

Keeping Pace With the Evolving Sanctions Enforcement Regime

Podcast | The Bracewell Sidebar

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On this episode of The Bracewell Sidebar, hosts [Matthew Nielsen](#) and [Seth DuCharme](#) will give an update on developments in sanctions and enforcement based on insights gleaned from recent conferences that Seth attended. He shares some of his key takeaways.

HIGHLIGHTS:

There has been an undeniable spike in activity, certainly the number of inquiries to the firm relating to whether or not the sanctions regime could touch on a cross-border transaction or if there's anything that clients need to be doing differently in terms of their compliance efforts in light of the sanctions. It's been a real spike in activity there and it makes a lot of sense, because you and I have been talking for about a year now but the common themes we saw coming out of the new administration, first with the White House memo on anti-corruption, how that touched everything from ESG to the FCPA and made clear that the new administration wanted to make marks, generally speaking, in regulatory and enforcement action.

Then we saw events like Colonial Pipeline and then ransomware, and then OFAC responded to questions about ransomware payments and the kind of whole of government approach to sharpening the government's tools in the regulatory and compliance space. That's been undeniable. What's different about sanctions is that the sanctions regime is a much more nimble, but by design, enforcement tool for the executive branch.

Beyond that, there were always shades of gray. Generally speaking, you could do business with China, and, generally speaking, you could do business with

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Russia. All of a sudden, you've got real sharp regulatory risk coming out of OFAC and then all of the reputational risk and commercial risk associated with long-term contracts. It's hard to be both fast and accurate. We all need to be paying attention on a near daily basis to how this is evolving.

The other main takeaway was that, particularly in some large international corporations and frankly within some law firms, compliance has been compartmentalized to some degree with respect to the types of transactions that are at issue for the company and the law firm.

What we heard directly from the government at the conference, frankly and at other venues, is they're coming after companies to up the level of expectations and performance in anti-corruption, whether that's doing business with the Russian government or bribing officials in a third-world country or allowing cryptocurrency to flow through your platforms or your deals in a way that you should've perceived was suspicious but didn't.

Have questions about sanctions and export controls? Email [Matthew Nielsen](#) or [Seth DuCharme](#).

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