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Managing Indirect Exposure Risks in a Shifting Global Sanctions Landscape

Geopolitical tensions are intensifying global sanctions enforcement, with regulators increasingly targeting indirect exposure through complex cross-border networks. As uncertainty grows around shifting regimes, companies facing heightened legal and operational risks should strengthen diligence, assess exposure, and integrate sanctions into broader risk management.

Geopolitical tensions continue to reshape the global sanctions and tariffs environment, with implications for companies operating across borders. Alongside volatility in energy and commodities markets, authorities across multiple jurisdictions are reassessing how sanctions regimes are enforced and how risk is allocated across complex commercial networks. The U.S., the EU, the UK, and other authorities are increasingly focused on sanctions evasion, circumvention, and facilitation, even as these issues are addressed through different legal frameworks, regulatory approaches, and enforcement tools.

In this environment, sanctions risk is increasingly driven by indirect exposure rather than direct dealings with designated parties. Cross-border activity, the use of intermediaries, and complex ownership or contractual structures are attracting heightened scrutiny from regulators and enforcement authorities. The ongoing conflict between the U.S., Israel, and Iran has intensified attention on activity linked to energy, shipping, finance, and regional trade, with enforcement interest extending to supply chain counterparties and service providers operating within these networks. At the same time, the prospect of sanctions easing, suspension, or recalibration can create uncertainty for businesses considering market re-entry, contract revival, or investment decisions—often heightening dispute risk where commercial expectations, regulatory guidance, and enforcement practice diverge.

As sanctions enforcement becomes more interconnected and geopolitically sensitive, companies may face legal, operational, and reputational risks, even where their conduct is lawful. In response, companies may consider the following steps to manage exposure:

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- **Conduct an Exposure Review.** Companies should assess not only direct dealings with sanctioned parties, but also indirect exposure arising through intermediaries, agents, joint ventures, supply chains and other third parties. Particular attention may be warranted where activities involve higher-risk sectors, regions, or complex ownership and control structures.
- **Strengthen Diligence and Monitoring.** Sanctions screening and diligence frameworks should be evaluated to ensure they capture evolving risks of evasion and circumvention. This may include reassessing how counterparties are vetted, how changes in ownership or control are identified, and how transactional red flags are monitored and escalated over time.
- **Prepare for Cross-Border Scrutiny.** Sanctions and tariffs issues increasingly intersect with legal, compliance, operational, and reputational considerations, and may involve inquiries or enforcement actions by multiple authorities. Clear internal escalation pathways, coordinated decision-making structures, and well-documented processes can help companies respond consistently and effectively across jurisdictions.
- **Integrate Sanctions into Risk Planning.** Sanction-related developments can trigger operational disruption, contractual disputes, reputational harm, and even travel restrictions. Integrating sanctions analysis into enterprise risk management and crisis-response planning can help companies respond more effectively as geopolitical and enforcement conditions evolve.

As geopolitical tensions persist, sanctions are likely to remain a central enforcement tool, with authorities continuing to scrutinize how sanctioned activity is enabled through cross-border commercial relationships. Companies that proactively assess evolving indirect risks and prepare for multi-jurisdictional enforcement scenarios will be better positioned to navigate an increasingly complex global sanctions landscape.

About Kobre & Kim

Kobre & Kim is a global law firm focused on disputes and investigations, often involving complex, cross-border enforcement challenges. Our firm:

- Has deep experience in enforcement actions, including those involving national security and economic sanctions, securities law, market manipulation, bribery and corruption, antitrust and competition, asset forfeiture, money laundering, extradition, fraud, and other misconduct.
- Provides offensive and defensive cross-border litigation reputation and crisis management strategies in court and out-of-court.
- Operates free of conflicts with entrenched market participants, enabling it to act against key industry players in high-stakes disputes.
- Through its integrated global team, it acts in jurisdictions across North and South America, EMEA, Asia, and key offshore financial centers, strategically coordinating cross-border proceedings.

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