



ARTEMIS RESEARCH UPDATES

SUMMER 2025

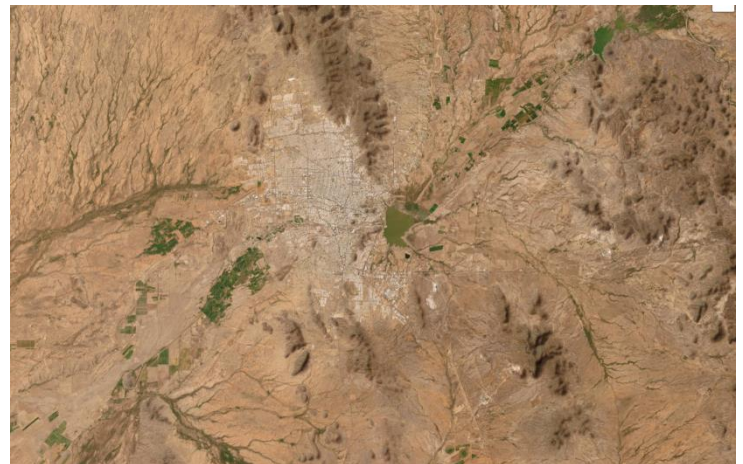
Welcome to the Summer 2025 issue of Artemis Research Updates. In this issue we explore the inextricable link between geopolitical dynamics and global trade, driven home by global events the last few months. Reading these signs and anticipating change *before* it happens is key to maintaining an edge in business overseas—or catching compliance issues while they are risks instead of violations.

Since this spring, we have watched trade regulations serve as a tool to stem global conflict—[sanctions](#) were used as both carrots and sticks in an attempt to end Russia’s war in Ukraine, and the European Union continues to [debate](#) their use to force an end to the conflict in Gaza. They have also followed geopolitical shifts, as Syria sanctions were [lifted](#) with the fall of the Asad regime, and [imposed](#) with a tougher US stance on counternarcotics. We at Artemis Research note that the imposition of new restrictions and the lifting of old ones requires particular attention to ensure the legality of a transaction at any given moment. We also note that these conflicts and regulations also change the way illicit actors evade restrictions, opening new front companies and exploring other shipping routes, which may challenge even the best efforts at compliance.

Artemis Research can help you navigate these challenges. In this newsletter, we discuss the risks posed by these changes and provide several red flags to identify high-risk transactions. For more information, our [website](#) explores these regulations in depth, explains export processes, and discusses how to identify and mitigate export risk. Finally, [we offer](#) boutique research services to arm companies with the information and insight they need to safely—and profitably—do business overseas.

Cartel Designations Likely to Result in Significant Compliance Risks for US Companies

Since January 2025, the Trump Administration has [taken steps](#) to curb drug cartels and transnational criminal organizations in Latin America using trade regulations in conjunction with force. In January, the US Department of State [designated](#) a number of cartels and similar groups as foreign terrorist organizations (FTOs) or specially designated terrorist groups (SDTGs). In late July, the US Treasury also

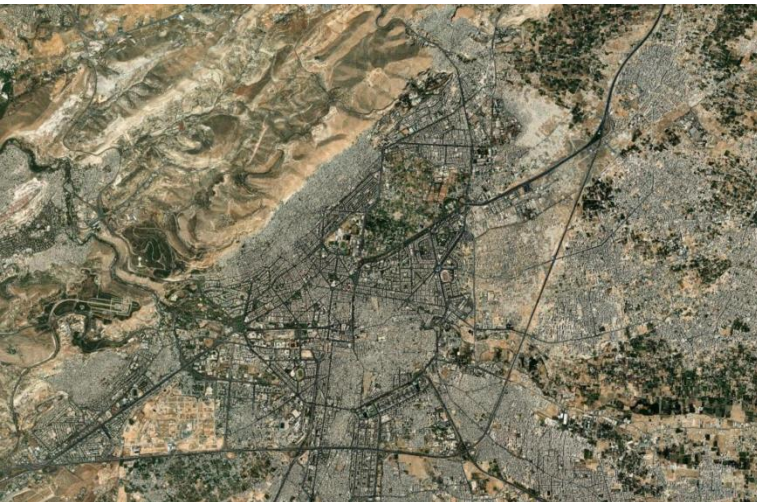


Aerial view of Hermosillo, Mexico, a major manufacturing hub in the Mexican state of Sonora, home to two newly-designated drug cartel FTOs. (Source: U.S. Geological Survey)

[sanctioned](#) the Venezuelan Government-connected Cartel de los Soles for material support to terrorism. This gives the US Government additional tools across the regulatory, law enforcement, and military sectors to counter these groups. Unfortunately, we assess these changes also increase the risk of inadvertent sanctions compliance issues for US companies—particularly those along the southern US border or with supply chains reaching into Latin America—given the cartels' deep penetration of civil society in these countries. It will become increasingly important to vet trade partners to ensure lack of ties to these newly designated terrorist organizations.

Lifting Syria Sanctions Offers Both Opportunity and Risk

In late June, the US [Department of the Treasury](#) and [Department of State](#) lifted sanctions on hundreds of individuals previously designated under the Syria Sanctions Program, following the fall of the Asad regime. The [Department of Commerce](#) relaxed export restrictions on Syria a few months later. We assess this may open new markets for trade—particularly in the [energy sector](#), as the Syrians work to restore a power grid crippled by years of war. However, we urge caution when exploring this market. The [new regime](#)



Aerial view of Damascus, Syria. (Source: U.S. Geological Survey)

is led by a former jihadist and composed of members of the formerly Al Qaida-linked Al-Nusrah front, which had been designated as a foreign terrorist organization [until](#) July of this year. Though the new Syrian leadership has sought to distance itself from its former terrorist ties and remake itself in a more tolerant and global image, more time is necessary to determine the long-term viability of the trajectory and character of the new regime.

Selected Upcoming Trade and Technology Conferences

FEATURED: Artemis Research affiliate, Foley Security Associates has partnered with Kaseware to present the [2025 Midwest Corporate Security Conference](#) on September 24th in Louisville, KY. This is a day-long event bringing together corporate security leaders from across the region and will address issues such as building a robust security culture, workplace violence prevention, and geopolitical risk. Sign up [here](#) for this fantastic event.

Other Events:

[Association of Certified Anti-Money Laundering Specialists \(ACAMS\) The Assembly Las Vegas](#) – September 16^h – 18th, Las Vegas, NV (Category: Compliance)

[LogiPharma](#) – September 29th – October 1st, Boston, MA (Categories: Technology, Trade)

[SEMICON West 2025](#) – October 7th – 9th, Phoenix, AZ (Category: Technology)

[European Conference on Global Sanctions and Export Controls](#) – October 30th – 31st, Amsterdam, Netherlands (Categories: Compliance, Trade)

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

Huawei Smart Airport Technology Enables Chinese Communist Party Access to Trade Information

In April 2025, the Chinese telecom giant, Huawei, [unveiled](#) a new Smart Airport Intelligence Operations Center, which will integrate over 30 different airport systems and apply AI to optimize resource allocation. Artemis research notes that not only will this system provide Huawei with access to information from airports around the world, but it will also enable it to generate new insights about the flow of people and goods by applying AI to data from these newly integrated systems.

Huawei has already been [identified](#) by the US Government as engaging in activities which are "contrary to US national security or foreign policy interests," including [sanctions evasion and theft of trade secrets](#). Additionally, previous [statements](#) from the US Department of State articulate risks posed by Chinese tech giants, including the fact that Chinese law makes all Chinese companies subordinate to the Chinese Communist Party, meaning the Party can, at any time, compel these companies to surrender their resources—including the data they hold—to support the Party's aims. We therefore assess this poses a risk to both US companies and national security by providing the Chinese Communist Party access to data that would allow Party-linked companies to undercut Western businesses or enable the People's Republic of China to disrupt global logistics in a time of war.

Some AI Chips Now Authorized for Export to China

In early August, the Trump administration [suggested](#) it may allow sale of Nvidia's Blackwell, a scaled down version of the company's flagship chip which is key to progress in AI. According to a July 2025 Financial Times [investigation](#), there is already a robust black market for selling banned AI chips in China, using social media groups to match traders with consumers. These chips are often [procured](#) through third countries, such as Thailand—expected to be hit with export controls in September to curb this flow.

News articles highlight concerns across Washington that sales even of this chip may allow China to take the lead in AI development. We at Artemis also note that this may open the door to other similar arrangements with formerly restricted technology. Additionally, while this may lessen the compliance burden on manufactures and distributors for Blackwell shipments, it will likely cause unexpected challenges for freight forwarders, customs brokers, and logistics companies, as the partial relaxation may enable middlemen to conceal restricted chips within orders of authorized ones, providing another smuggling avenue directly to China.

Red Flags: Spotting Export Diversion Before It Happens

Illicit actors use a range of techniques to disguise diversion of US exports to prohibited use. The [US Department of Commerce](#) provides a list of red flags to detect this activity before it happens. Below are a few of our favorites:

- The customer or purchasing agent is reluctant to offer information about the end-use of a product
- The product's capabilities do not fit the buyer's line of business
- The product ordered is incompatible with the technical level of the country to which the product is being shipped
- The customer is willing to pay cash for a very expensive item when the terms of the sale call for financing
- The customer is unfamiliar with the product's performance characteristics but still wants the product
- Routine installation, training or maintenance services are declined by the customer
- Delivery dates are vague, or deliveries are planned for out-of-the-way destinations
- A freight forwarding firm is listed as the product's final destination
- The shipping route is abnormal for the product and destination
- The buyer is evasive or unclear about whether the purchased product is for domestic use, export or reexport

We recommend companies educate their entire workforce about these issues, and not just compliance professionals. These red flags span the range of a company's activities, and might therefore be spotted by employees in roles from sales to shipping. Additionally, we suggest companies establish a reporting and internal investigations process to either clear up the concern or stop the shipment completely and note the activity to prevent future high-risk sales. We also recommend companies consider reporting the suspicious activity to the appropriate regulatory authority.

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