effects. Entities on the unreliable entity list are prohibited from exporting to, importing from, or making new investments in China, which may challenge the companies' ability to both source and sell goods and expand their business footprint.

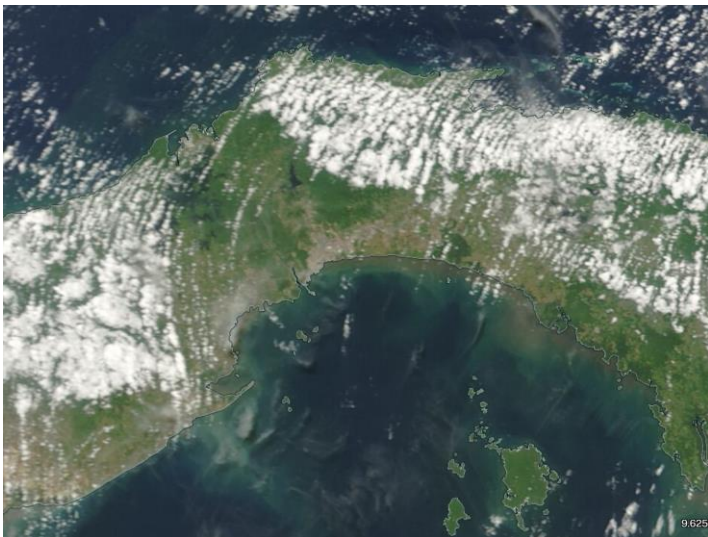
Less obvious effects may be risk to these companies' suppliers and employees when traveling overseas, if the PRC judges they and their firms have violated Chinese export restrictions. Though the nature and extent of enforcement remains unclear, it cannot be discounted this may mean legal trouble or possibly arrest if traveling to China or its partner nations. Additionally, being added to these lists may also have a chilling effect on these firms' relationships with third-country partners.

These effects may be mitigated, however, by a concerted effort to diversify business opportunities in the near term to develop value chains devoid of PRC products and customers. Over the long term, the PRC's policies may force increased resiliency, flexibility, and strength in the value chains of these critical companies, though it will not be an easy road ahead.

## Business Deal Would Shift Port Ownership from Chinese to US and European Control

On March 4th, Hong Kong business tycoon Li Ka-Shing's CK Hutchinson [announced plans](#) to sell shares in Hutchinson Port Holdings and Hutchinson Port Group to a consortium of companies including the US company, BlackRock. BlackRock is a subsidiary of Global Infrastructure Partners, while the other party, Terminal Investment Limited, is chaired by a prominent Italian shipper with familial connections to Li's family.

This would effectively shift control of over 43 ports in 23 different countries—including the ports of Balboa and Cristobal located at either end of the Panama Canal—out of Chinese hands and into US and European control.



Aerial view of Panama in the region of the Panama Canal  
(Source: U.S. Geological Survey)

### Recent Artemis Release: Distributors Undermining an Industry Leader's Compliance Program

**Preview:** Now, more than two years into the war, missiles continue to fall on Ukraine—missiles containing Western parts, despite the sanctions, export restrictions, and the compliance efforts of the manufacturers themselves. Artemis Research analyzes an overview of this issue by [Bloomberg News](#) and discusses ways companies can mitigate their risk. Read our analysis [here](#).

## Interpol Silver Notice to Increase Financial Information Sharing

In January 2025, INTERPOL [published](#) its first-ever Silver Notice to help trace and recover criminal assets. The Silver Notice is the newest among a suite of color-coded notices which serve as alerts and information sharing mechanisms among the 196 INTERPOL member countries, and enables countries to request information on assets linked to a suspect's criminal activities. It will be running under a pilot phase involving 52 countries and will run through at least November 2025.

While this represents a breakthrough in international information sharing, it also has potential for abuse. Artemis Research recommends investigators using these notices also conduct their own due diligence, given the wide scope of priorities and interests represented by INTERPOL's members.

Image Credits to the U.S. Geological Survey's [Earth Explorer](#) and [NASA Worldview](#)

### Contact Us:

[info@artemisresearchgroup.com](mailto:info@artemisresearchgroup.com) | +1 202-524-0304 | [artemisresearchgroup.com](http://artemisresearchgroup.com)