

General Counsel: Global turmoil is only set to increase – and will require earlier, more complex legal advice for boards and management teams

Lex Mundi's latest annual General Counsel Summit addressed the topic of "GeoDisruption³: Balancing Gigawatts, Gigabytes and Gigapowers": shedding light on the challenges, sanction risks, and geopolitical tensions that are making cross-border deals more uncertain and costly for senior in-house counsel at major multinationals.

(LONDON, UK – 17 February 2025) – The triple collision of geopolitics (Gigapowers), energy transition (Gigawatts), and artificial intelligence (Gigabytes)—or GeoDisruption³—are the forces reshaping global investment flows, regulatory landscapes, and legal risk. These accelerating dynamics are making cross-border deals more uncertain, more complex, and more costly for in-house counsel at major multinationals.

The latest Lex Mundi General Counsel Summit Report, titled "*GeoDisruption³: Balancing Gigawatts, Gigabytes and Gigapowers*" ('The Report'), is based on insights from 50+ senior in-house counsel at blue-chip multinationals, gathered during the General Counsel Summit in Milan last October.

Cross-border transactions are no longer just about commercial logic—they now hinge on whether businesses can navigate the intersecting risks of geopolitics, AI regulation, and energy transition. Countries and regions are strategically repositioning to compete for economic opportunities, creating a fragmented and often conflicting regulatory environment. New restrictions on trade, foreign investment, and technology transfer are intersecting with sanctions and supply chain disclosure laws, forming a patchwork of regulatory barriers that law firms and in-house teams must now navigate in real time to keep deals viable.

At the heart of these challenges are three key areas of regulation that are having the most impact on cross-border transactions and operations:

1. Sanctions are no longer just a compliance issue—they have become an active enforcement risk.

As sanctions increase and intensify, businesses are struggling to determine where and with whom they can engage in trade or investment. Companies must now map their entire supply chains—including indirect suppliers and intermediaries—to avoid hidden regulatory risks.

Even transactions through "neutral" jurisdictions can trigger enforcement action if regulators view them as conduits for sanctioned activity. This means that businesses risk penalties for unknowingly dealing with third-party suppliers who trade with restricted jurisdictions. As a result, general warnings from law firms are no longer enough—Summit participants say they need specific intelligence on how regulators will interpret and enforce sanctions.

With these complexities, sanctions-related litigation is expected to rise, as companies challenge enforcement actions and compliance missteps. Legal teams are now expected to anticipate enforcement action, rather than simply react when it happens.

- 2. Geo-economic risk is not just a hurdle to navigate—it can determine whether a deal even happens.** Deals are increasingly being blocked or delayed due to national security concerns, particularly in tech, AI, and energy. Foreign Direct Investment (FDI) and technology transfer controls are now bigger obstacles than traditional antitrust reviews. AI, semiconductors, and critical energy technologies are increasingly subject to national security reviews that can delay or block transactions—or force companies into divestitures that kill deals entirely.

Companies are now bringing in legal advisors earlier—before structuring deals—to assess geopolitical feasibility. This proactive approach is a significant shift from previous dealmaking norms, where legal teams primarily worked on regulatory approval after commercial agreements had been struck. In some cases, companies are being asked to divest key assets just to obtain regulatory approval. As one General Counsel put it, companies risk being “asked to divest the ‘crown jewel’ of the business you’re seeking to buy”—sometimes killing the deal altogether.

- 3. Beyond sanctions, companies are facing a wave of new supply chain disclosure rules related to climate, human rights, and sustainability obligations.** The EU’s regulatory regime is setting the global standard, but other major economies are introducing overlapping, and sometimes conflicting, ESG disclosure mandates. These rules require businesses to conduct deep visibility checks on suppliers and commercial partners, ensuring compliance with environmental and human rights standards. Summit participants noted that this is no longer a box-ticking exercise—regulatory scrutiny is rising, and companies must prove that they are actively managing ESG risks across their supply chains.

This shift has led to higher compliance costs and increased legal exposure, as enforcement agencies are now more proactive in investigating failures to meet disclosure obligations.

To navigate this era of GeoDisruption³, legal departments are forced to evolve. Five critical capabilities—strategic negotiation, crisis anticipation, horizon scanning, AI-driven risk analysis, and agile legal project management—are becoming essential for companies to remain competitive and compliant in a fragmented regulatory landscape. In particular, leveraging AI and Legal Project Management (LPM) can streamline legal work and improve coordination across borders. AI is being used to reduce the burden on in-house teams by handling routine tasks such as compliance monitoring, contract analysis, and regulatory tracking, but it cannot replace the high-value strategic input from external counsel.

Eric Staal, Vice President (Global Markets) at Lex Mundi:

“Our work with General Counsel in the past year underscores the permanence of the disruption with which they are grappling. Rather than dealing with episodic crises that have a definitive beginning and end, there is a trifecta of regulatory disruption driven by geopolitics, energy transition, and AI.

“The crucial shift is toward earlier legal assessments informed by local intelligence, in order to better navigate product launches and market entry, business relationships, operational strategies and capital allocation. Legal project management, in particular, is misunderstood as being about efficient deadline and cost management; its real value is in enabling smarter decisions to support strategy implementation.”

Helena Samaha, CEO and President of Lex Mundi:

*“In this environment, business leaders have to steer their companies through extreme uncertainty and adjust their strategy as they go along. It is not just the volatility itself; it is the speed of swing within the volatility. This affects every aspect of their businesses, from the deal making which is reeling from the weight of sanctions, regulation, and taxation, to managing an increasingly aggrieved and disillusioned workforce.**

“Front of line advisers to the boards are the in-house legal departments, who continue to report being very stretched. One silver lining may be innovation in technology and AI, but legal teams still need structured, high-value, legal risk management support from their law firms. The Report outlines five possible solutions for in-house counsel: mastering complex negotiations, embedding proactive

crisis management, integrating AI without losing strategic oversight, sharpening geopolitical risk assessment, and leveraging Legal Project Management to coordinate cross-border work effectively.

“The law firms that will thrive are the ones who bring not just expertise, but the right strategic mindset in helping businesses turn legal complexity into a competitive advantage.”

ENDS

Notes to editors

*For further context, see the **2025 AlixPartners Disruption Index**, which explores how volatility and geopolitical risk are reshaping corporate strategy ([link](#)), and the **2025 Edelman Trust Barometer**, which examines declining institutional trust and the pressures on business leadership ([link](#)).

About the Report

The Lex Mundi General Counsel Summit Report 2025 is based on insights from senior in-house counsel at blue-chip multinationals, gathered during the annual Lex Mundi General Counsel Summit, held in Milan in October 2024. The full report is available upon request.

About Lex Mundi

Lex Mundi brings together pre-eminent law firms within an inclusive and trusted relationship, providing them with a global reach and driving consistent excellence, innovation, and collaboration. Lex Mundi enhances the capabilities of each member firm, augmenting their competitive edge and their contribution to the communities in which they operate.

Lex Mundi member law firms are located throughout Europe, the Middle East, Africa, Asia and the Pacific, Latin America and the Caribbean and North America. Through its nonprofit affiliate, the Lex Mundi Pro Bono Foundation, members also provide pro bono legal assistance to social entrepreneurs around the globe. For more information, please visit www.lexmundi.com and www.lexmundiprobono.org.

Contact Information:



Lena Diamond

Account Manager, Byfield Consultancy

London, England, United Kingdom

+44 (0)204 558 6149