



Kobre & Kim's Cross-Border Disputes Team

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Mitigating Cyprus-Tied Shipping Companies' Growing Exposure to Global Economic Pressures

The U.S. government's rapidly shifting tariff policies are further straining an already challenged sector, disrupting shipping volumes and adding instability to global supply chains. Individuals and businesses tied to international shipping, particularly those based in Greece and Cyprus, may face heightened exposure to these measures and should consider taking proactive, precautionary measures to mitigate potential disruptions and protect their business interests.

The U.S. government's rapidly evolving tariffs are placing an additional strain on an already struggling sector, significantly impacting shipping volumes and destabilizing global supply chains. Individuals and businesses tied to international shipping, particularly those based in Greece and Cyprus, may face heightened exposure to the expanding reach of sanctions, tariffs, targeted criminal investigations, and other pressures.

Stakeholders and their trusted advisors should consider taking proactive, precautionary measures to mitigate potential disruptions and protect their business interests.

Mitigating Government Enforcement Exposure

At-risk individuals and businesses with ties to the shipping industry and their advisors may be able to mitigate potential risks they face if they act early and decisively:

#1 Perform a Risk Assessment and Identify Bad Actors. Those at risk should proactively identify where potential threats – including sanctions designation or criminal investigations – might come from. This includes the authorities most aggressively deploying these tools, including the United States, the United Kingdom, and the European Union. While tariffs are instituted broadly against entire states, these authorities can designate individuals and entities under sanctions regimes in a process lacking transparency and the

protections found in normal judicial proceedings. Criminal investigations allow for greater due-process protections but can still cause substantial reputational damage even if they result in no findings of wrongdoing.

Recently, certain officials, advocacy groups, and private individuals have attempted to increase the likelihood that a particular designation or investigative decision is made against an adversary in key jurisdictions for commercial or political purposes. It is critical to closely monitor media coverage for articles or publications highlighting your business, as governments could ultimately use them as a justification to open an investigation, take enforcement action, or even impose sanctions. Those at risk can respond by correcting the factual record publicly and with the appropriate authorities.

#2 Compile Evidence to Establish the Independence of Key Entities. Governments often only have access to incomplete public-source information when making sanctions decisions. At-risk entities, individuals, and their advisors can proactively prepare a factual narrative explaining that certain business entities or activities are not connected to individuals or entities otherwise targeted or designated by governments. This should complement other filings that may not otherwise be readily accessible to the government such as the compulsory UBO registers for companies and trusts.

#3 Potential Litigation Strategies. In certain scenarios, launching targeted legal proceedings in key jurisdictions can also support key objectives, for example, by asking a court to affirm the legitimacy of offshore trusts or other asset structures where ties to a sanctioned entity are alleged.

As economic measures such as sanctions, tariffs and targeted criminal investigations become more closely tied to foreign policy, businesses in the global shipping industry—especially in Greece and Cyprus—need to stay alert and prepared. Taking early steps to understand their risk, show clear separation from sanctioned entities, and consider legal options can help protect their operations. In today's fast-changing environment, being proactive is key to avoiding disruptions and staying resilient.

About Kobre & Kim

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

To preserve the assets, liberty and reputation of ultra-high-net-worth individuals with global business interests, our team:

- Provides offensive and defensive cross-border litigation and crisis management strategies in court and out-of-court;
- Collaborates closely with its non-law firm affiliate in Cyprus dedicated to providing navigation, coordination and trusted tailored local resources to clients with Cyprus-specific interests;
- Brings together roughly a dozen former government lawyers across Asia, EMEA the U.S., including former prosecutors from the U.S. Department of Justice (DOJ);
- Takes a multidimensional approach to UHNWI-focused disputes investigations to resolve business disputes and regulatory investigations, trace and recover misappropriated funds, defend against asset attacks, and acquire and strategically deploy information to provide UHNWIs with a commercial advantage in their disputes and investigations.