ARTEMIS RESEARCH UPDATES

FALL 2026

Welcome to the Fall 2026 issue of *Artemis Research Updates*.

The past few months have seen the United States breaking with European partners on key sanctions issues, with the United States sanctioning the International Criminal Court, and waiving recently passed sanctions acts against Russia—reported in our Summer 2026 newsletter. Meanwhile, the European Union enacted sanctions packages of record proportions.

We report on these developments and more in this issue. We once again have analysis from one of our partners, Certified Anti-Money Laundering Specialist Kenneth Sheffield, who explores Cuba sanctions and elections in Serbia, and offers more extensive policy analysis of the waiver of recent Russia sanctions and repeal of the Corporate Transparency Act. We also highlight the Maldives as an emerging transshipment hub, analyze the implications of record EU sanctions against Russia, detail the US sanctions on the International Criminal Court (ICC), and discuss recent fines imposed on Bank of America. Finally, we are pleased to announce the release of our recent in-depth report, "Swiss Connections: Analysis of Flagged Company Reveals New High-Risk Suppliers of Chemicals to Russia." This report details a network of companies linked to a known illicit Russian chemical supplier. Please contact us for the full report.

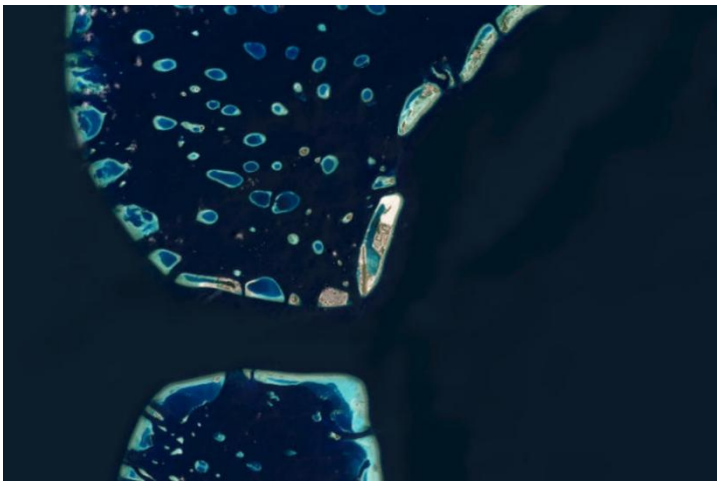
We hope you enjoy this issue!

Erin M. Windauer, Founder and CEO

The Maldives: An Emerging Russian Shipping Hub

Bottom Line: *We assess that technology shipping routes transiting the Maldives are a strong indicator of illicit procurement to Russia. Technology companies should remain aware of these transshipment routes and monitor for this red flag.*

According to recent research by the *Wall Street Journal*, the Maldives have emerged as a new hub in Russian illicit procurement networks, helping Russia maintain access to controlled Western goods, particularly with the increased trade restrictions on Russia since its invasion of Ukraine in 2022. The *WSJ* reports Russian imports from the Maldives surged from less than $7 million in 2022 to $630 million in 2022, and shipments includes a range of dual-use technology, from microchips and optical instruments, to high-strength aerospace rivets.



Malé, Maldives, and surrounding islands *(Source: United States Geological Survey)*

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Policy Analysis: US Waiver of Graham Act Risks Significant Downside Against Dubious Gains

By: Kenneth Sheffield, CAMS

The bipartisan Lindsey Graham Sanctioning Russia and Iran Act of 2026, signed on September 18th, would have inflicted economic pain on Russia through secondary tariffs and sanctions targeting key banking entities and its largest oil customers. However, President Donald Trump waived critical sections of these measures on October 16th, before they could be fully implemented, thus driving a wider wedge between the US and Ukraine, the EU, the UK, and Canada. The US President exercised waiver authority under Section 115 of the bipartisan bill, effectively suspending key provisions of the law, including the tariffs under Sections 112 and 113 and certain sanctions provisions under Sections 102–111 and 117.

The order does not repeal the preexisting Russia sanctions framework but leaves major elements of the Graham Act suspended until the President or Secretary of State, following the "…required consultation…" determines further action is appropriate. The Act authorized 100% tariffs on certain goods imported from countries among the five largest purchasers of Russian-origin crude oil or natural gas, subject to statutory conditions and presidential waiver provisions. By doing this, the "teeth" designed to punish the largest buyers of Russian energy are effectively pulled out of the bill, although the measures can technically be reinstated if the administration determines circumstances warrant it.

Separately, OFAC General License 135 (GL135), issued October 9th and effective through April 7, 2027, authorizes otherwise prohibited transactions involving the sale, delivery, offloading, and importation of Russian-origin diesel fuel. Importantly, its scope is not limited to US-bound cargoes: it also facilitates Russian diesel sales into global markets by removing specified US sanctions barriers on transactions involving other destinations. Although the license allows US importation, it does not itself override the separate 2022 US prohibition on imports of Russian petroleum products. Confusion over what the sum effect of these overlapping prohibitions, sanctions, and waivers will be is warranted.

Both the waiver and GL135 actions widen the gap between US rhetoric and tangible political, military, and economic support for Ukraine, with conflicting statements, functional waivers for Russia's primary energy customers, and spasmodic, widely reported, disputed interruptions of critical early warning, intelligence, and communications support for Ukraine dating from 2025 to the present. Meanwhile, Ukraine continues to ramp up military pressure on Russian economic and military targets ranging from the Gulf of Finland to the Black Sea and deep inside Russia itself.

More valuable to Russia, this arrangement delivers a tacit nod from the US in its direction, further alienating the Canada-EU-UK bloc and complicating Ukraine's position. Friendly words, hugs, and handshakes between Trump, Xi Xinping, and Vladimir Putin at their trilateral summit in November further widened the rhetorical cap between the US and its Allies. Continued schism on this issue will further jeopardize multinational business enterprises across jurisdictions. Transnational companies are thus forced to spend even more to ensure compliance with uncertain regulations, as the Graham Act's provisions remain technically in effect but suspended for an indeterminate period. Actual volumes of Russian diesel production and delivery remain uncertain, given Russia's only partial lifting of its own export ban and, as noted above, unapologetic Ukrainian drone strikes on Russian energy infrastructure. Gridlock in Washington, lame-duck congressional actions, and/or new Executive Orders will intensify this volatility.

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Cuba Sanctions Tighten Ahead of Unclear Endgame

Bottom Line: *We assess that new Cuba sanctions under the International Emergency Economic Powers Act (IEEPA), along with changes to existing Cuban sanctions regulations, may fully eliminate private investors' and foreign importers' business activities in Cuba.*

On September 29, 2026, OFAC announced new Cuba Sanctions Regulations (CSR), establishing a parallel IEEPA-based sanctions program alongside the existing Cuban Assets Control Regulations (CACR). Separately, amendments to the CACR expanded restrictions on indirect financial transactions involving certain restricted entities, removed what is known as the U-turn authorization, and eliminated the authorization for U.S. banks to maintain certain accounts for Cuban independent private-sector entrepreneurs, often referred to as "*mipymes*."

The U-turn change requires U.S.-jurisdiction banks to reject Cuba-related transfers that previously could pass through the U.S. financial system, even when originating and terminating outside the country. The removal of the entrepreneur-account authorization also requires banks to block affected accounts and funds, absent separate OFAC authorization.

The Cuban regime is likely prepared to accept the marginal increase to civilian suffering intended by aggregate U.S. punitive actions in 2026. Further tightening of the CSR is unlikely to cause the envisioned collapse of the Díaz-Canel government, but will affect previously immune third country businesses, such as China International Electronic Import and Export Company (CIEIEC) and Spanish Melia Hotel International the latter of which wound down Cuban operations in Summer 2026. The cumulative effect of these restrictions, alongside Cuba's efforts to open parts of its energy sector to private participation, creates a particularly difficult environment for private importers and foreign investors. Finally, increased compliance risks may have largely eliminated the limited U.S. fuel imports previously reaching Cuba's private sector.



Cuba and the surrounding Caribbean *(Source: United States Geological Survey)*

EU Prepares Record Sanctions Against Russia

Bottom Line: *To ensure compliance with new EU sanctions regulations, technology producers should pay particular attention to known red flags pointing to Russian technology diversion.*

In early October, the European Union adopted its largest-ever single sanctions package against Russia, levying restrictions on nearly 1,600 entities across Russia's military-industrial complex. The package specifically targets mid-level suppliers of components for advanced weapons systems—including semiconductors, RADAR and satellite systems, explosives, and optics. Artemis Research notes mid-level suppliers are much more likely than end users to come into direct contact with manufacturers, so we urge manufacturers to be aware.

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Policy Analysis: 20 US States and DC Sue Treasury Secretary Over Moves to Deregulate the Corporate Transparency Act

By: Kenneth Sheffield, CAMS

The US Treasury Department's Financial Crimes Enforcement Network (FinCEN) is facing robust litigation from twenty US states and the District of Columbia in an Oregon lawsuit filed on October 27th. This action seeks to reverse Treasury actions in March 2025 (finalized in August 2026) to modify the implementation of the Corporate Transparency Act of January 2021 (CTA) to such a degree that it is essentially comatose.

The bipartisan CTA is designed to illuminate beneficial ownership for all US-based companies (with a few exceptions) as well as foreign entities registered to do business in the US. The FinCEN changes, the lawsuit alleges, eliminate this requirement for 99.9% of companies previously held to scrutiny under the law, reducing the number subject to BOI to approximately 28,000 foreign-reporting companies from over thirty-two million.

FinCEN plans a one-time deletion of BOI records previously submitted by U.S. companies and U.S. persons now exempt from reporting. February 10, 2027, marks the cutoff after which FinCEN does not anticipate deleting such information if it appears in subsequent filings. The lawsuit seeks an injunction and an Administrative Procedure Act (APA) stay to prevent the deletion of millions of BOI records.

The CTA was intended to advance beneficial ownership transparency objectives reflected in international AML standards, particularly FATF's requirements for timely access to adequate, accurate, and current ownership information. Prior to the CTA, the US was one of the world's largest secrecy havens, with states like Wyoming, Delaware, and Nevada facilitating opaque shell companies. Notably, the CTA rollback does not affect US banks' existing Customer Due Diligence (CDD) requirements under the Bank Secrecy Act (BSA).

The lawsuit seeks judicial relief to overturn Executive Branch actions that unilaterally alter legislation enacted by Congress. Treasury Secretary Scott Bessent has not issued any new statements on the litigation since it was filed on October 27, focusing instead on China, Nvidia, semiconductors, and Iran in recent public remarks. In the August 2026 announcement, Bessent's Press Release stated that, "Treasury is eliminating a burdensome reporting requirement for millions of law-abiding business owners…." This change, however intended, injects further ambiguity into businesses shaping their 2027-29 plans and reverses FinCEN credibility gains in Anti-Money Laundering. Furthermore, Senate Bill 4419 and the similar House Bill 425 seek (in different ways) to make these implementation changes permanent. Neither are on the lame duck agenda. With new Democratic majorities in the House and Senate beginning in January 2027, expect CTA revisions, and this issue in particular, to be folded into a broader anti-corruption agenda. Perhaps most interestingly, U.S. businesses can not file BOI reports with FinCEN at all. Many businesses are keeping internal BOI records to ensure they stay "Compliance Ready" in case the court acts to vacate the August rule, rather than risk future expenses or penalties. Once again, the only clear beneficiaries of this uncertainty are smart corporate attorneys, tax specialists, and compliance consultants.

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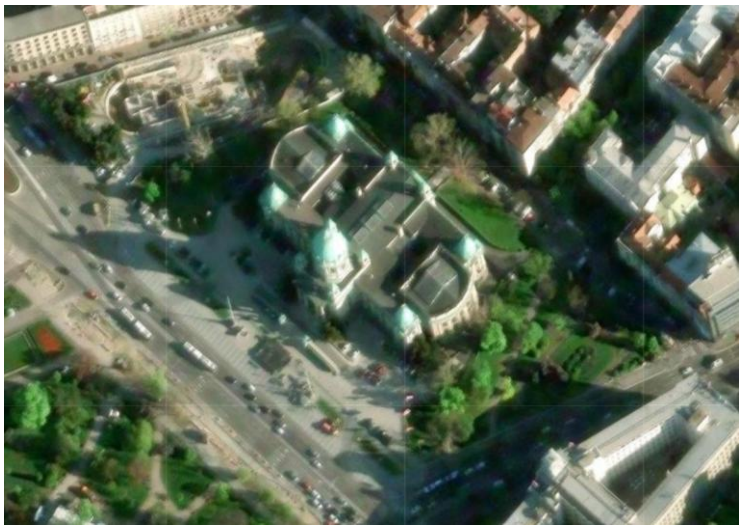
Student List Victory Prompts Balancing Act for Serbia

Bottom Line: *We assess the new Serbian "Student List" Government presents encouraging advancements for democracy and transparency, while simultaneously posing a direct challenge to multinational business interests that run counter to Student List's pro-environment, anti-corruption platform—particularly surrounding lithium exploration.*

The decentralized Serbian student reform movement, *Studentska Lista* (Student List) won an outright majority in parliamentary snap elections held on 25 October 2026. This 53.7% majority (140 of 250 seats) allows the movement to form a government without the need for a coalition. Its 11-point "Student Plan" lays out an encouraging vision of eradicated systemic corruption, public institutions (including the media) free from partisan influence, placing experts—not loyalists—in education and civil service positions, and robust socio-economic and worker protections. Student List's victory is a landmark development in Serbia, where the pragmatically multi-aligned Serbian Progressive Party (SNS), in power since 2012 and entrenched in the bureaucracy and judiciary, conceded defeat. Initial statements by Aleksandar Vučić, the most prominent figure in the defeated SNS bloc, promised an orderly transfer of power, as a caretaker government oversees the transition.

This victory, while an encouraging sign for Serbia's corroded multiparty institutions, could prove to be a setback for multinational business interests that run counter to SL's platform. Leadership figures from SL have specifically called for banning lithium exploration and mining in Serbia, due both to alleged corruption under the SNS regime and the potential for environmental damage. Rio Tinto faces the largest known near-term friction. It had spent over €640 million in sunk capital by the end of 2025 developing the Jadar Valley's infrastructure and mining preparations, with €604 million in accumulated losses through its Serbian subsidiary, and the potential for an additional €36 million write-off. The last figure represents the remaining value of land and tech assets on Rio Tinto's Serbian balance sheet that will be wiped to zero if the stalled Jadar Valley lithium project is completely abandoned. The latest scope of the planned project was over €2 billion with Jadar Valley production estimates of 58,000 tonnes of lithium carbonate equivalent (LCE) annually. Despite the massive investment, the project has not yet constructed an actual mine. At least one high-profile Student List candidate, Zlatko Kokanović, went on record calling out the Rio Tinto project as a direct product of a corrupt SNS government saying, "…there is no point in talking with such a company." We note businesses should not overreact in this period of optimism given SL's lofty goals – decisions should be tempered in the near term as the new government settles into the realities of leadership.



House of the National Assembly of the Republic of Serbia
(Source: United States Geological Survey)

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The International Criminal Court, The Hague, Netherlands
(Source: United States Geological Survey)

US Government Sanctions the International Criminal Court

Bottom Line: *US Government sanctions against the International Criminal Court highlight compliance risks for service providers which may result from geopolitical strain.*

In early October, the US Government levied sanctions against the International Criminal Court (ICC). This could potentially affect IT companies such as Microsoft, as well as banking and health insurance providers, which provide services to the Court.

The ICC, located in The Hague, Netherlands, was founded in 2002 to prosecute war crimes, crimes against humanity, and genocide. It has 125 member countries and includes every member of NATO and the European Union, except for the United States and Türkiye. Previous sanctions have been imposed on ICC officials by the United States, and Washington has expressed anger over arrest warrants issued for Israeli President Benjamin Netanyahu and a past—now closed—investigation of US soldiers in Afghanistan.

Bank of America Faces Money Laundering Fine

Bottom Line: *The recent fine of Bank of America highlights the importance of having an effective screening system, knowing illicit procurement red flags, and having a compliance response plan before red flags are identified.*

In mid-October, the US Department of the Treasury fined Bank of America $1.2B for violating money laundering and sanctions laws. According to the Treasury, Bank of America failed to mitigate and report, "priority national security risks," which included Chinese money laundering networks and illicit finance along the Southwest Border. *CNN* also reported problems with Bank of America's sanctions screening filter, which compounded this issue.

Selected Upcoming Trade, Technology, and Compliance Conferences

Arizona Photonics Days – January 27th – 29th, Tucson, AZ (Category: Technology)

SPIE Photonics West – January 30th – February 4th, San Francisco, CA (Category: Technology)

Manifest Conference – February 8th – 10th, Las Vegas, NV (Category: Trade)

SEMICON West – March 30th – April 1st, Phoenix, AZ (Category: Technology)

NCBFAA Annual Conference – April 11th – 14th, Orlando, FL (Category: Trade)

Pittcon – April 24th – 28th, Pittsburgh, PA (Category: Technology)

Economic Sanctions and Compliance Conference – April 28th – 29th, Washington, DC (Category: Compliance)

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