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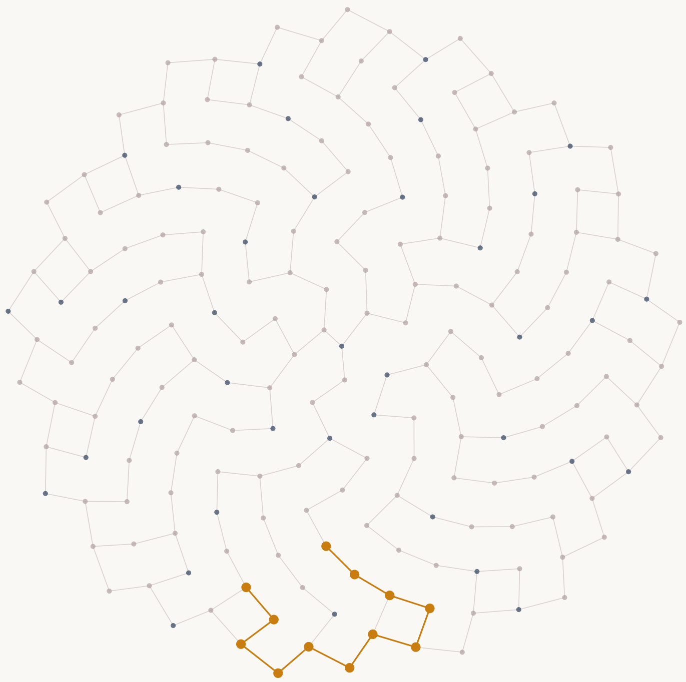

Navigating the New Trade Regulation Landscape: A Practical Guide

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Here's the framework for managing all three without three separate programs.

By Sayari Analyst Team . Published August 2025 . sayari.com

TRADE COMPLIANCE

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Since 2022, trade compliance faces an inflection point. On the surface: more sanctions, more controls, more forced labor restrictions. The US enacted 200+ sanctions and controls in four years; UFLPA added 100+ entities. The real challenge isn't volume-it's convergence.

Export controls, OFAC sanctions, and forced labor compliance now operate on the same counterparties. A Chinese electronics manufacturer can appear on BIS Entity List, qualify for UFLPA scrutiny, and carry OFAC 50% Rule exposure simultaneously. Traditional answers-separate programs, teams, tools-produce three different answers for the same party.

This is a data problem. And data problems have solutions.

Three regulatory regimes, one supplier network: how they converge

Export controls, OFAC sanctions, and forced labor due diligence operate under different authority, agencies, mechanisms. They're separate regulatory universes until convergence. The shift happened quietly as geopolitical reallocation and supply chain restructuring aligned: as the US tightened China controls, companies diversified into Vietnam, Thailand, Mexico. The same company families operated across networks. Subsidiaries appeared on multiple lists. Beneficial owners connected entities across geography and product.

A semiconductor supplier is also a component manufacturer supplying Vietnam subcontractors. The parent may be OFAC-designated; one subsidiary appears on BIS Entity List for encryption; a third sources from a UFLPA facility. Each exposure is real and separate.

But they're connected by common beneficial owners and shared infrastructure.

This is regulatory compounding, not creep.

The data duplication problem: why three programs can't share data today

Organizations scale up silos. Export control teams deepen BIS integration; OFAC teams deepen sanctions screening; procurement teams add UFLPA screening. Each optimizes for its regulation; none can access the others' intelligence.

The result: counterparties screened three times through separate systems producing three risk decisions. Export control flags a party while procurement sources from its UFLPA-flagged subsidiary. OFAC identifies beneficial ownership linkage the export control team lacks. Forced labor discovers facility connections that export teams don't inherit.

This isn't effort failure-it's integration failure. Each program defines "counterparty" differently. Export controls maintain entities and shipto parties; OFAC maintains SDNs and non-SDN lists; forced labor maintains facility and entity lists linked to corporate hierarchies others don't track. Manual mapping is required; intelligence doesn't flow between systems.

Costs compound: manual due diligence replaces automation; risk assessments are outdated when completed. Instead of asking "Is this counterparty cleared under all three regimes?", organizations answer three separate questions in three systems with three data sources.

What the convergence looks like in practice: a single supplier, multiple exposures

A sourcing team evaluates a Vietnam supplier with parent, subsidiaries, and raw material vendors across Southeast Asia. Compliance checks return mixed signals: UFLPA flags one subsidiary; OFAC shows beneficial ownership linkage to a sanctioned person through multiple layers; export control clears the supplier but may require licenses for certain products.

The team faces three options: conditional sourcing, rejection, or weeks of mapping which products come from which subsidiaries under which licenses. Most choose the third-not for efficiency but because alternatives feel risky. The cost is months of delay and advisory spend.

This scenario is routine. Industry research indicates that a minority of organizations treat geopolitical risk as a top-3 priority, yet the vast majority recognize unified compliance visibility is necessary. (Source: McKinsey Global Survey on geopolitical risk, 2024) The barrier isn't will to integrate but lack of infrastructure. Three programs operate on different data, definitions, timelines. Unifying requires a single source of truth: counterparty records incorporating beneficial ownership, supply chain linkage, regulatory status, and entity relationships across all three regimes.

Building a unified trade compliance architecture

Three components drive the path forward: data integration, counterparty definition, and screening orchestration.

Data integration consolidates diverse sources-BIS lists, OFAC records, UFLPA data, corporate registries, trade records, supply chain intelligence-into a single database. Most enterprises have golden records, but unified compliance requires tracking relationships and designations across all regimes: not just whether a party is listed, but whether it's listed under regulatory axes affecting your decisions.

Counterparty definition requires agreeing what constitutes "the same party." Is it the legal entity, beneficial owner, corporate family, or supply chain node? The answer depends on transactions, but unified architecture requires consistency. If export control treats subsidiaries as separate counterparties while OFAC treats them as corporate families, you've created gaps.

Screening orchestration moves from three parallel workflows to one evaluating each counterparty against all three regimes simultaneously. It reduces screening duplication and identifies when a party clears one regime but carries exposure elsewhere. A company might have no export license requirement but significant OFAC risk through beneficial ownership.

The outcome is a single answer: "What is this counterparty's exposure across export controls, sanctions, and forced labor regimes?" This flows into procurement, supply chain restructuring, licenses, and reporting-replacing three answers with one integrated assessment.

The landscape has shifted. Regimes haven't merged, but application has. Companies managing convergence best have stopped organizing around silos and started organizing around data. They've consolidated counterparty intelligence and created a single source of truth no single team could build alone.

Complexity is tractable. It's a data problem. And data problems can be solved.

Sayari's Global Trade Compliance platform consolidates the counterparty intelligence you need across all three regimes. Our platform integrates over 10.6 billion public records and 4 billion trade transactions across 250+ jurisdictions, enabling you to track beneficial ownership, supply chain linkage, and regulatory exposure in a single, unified view. Request a demo to see how companies are moving from three separate programs to one integrated architecture.

Please visit sayari.com to learn more.

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