

THE REVIEW OF  
**SECURITIES & COMMODITIES  
REGULATION**

AN ANALYSIS OF CURRENT LAWS AND REGULATIONS  
AFFECTING THE SECURITIES AND FUTURES INDUSTRIES

Vol. 56 No. 19 November 8, 2023

## NAVIGATING CROSS-BORDER ECONOMIC SANCTIONS: ENSURING COMPLIANCE AND MITIGATING RISKS

*Compliance with international economic sanctions regulations continues to be a top priority for regulators and law enforcement agencies around the globe. Complex and sometimes conflicting sanctions regimes present regulatory challenges for businesses with international operations, particularly with respect to their operations in China. This article provides an overview of key sanctions laws in the U.S., UK, EU, and China, and discusses sanctions compliance considerations for companies with Chinese subsidiaries following China's recent adoption of new sanctions, national security, and data privacy laws.*

By Zachary Goldman, Zack Kessler, Lester Ross, and Kenneth Zhou \*

Enforcing compliance with international economic sanctions regulations has become a top priority for regulators and law enforcement around the globe. As penalties for violations grow, the commercial need to manage this increasingly complex environment has never been greater.

Driven by the extensive integration of Chinese businesses into the global economy, U.S., EU, and UK businesses have invested resources and entered into commercial relationships in China. For these companies, such investments bring new and complex regulatory compliance challenges, including compliance with widening U.S., UK, EU, and Chinese sanctions regimes. For U.S., UK, and EU businesses with Chinese subsidiaries, these challenges are magnified, given sometimes conflicting sanctions requirements.

To help companies better understand this complex web of compliance obligations, this article provides an

overview of the relevant sanctions considerations across three key jurisdictions, plus China. First, we summarize the key features of sanctions compliance obligations in the U.S., UK, and EU, as well as the expanding range of Chinese laws and regulations related to sanctions. Second, we identify sanctions compliance challenges that U.S., UK, and EU companies with Chinese subsidiaries are facing and introduce ways those companies have resolved them. Companies from other jurisdictions with subsidiaries and affiliates in China may also be affected if they do business in any of the three aforementioned jurisdictions.

### KEY SANCTIONS COMPLIANCE OBLIGATIONS

#### UNITED STATES

The U.S. uses sanctions as an important foreign policy tool to protect the integrity of the U.S. and global financial systems, and to influence the behavior of

---

\* Zachary Goldman, Lester Ross, and Kenneth Zhou are partners at Wilmer Cutler Pickering Hale and Dorr LLP, and Zack Kessler is a senior associate at the firm. Richard Burger, Chris Ladusans, Christian Duvernoy, and Georgia Tzifa also contributed to the article. Zachary Goldman can be contacted at [zachary.goldman@wilmerhale.com](mailto:zachary.goldman@wilmerhale.com).