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# Everything Everywhere All at Once: Navigating Risk, Compliance, and Opportunity

## Economic, Geopolitical, and Regulatory Environment Shaping International Finance


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# Mission & Core Values

**Our mission is to transform geothermal energy into America's most dependable and affordable source of clean, 24/7 power.**

### Build Things That Last

*We prioritize health, safety, and the environment first.*

*We think long term.*

*We don't cut corners.*

### Innovation Through Collaboration

*We seek out ideas from all sources.*

*We are never territorial about our work or ideas.*

*We ask questions to learn, we teach to grow.*

### Do What We Say We Are Going To Do

*When we commit to something, we deliver it.*

*We assess each task honestly.*

*We are transparent and accountable.*

### Stop And Smell The Roses

*We celebrate wins.*

*We care for the mental, physical, and emotional well-being of our people.*

*We make community building a core part of doing business.*

# International Finance, Geopolitics and Compliance


**International Finance, Geopolitics, AML & Compliance — trending news terms**

Updated through Aug. 12, 2026. Same terms/parameters as Aug. 6 version; weights reflect directional prominence, not a formal media-count dataset.

# Everything Everywhere All at Once

- Initial AI generated image

# Everything Everywhere All at Once

- … after a few prompts to visualize corporate counsel juggling deals touching a number of jurisdictions

# Agenda

- Economic landscape
- Geopolitical pressure points
- Regulatory fragmentation
- Compliance convergence: AML, sanctions, tariffs
- Takeaways and practical actions

# Overview

- Markets remain global, but legal and regulatory regimes are becoming more jurisdiction-specific
- Geopolitical tools are becoming financial tools, especially sanctions, tariffs, export controls, and investment screening
- In-house legal teams need scalable global frameworks with local flexibility and continual monitoring

***Cross-border finance is not deglobalizing, but it is becoming more multi-rulebook***

# Economic Environment – IMF Global Update

- **Strong corporate earnings**
  - Corporate earnings in S&P 500 largely beating earnings estimates
  - Markets with significant AI exposure (U.S., Japan, Korea, Taiwan) outperforming others through Q2 2026
- **Higher energy prices have raised expected policy rates**
  - A number of central banks have been raising policy rates and inflation concerns could increase vulnerabilities
  - Energy dependence has caused policy rate pricing to vary considerably

# Economic Environment - Global Picture

- Global debt as a percentage of GDP continues to grow, expected to reach 100% in 2029, putting pressure on fiscal policies
- IMF forecasts global economic growth of 3.0% in 2026 and 3.4% in 2027, which is down from 3.5% growth in 2024 and 2025 (World Economic Outlook Update, July 2026)
  - Commodity prices remain elevated
  - Inflation and expectations have risen (expectations are mostly short term)
  - Monetary policy is expected to remain largely steady given inflationary pressure

# Economic Environment – Middle East Conflict

- Slight decrease in projections attributed to effects of Middle East conflict, offset by technology advances, including AI
- Energy pricing volatility somewhat mitigated by market responses, including release of reserves and conservation
- Effects are uneven across economies depending on exposure to energy price volatility and participation in technology value chain; as of July 2026:
  - Retail gasoline prices have risen by 30% in emerging Asian markets but 15% in Latin America
  - Natural gas prices rose by 50% in Asia, 25% in Europe and 10% in the U.S. since the conflict began

# Economic Environment – Why it Matters

Higher energy prices can affect project economics, liquidity and covenant cushion.

Divergent growth rates can affect borrower credit profiles and sovereign risk.

AI-driven capital investment may shift lender appetite toward technology, power, and infrastructure.

Inflation and policy-rate uncertainty can complicate pricing, hedging and refinancing opportunities.

# Geopolitical Landscape

Global power competition and geoeconomics

Economic nationalism

Decreasing dependency

New and ongoing military conflicts

Domestic political and social pressures

Fragmentation of regulatory regimes

# Global Power Competition and Geoeconomics

## U.S. and China Competition/Geoeconomics

- Perception of U.S. receding from global role, NATO and global economic order
- China expanding global influence, infrastructure, trade and technology

## Economic Nationalism

- Lazard Geopolitical Advisory posits a new playbook based on U.S. policy
- Expects businesses will face greater scrutiny, with governments not just playing ‘referees’ but becoming ‘major players in the corporate arena’
- Trade & Tariffs, trade restrictions, sanctions and investment screenings, golden shares

# Military Conflicts

### Russia/Ukraine War

- Shifting political alignments
- Commodities—Energy, wheat and fertilizer exports
- Economic damage—labor shortages, inflation, infrastructure damage

### US/Iran Conflict

- Increased costs—Energy, fertilizer
- Slower growth—especially in Gulf states

### Regional Conflicts

- Israel/Palestinian conflicts
- Sudan
- Haiti

# Geopolitical Pressure Points – Why it Matters

- **Trade:** tariffs, customs, supply chains, country-of-origin rules
- **Counterparties:** sanctions, AML, beneficial ownership, corruption risk
- **Capital:** FDI screening, lender appetite, sovereign risk, alternative financing sources
- **Operations:** energy security, logistics, cyber, data localization
- **Contracts:** force majeure, change in law, sanctions exits, tariff pass-throughs

# Domestic Political and Social Pressures

## Nationalism

- Trend of rising nationalism across Europe
- Protectionist policies, higher costs, lower foreign investments

## Technology/Information

- AI race
- Disinformation campaigns

## Polarization

- Policy instability
- Governance gridlock

# Regulatory Framework

## Fragmentation

- Trade
- Foreign Direct Investment
- Market
- Financial

## Compliance

- AML
- Sanctions
- Tariffs/Export Controls

# Fragmentation

- Expanded use of tariffs across major economies
- Growing use of sanctions, export controls and investment restrictions
- Focus on supply chain resilience and strategic autonomy
- Heightened AML, beneficial ownership and financial compliance requirements across jurisdictions
- Divergent data, ESG, AI and cybersecurity frameworks

# Fragmentation – Beyond Just Rules

- Basel III was designed to promote consistency in bank capital, liquidity and risk management standards
- Jurisdictions have taken different approaches to Basel III, including different transition periods
- EU is furthest along in implementation, having mostly implemented the framework
- U.S. has issued a revised proposal that includes reductions in capital requirements and remains open to public comment (significant bank pushback in 2023 after a robust proposal)
- UK has announced delay of implementation to January 2027, to “allow[] more time for greater clarity to emerge about plans for its implementation in the United States”

***Even globally coordinated financial regulation can fragment in implementation***

# Fragmentation – Why it Matters

- More diligence
- More conditionality
- Longer execution timelines
- More contractual risk allocation
- More post-closing monitoring

***Operating across a fragmented regulatory landscape requires a global framework adaptable to local jurisdictions and continual monitoring***

# Fragmentation – Common Theme, Know your Business

Know your Customers

Know your Counterparties

Know Ownership and Control

Know your Supply Chain

Know the Flow of Money

Know your Data

# Compliance

AML

Sanctions

Tariffs/Export Controls

# AML

- Companies are expected to understand who owns and controls counterparties especially in high-risk jurisdictions, e.g., M&A transactions
- Use of digital assets and new payment technologies introduces new risk
- Companies should evaluate risk in light of industry, supply chain, geographic footprint, customer base and transaction structure
- AML and sanctions are increasingly intertwined

***Firms should tier counterparty diligence by consequence rather than spend and view AML compliance as a risk-management issue not just a banking requirement***

# AML – U.S. Framework

## Bank Secrecy Act

## USA PATRIOT Act

## Anti-Money Laundering Act of 2020

*Note: FinCEN issued a final rule extending the investment adviser AML rule's effective date from January 1, 2026 to January 1, 2028, with the substance under review in the interim*

## Corporate Transparency Act

***Note:*** *Domestic reporting suspended by interim final rule; final rule pending at OMB.*

# Sanctions

- Sanctions continue to be a geopolitical tool, with energy being a particularly important sector
- Sanctions evasion is an area of increasing focus
- Sanctions screening and diligence expanding beyond direct counterparties, ownership and control analysis is not enough (OFAC 50 percent rule)
- Focus on use of digital assets as a sanctions evasion technique

***Eliminating direct counterparty sanctions risk is just the first step, companies must develop robust diligence processes, contract controls and continual monitoring***

# Sanctions – U.S. Framework

- International Emergency Economic Powers Act (IEEPA)
- Trading with the Enemy Act
- Countering America's Adversaries through Sanctions Act
- Magnitsky Act
- Specialized Sanctions Laws, including
  - Terrorism
  - Narcotics
  - Human Rights

# Tariffs/Export Controls

- Like sanctions, tariffs and export controls have become more prominent tools in the geopolitical arena
- Stability in supply chains becoming a focus
- Export controls can affect equipment sourcing, technology transfer, software access, technical services, and project development timelines
- Companies face increasing input costs, common inputs for energy projects include those subject to tariffs
- Country-of-origin evidence has to be collected at contracting, not reconstructed at audit
- Importance of risk allocation is increasing as trade volatility increases

***Tariffs are financing, supply-chain and project development issues, not just customs issues***

# Tariffs – U.S. Framework

- **Article I, Section 8** – Congress has authority to impose tariffs, delegated authority to President
- Section 201 Safeguard Measures
- Section 232 National Security
- Section 301 Unfair Trade Practices
- Harmonized Tariff Schedule
- Tariff Act of 1930
- Trade Agreements
- **IEEPA** – SCOTUS held that IEEPA does not provide statutory basis for President to impose tariffs (*Learning Resources, Inc. v. Trump*)
- Exclusions, Waivers

# Example: Cross-Border Energy Project Financing

- A project may require review of:
  - Sanctions and AML diligence on sponsors, offtakers, contractors, and suppliers
  - Tariffs and customs exposure for equipment
  - Export controls for technology, software, and technical services
  - FDI or national security review
  - Lender capital treatment under Basel III
  - Data, cyber, and vendor oversight obligations
  - Contract mechanisms to allocate regulatory volatility

***The transaction is still cross-border and financeable, but the legal review is now multi-rulebook***

# Takeaways

- Regulatory fragmentation is complicating cross-jurisdiction transactions, but global transactions, financial systems and markets remain interconnected
- Geopolitical, economic and legal landscapes continue to evolve and shift
- Legal issues in international finance do not occur in a vacuum and must be evaluated in light of geopolitical and economic environments
- The framework question is not whether a control exists on paper, but whether the company can show it operated: ownership screened, origin documented, exceptions escalated

***When everything is happening everywhere all at once, the legal team's job is to turn complexity into a repeatable risk-management process***

# Practical Actions

- **Map regulatory touchpoints early**
  - Sanctions, AML, tariffs, FDI, export controls, data, cyber, tax, ESG
- **Build one global framework with local overlays**
  - Avoid wholly siloed country-by-country compliance
- **Upgrade diligence beyond direct counterparties**
  - Ownership, control, supply chain, payment flows, sanctions exposure
- **Use contracts to allocate regulatory volatility**
  - Tariff change clauses, sanctions termination rights, cooperation covenants, information rights
- **Monitor after closing**
  - Regulatory risk does not end at closing
  - Assign an owner and keep the evidence

# Manage as much as possible, where possible, continually . . .