

**Kobre & Kim's International
Private Client Team**

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Reducing Chinese Entities' Risks as U.S. Scrutiny Grows

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Chinese companies and individuals with ties to the U.S. face increasing regulatory and enforcement risks. Those potentially affected should act early and decisively to mitigate exposure, navigate emerging challenges, and safeguard commercial opportunities.

Chinese nationals and companies involved in trade with the U.S. should prepare for increased scrutiny. The U.S. Department of Justice (DOJ) and the U.S. Securities and Exchange Commission (SEC) are expected to intensify their investigations and enforcement efforts; those at risk should take proactive steps to mitigate potential exposure.

These targeted enforcement actions may have unintended consequences for Chinese companies and individuals seeking to expand or protect their commercial interests in the United States. Taking early, decisive steps is key to lawfully managing risk and protecting business opportunities:

- **Map and Mitigate U.S. Exposure Points.** Chinese companies and individuals should assess their operational and financial touchpoints with the U.S., including dollar-denominated transactions, U.S.-based counterparties, and data storage to understand how these connections might be leveraged by U.S. authorities to assert jurisdiction or apply pressure. Risk mitigation may involve diversifying transaction channels, re-evaluating contractual relationships, or restructuring ownership and control frameworks.
- **Strategically Navigate U.S. Regulatory Proceedings.** Clients involved in regulatory proceedings, such as reviews by the Committee on Foreign Investment in the United States (CFIUS), should treat them not in isolation but as part of a broader risk environment that may include parallel disputes, government investigations, or reputational attacks. In these contexts, regulatory strategies should be informed by legal, political, and media considerations. Coordinated planning across litigation, communications, and government relations can help protect commercial interests.
- **Conduct Stress Tests on Global Asset Structures.** At-risk individuals should proactively

review and stress test their global personal and business asset structures to identify any vulnerabilities to litigation, enforcement, or asset freezes. This includes evaluating trust arrangements, offshore vehicles, and cross-border holdings for weaknesses that could be exploited by litigants or regulators, particularly in jurisdictions closely aligned with U.S. enforcement priorities. Spotting these risks early makes it easier to take protective steps before problems arise.

In today's volatile and rapidly changing environment, delays or inaction can carry significant legal, financial, and reputational risks, exposing companies and individuals to potential harm. By identifying vulnerabilities, anticipating regulatory pressure, and lawfully deploying coordinated cross-border strategies, Chinese companies and individuals can better safeguard their interests and remain agile in the face of escalating U.S. scrutiny.

About Kobre & Kim

Kobre & Kim is a global law firm focusing on cross-border disputes and investigations, often involving fraud and misconduct. Our team:

- Provides offensive and defensive cross-border litigation and crisis management strategies in court and out-of-court.
- Has served as lead counsel in prominent cross-border enforcement actions, including those involving market manipulation, bribery and corruption, antitrust and competition, economic sanctions, asset forfeiture, money laundering, extradition, fraud, and other misconduct.
- Can either advocate directly or work cooperatively with local counsel, in jurisdictions in the U.S., UK, EMEA, Asia, Latin America, and key offshore financial centers.