# Sanctions: New states of mind



## How sanctions strategies can respond to growing complexity

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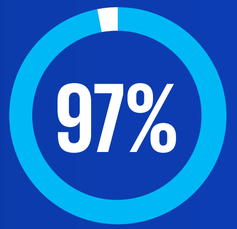
# Introduction

**Sanctions are now one of the defining business challenges of an increasingly fragmented global landscape. Some governments are using them as a geopolitical lever, which is helping to create a volatile environment that increases the risk of compliance breaches and reputational harm.**

**In new research from KPMG, executives recognize this shift:**




of respondents say the risk of sanctions compliance failure has never been greater.




of respondents say the complexity of today's global sanctions environment is forcing them to face decisions they have never had to tackle before.

But survey respondents' anxiety is coupled with cautious optimism. They see sanctions as a potential source of competitive growth rather than simply a compliance obligation. Strong sanctions intelligence can help businesses to anticipate regime changes, provide more proactive support to customers and prepare for commercial opportunities when restrictions are lifted. Some organizations are investing in capabilities such as proactive scenario planning and automation in order to act decisively and get ahead of their competitors.

Realizing these opportunities will require appropriate risk frameworks, robust AI governance, and effective human oversight. In an increasingly interconnected sanctions ecosystem, they should also strengthen collaboration across functions, regions and partners such as financial institutions, regulators and trade bodies.

Our survey of 301 senior executives finds that the organizations with the strongest sanctions readiness go beyond compliance. They aim to embed sanctions into executive decision-making, treat sanctions readiness as a strategic imperative and position themselves to respond confidently, while balancing speed with caution.

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# About the research

## This report is based on a survey of 301 executives from 18 countries across the Americas, Asia-Pacific and Europe, and seven sectors

### Sectors include:

**12%** Industrial manufacturing (incl. aerospace and defense)

**12%** Construction, real estate and infrastructure

**12%** Healthcare and life sciences

**12%** Consumer and retail

**30%** Financial services

**12%** Automotive, logistics and transport

**12%** Energy and extractives

### Geography:

**33%** Americas

**33%** Europe

**34%** Asia-Pacific (ASPAC)

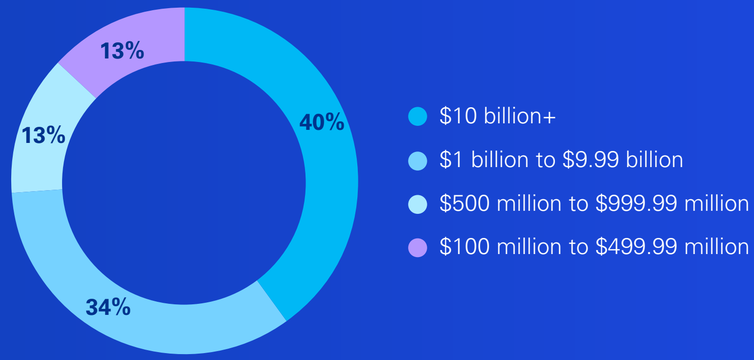
**Percentages may not total 100 due to rounding.*
Source: KPMG International, Sanctions: New states of mind, 2026.

### Respondents: (Senior leadership executives)

**80%** C-1

**20%** C-level

### Company annual revenue (USD equivalent):

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# 1. Sanctions compliance can enhance market positioning

An increasingly volatile geopolitical landscape has pushed sanctions to the top of executive agendas. Nearly all the executives in our survey (97 percent) say the risk of sanctions compliance failure has never been greater.

A similar proportion say the complexity of the global sanctions environment presents them with decisions they have never faced before. This is felt particularly acutely by respondents in Europe: 60 percent strongly agree, compared with 49 percent of respondents in ASPAC and 41 percent of respondents in the Americas.

Raymond Bonci, Chief Ethics and Compliance Officer at global aerospace company Airbus, notes the scale of the challenge. "We're operating in a time marked by an unprecedented number of crises and unsettling geopolitical developments — and the speed of change is one of the defining characteristics of the environment. We've moved from stable, relatively predictable global regimes to rapid multi-jurisdictional shifts."

Navigating these uncharted waters is playing on executives' minds. Compared with five years ago, 96 percent of respondents say they worry more about rising sanctions activity and reduced international coordination increasing the risk of compliance breaches and reputational damage. Dorothy Capers, Chief Legal Officer and Corporate Secretary at global logistics company C.H. Robinson, relates to this. "This has been the most challenging year of my career," she says. "And I think most people in this line of work would say the same about their own working experiences this year."

## More than half of respondents say their organizations treat sanctions compliance as a strategic priority

Fifty-two percent of executives in the survey say that sanctions compliance is treated as a strategic executive priority at their organization rather than simply a regulatory requirement. Among respondents in the Americas and Europe this rises to 57 percent and 55 percent, compared with only 45 percent of respondents in ASPAC.

Capers says sanctions have evolved beyond a legal function into an enterprise-wide imperative: "Sanctions are no longer just a legal department offshoot: they are embedded in the business. The biggest change I've seen is that they have moved from a strictly legal checkbox activity to something that is wound throughout the business as an enterprise risk management concern."

However, sanctions compliance is not just a source of stress for executives; many are increasingly aware of the opportunities created by a unified sanctions strategy. One of the top new considerations respondents face because of the evolving global sanctions environment is factoring sanctions considerations into strategic planning, such as mergers and acquisitions and market entries and exits. Nearly all (96 percent) agree that sanctions developments are becoming an important area where companies need to strengthen their compliance capabilities, stay ahead of regulatory changes and better support clients.

This shift in mindset is already creating benefits: 76 percent of respondents say their sanctions intelligence has frequently enhanced their ability to anticipate regulatory developments and provide more informed, proactive support to clients. Looking ahead, 97 percent of respondents say they plan to take a more strategic approach to sanctions, taking advantage of early-mover opportunities when controls are lifted. These opportunities might include cost savings from updating supply chains to use more efficient routes or accessing new markets.

This has been C.H. Robinson's approach. "We've changed from being reactive to being proactive," says Capers. "You have to get ahead of sanctions. Companies that don't embrace this are shooting themselves in the foot."

## Speed should be balanced with caution

Organizations are acting on their aim to use sanctions as a strategic opportunity. When we asked how they would respond if a major sanctions regime was lifted in a relevant market, 83 percent of respondents said they have pre-approved scenario forecasts and plans that would allow them to strategically move forward in that market immediately.

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"Having a clear view of your intention and the opportunities you want to pursue is really important," says Neal Dawson, UK Head of AML and Sanctions at KPMG in the UK. "It enables those strategic conversations to identify and mitigate risks to take place in advance. And then you can move with certainty when those opportunities start to crystallize."

But although many organizations are planning proactively, they also need to avoid making hasty or reckless decisions. More than half (54 percent) of respondents with pre-approved plans say they also monitor developments and act on them only after other companies start to move into the market. Respondents in the Americas are most likely to say they take this proactive yet cautious approach: 61 percent say this, compared with 55 percent in Europe and just 48 percent in ASPAC.

Dawson agrees that context is critical for organizations to maximize the competitive advantage of being an early mover. "Success depends on understanding the risk appetite and legal boundaries of the other key players in the value chain," he says. "Companies can't make these moves alone — they should do it in sync with others in the wider ecosystem."

Proceeding with caution is also important because sanctions changes often occur in volatile geopolitical circumstances. This means sanctions can be lifted and reimposed within short time frames. An organization that moves too quickly might have to backtrack later, which can cause significant backlash and commercial damage.

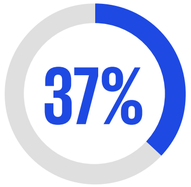
Robert Dean, UK Head of Financial Crime Technology at KPMG in the UK, gives the example of the evolving sanctions regimes toward Libya between 2011 and 2014. "The Libya situation really showed the risks of capitalizing on sanctions being lifted," he says. "Some organizations were very quick to react to the lifting of the Libyan sanctions program, then civil war hit and sanctions were reintroduced. Suddenly, the challenge was how to gracefully exit that situation."

Seeing the pitfalls of early movement can make organizations more conservative in the future. "The fear of getting sanctions wrong is so strong, and the consequences so significant, that there is still a lot of nervousness about trying to take first-mover advantage and whether it can be done safely," says Dean.

## Sanctions compliance is affecting the bottom line

Organizations are right to see sanctions compliance as a top priority, because executives surveyed say that it is already affecting them financially. Most executives in our survey have experienced some form of financial impact due to sanctions compliance in the past two years.

Some of the most common financial impacts are a result of being too slow to respond to evolving sanctions environments:




of respondents have experienced costs related to delayed market entry because of sanctions uncertainty.




of respondents have experienced delayed or canceled transactions while conducting sanctions due diligence.

There is notable variation across regions, with respondents in ASPAC less likely to report costs associated with delayed market entry (30 percent, compared with 39 percent of respondents in the Americas and 43 percent in Europe).

Bonci says operational costs can be critical for business: "In addition to the financial exposure or fallout from having a compliance breach, the costs of operational disruption from sudden, unanticipated shifts in the trade landscape can also be extreme."

But many respondents also say their organizations have experienced the commercial consequences of sanctions compliance failures: 35 percent have faced costs related to sanctions violation investigations (internal or external), and 28 percent have received direct regulatory fines or penalties for sanctions violations.

So what risk management measures do companies have in place to control these financial impacts as much as possible? When they mark their progress across 11 sanctions measures, on average 68 percent of respondents have reached at least the operational stage, with core processes largely in place.

Developed risk management systems are an important foundation for managing and benefiting from sanctions regimes. But the remaining sections of this report show that organizations should do more to finesse their strategies by optimizing budgets, education, stakeholder management and technology.

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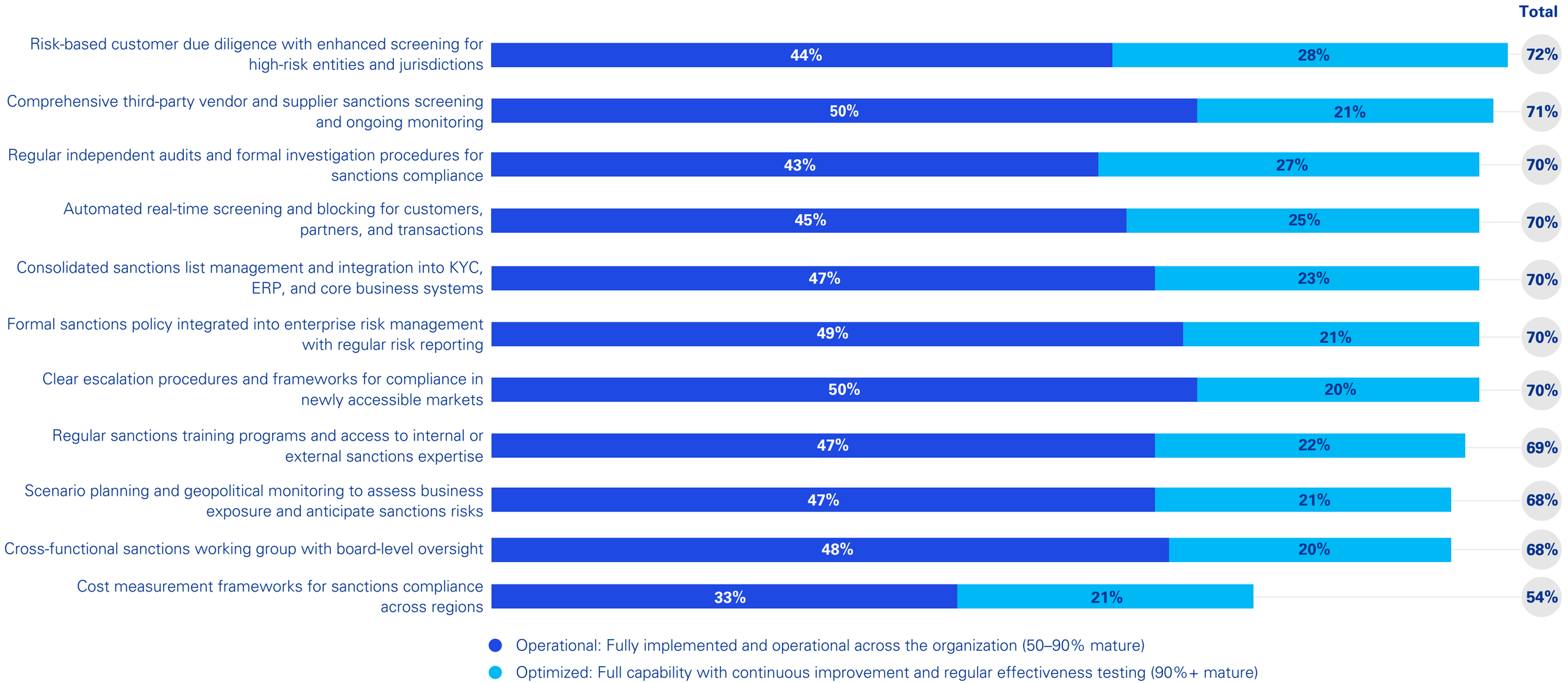
## Companies have made the most progress in customer and vendor screening

*What maturity level is your organization at in relation to each of the following sanctions risk management measures?*

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# 2. The cost of keeping up

As payment volumes rise, sanctions lists grow and regimes diverge, sanctions compliance budgets are under significant pressure. Almost all the executives in our survey (98 percent) say that the cost of sanctions and trade restrictions compliance is increasing by more than other areas of compliance, and 37 percent of respondents say their sanctions compliance costs have exceeded budgets by more than 25 percent.

This has caught some organizations off guard. When asked about their lessons learned over the past 12 months, one of the executives' top responses was that they had underestimated the cost and resources required to manage sanctions compliance. Organizations in the Americas are far more likely than those in other regions to say this: 48 percent of executives, compared with 35 percent of those surveyed in ASPAC and 31 percent of respondents in Europe.

Exceeding budgets can compromise strategies. More than two-thirds of executives surveyed (67 percent) say rising sanctions costs have frequently forced trade-offs with other business priorities. These sorts of trade-offs can increase the risk of lost opportunities elsewhere and potentially even compliance failures.

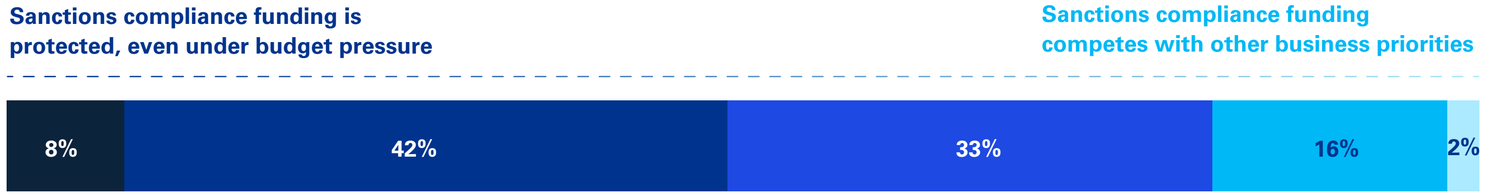
Airbus's Raymond Bonci believes executives must take a long-term view when investing in sanctions strategies. "Many companies find themselves trapped in a dilemma," he says. "They face short-term cost pressures, but need to allocate enough capital and investment to compliance expertise to build a resilient business model. It took us time to build the team we needed and there was tension between our short- and long-term goals, but you need to be forward-looking."

## Safeguarding funding is a business imperative

Executives in the survey are working to make sure they have the funding to meet their sanctions requirements. More than half (52 percent) say they are increasing their budget for sanctions compliance this year. For C.H. Robinson, increasing investment has become critical to operating in today's sanctions environment. "We place a premium on sanctions compliance, and the increase in cost is anticipated and expected," says Dorothy Capers. "It's part of our business model and we build increases into our budgets annually."

Organizations also need clear cost frameworks to help employees prioritize correctly, especially if they face any trade-off decisions. There has been some progress made here: 50 percent of respondents say that sanctions compliance funding is protected even under budget pressures. This rises to 58 percent of respondents in the Americas, compared with 52 percent of those surveyed in Europe and just 41 percent surveyed in ASPAC.

## Half of companies protect sanctions compliance funding




**Sums may not total 100 due to rounding*

Elsewhere, our research shows that cost frameworks still need attention. The least mature area of the 11 sanctions measures assessed in the survey is cost measurement frameworks for cross-regional sanctions compliance. And about one-fifth of respondents say they need better frameworks to prioritize sanctions compliance investment when budget pressures intensify.

With finances stretched to their limits, trade-offs are inevitable. Employee education is often the first thing to be deprioritized: 57 percent of executives surveyed say that sanctions training is more likely than other compliance activities to be reduced when budgets are under pressure. This is especially likely in ASPAC (64 percent of respondents, compared with 56 percent in Europe and 50 percent in the Americas).

But as our next chapter examines, sacrificing employee training in the name of budget cuts could be a costly mistake.

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# 3. Build a sanctions-ready workforce

Training may be the first thing organizations deprioritize when budgets are tight, but our research suggests that this might be short-sighted. According to the executives surveyed, their top lesson of the past 12 months is that they need to expand sanctions training, education and awareness across their organization so that more employees can identify and escalate potential red flags of sanctions evasion. Respondents in the automotive, logistics and transport sector feel particularly strongly about this, with two-thirds saying it is a top challenge. There are also notable differences between regions: 51 percent of respondents in the Americas and ASPAC say training needs to be prioritized more, compared with just 34 percent in Europe.

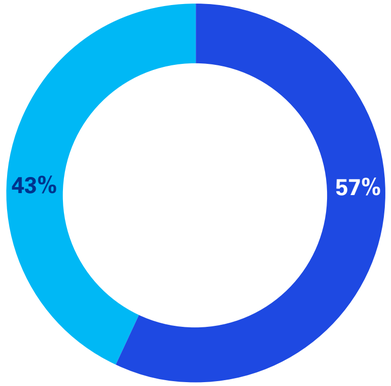
Sanctions training is currently targeted toward higher-risk roles: 78 percent of respondents say their organization does not deliver training broadly across their organization. A selective approach is one way to reduce costs, but it could create knowledge gaps that leave businesses exposed to mistakes.

## Employees' sanctions awareness is patchy

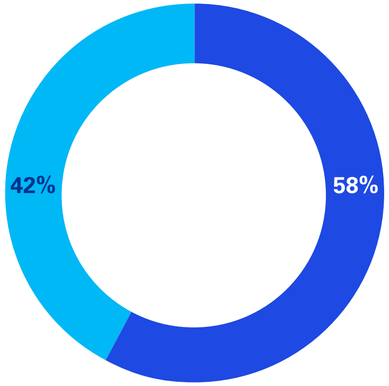
Many companies are already suffering from hazardous awareness gaps. Around six in 10 executives surveyed (58 percent) say employees in externally facing and procurement roles, which are critical to maintaining sanctions compliance, struggle to recognize common red flags that are indicative of sanctions breaches or evasion. This rises to 65 percent among corporate respondents but drops to 43 percent among financial services respondents. Corporate respondents are also more likely to report regulatory fines and penalties for sanctions violations. While the survey does not establish causation, the finding reinforces the importance of addressing workforce awareness gaps.

## Sanctions awareness gaps are common among employees

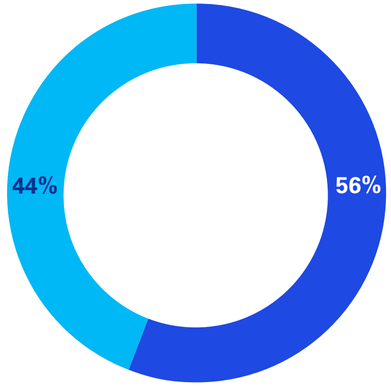
*To what extent do you agree or disagree with the following statements about sanctions training and awareness within your organization?*




Under budget pressure, sanctions training is more likely to be reduced or deprioritized than other compliance activities




Employees in externally facing and procurement roles struggle to recognize common red flags that are indicative of sanctions breaches or evasion




Employees in external-facing and procurement roles do not understand the full potential legal consequences of a sanctions breach, including strict liability under certain regimes

● Agree ● Disagree

There are also gaps in awareness of the importance of sanctions compliance: 56 percent of all executives surveyed say their employees in externally facing and procurement roles do not understand the full potential legal consequences of sanctions breaches. This is particularly prevalent among respondents in ASPAC (65 percent, compared with 53 percent of respondents in the Americas and 50 percent of respondents in Europe).

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## Better communication can improve decision-making

In a rapidly evolving global sanctions environment, leaders should be in constant communication with their regional teams to understand new and potential regime changes. According to KPMG's Neal Dawson, this makes a significant difference to sanctions management. "The companies doing well are generally those with very clear tone from the top and global standards," he says. "Those standards are underpinned by connected processes and controls that allow consistent decision-making across the organization. This creates a uniform view of what is and isn't acceptable, while empowering local leadership to make decisions with agility."

Many companies have to do more to connect their teams: 65 percent of executives surveyed say that communication gaps between global and regional leadership have frequently increased their sanctions risk exposure over the past 12 months. "Without integration, local teams can make decisions that appear acceptable to them but are viewed very differently by group leadership and can spiral into creating issues for the whole organization," says Dawson.

Again, this is a bigger problem for corporates: 72 percent of these respondents have experienced frequent communication failures, compared with just 48 percent of respondents from financial services firms. And respondents in ASPAC are much more likely to cite this issue (75 percent, compared with 63 percent of respondents in Europe and 57 percent of respondents in the Americas).

JPMorgan Chase has set a clear governance and escalation structure for sanctions compliance that keeps its global teams aligned. "In the 15 years I've been here, we have made sure to really centralize sanctions compliance," says Dorothy Bennett, the financial services firm's Global Head of Sanctions and Managing Director. "We have a core team in the US with regional teams across the globe, but they are all dotted into the central US team. When anything happens, even if it's a local sanctions issue, the US team is made aware so we can support."

This coordination also extends to different business units. "We have dedicated business sanctions officers that sit within the central compliance team but interact on a day-to-day basis with lines of business," says Bennett. "When issues arise, they feed these through and they keep going up the chain until the top of the house is notified and informed."

## Organizations are addressing education gaps

Poor sanctions awareness in parts of the workforce is clearly causing problems for organizations. But most are addressing the issue. The vast majority (85 percent) of respondents say their organizations have expanded sanctions training to reflect growing complexity.

C.H. Robinson has invested significantly in its sanctions training, but Dorothy Capers says this has to be nuanced. "People learn differently, so you have to make sure you bring training to them in a way they can grasp," she says. "I once heard someone say you have to teach people three times and in different ways, as some might not understand it at first." The company combines mandatory online training with regular live sessions and testing.

About three-quarters of the executives in the survey (74 percent) say they have frequently identified and addressed training gaps to reduce compliance risks over the past 12 months. This includes educating employees on sanctions evasion and circumvention techniques to help them to spot red flags much earlier. Surveyed organizations in ASPAC, which struggle the most with communication gaps, have prioritized this more than those in other regions (83 percent of respondents say they have frequently identified and addressed knowledge gaps, compared with 78 percent of respondents in Europe and 60 percent of respondents in the Americas).

Artificial intelligence should be an area of particular focus for this training. Bad actors are increasingly using technology to spoof identities or documentation to evade sanctions controls. Our survey suggests that increasing the breadth of training could help employees to spot these techniques: 97 percent of respondents say they have encountered bad actors using AI to circumvent sanctions measures.

But internal awareness is only one part of stronger sanctions readiness. Organizations should also strengthen collaboration across their wider value chains — especially the financial institutions they partner with. The next section focuses on where strategies between corporates and financial services companies align and diverge.

> **"The companies doing well are generally those with very clear tone from the top and global standards."**
>
> **Neal Dawson**
> UK Head of AML & Sanctions and Partner,
> KPMG in the UK

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# 4. Align the value chain

Corporates and financial services firms have complementary roles in sanctions compliance. Corporates must ensure they avoid business with sanctioned parties, while their banks independently screen transactions before processing payments. To avoid delays and reduce risk, they must be aligned.

Our research shows noticeable divergences between the two groups. Financial services firms are taking a more rigorous approach to risk management than organizations in other sectors. These companies have traditionally had higher levels of liability regarding sanctions compliance than their corporate clients, and this is reflected in the maturity of their governance frameworks:

**73%** of financial services respondents say their organizations have operationalized a cross-functional sanctions working group with board-level oversight, compared with 66 percent of corporate respondents.

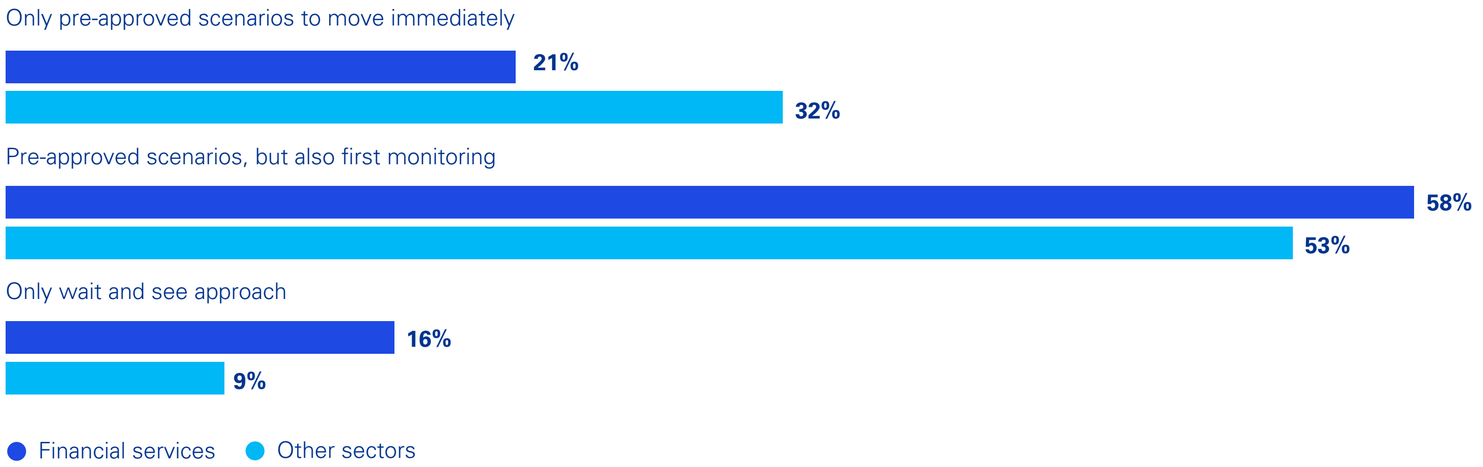
**75%** of financial services respondents say their organizations have clear escalation procedures and frameworks for compliance in newly accessible markets, compared with 68 percent of corporate respondents.

From the perspective of a financial services company, Dorothy Bennett highlights the complexity JPMorgan Chase faces when managing sanctions compliance: "Many companies think you are done once you put in screenings against sanctions lists. But there is so much more to sanctions compliance," says Bennett. "You have to understand your clients' activities. Do they operate in sanctioned jurisdictions? Do they have revenue coming from those jurisdictions? And what is the ownership structure? So there's a lot of work that goes into due diligence around relationships and entities that you end up having as clients or counterparties from other banks."

In contrast, corporates have a slightly higher risk tolerance from a strategic standpoint and are more likely to have an appetite for strategies that capitalize on sanctions lifts. About a third of respondents (32 percent) have pre-approved scenario forecasts and plans that enable them to move forward in a market immediately, without waiting to see how other companies respond, compared with 21 percent of respondents from financial services firms. Financial services respondents are more likely to say their organization will move forward on pre-approved plans only if other companies move first (58 percent versus 53 percent of respondents from corporate organizations).

## Corporates are more likely to move immediately when sanctions are lifted

*Imagine a major sanctions regime is lifted in a market that could be relevant to your organization. What would your organization's response be?*

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## These diverging approaches create value-chain tension

Collaboration between financial services firms and corporate clients is critical for sanctions compliance. Financial services companies rely on corporates to provide accurate information about who they do business with, the nature of the business and in which locations. And corporates need their banks to process payments efficiently and give clear guidance if further information is necessary. When the two groups are aligned, payments can move faster and both parties can reduce the likelihood of incurring penalties and reputational damage.

The groups' different approaches appear to be causing some tension in the value chain. Nearly every corporate respondent surveyed (97 percent) says that in the past 12 months the questions asked by their banks about sanctions compliance have increased in volume and complexity. And 88 percent of respondents from financial services firms say their corporate clients do not fully appreciate their need for increased scrutiny in today's complex global sanctions environment.

Not all corporates feel this way. For instance, Dorothy Capers says that C.H. Robinson values the opportunity to communicate and collaborate with its financial institutions at a deeper level. "We welcome their questions," she says. "It gives us an opportunity to show how different we are in the marketplace. As a logistics company that has to look at [sanctions compliance] in more detail, we have a very well-established program."

Our results show that many corporates are trying to collaborate more effectively. Almost half (49 percent) of corporates surveyed are already redesigning processes and strategies to improve their collaboration with financial services partners.

Corporates and financial services companies are far from the only actors in sanctions compliance ecosystems: regulators and trade associations also play a critical role. The evolving geopolitical environment means that sanctions rules are constantly changing, so organizations should be seeking to foster an ongoing dialogue with the bodies that create, enforce and interpret them. Both corporates and financial services firms understand this: 52 percent of the total sample say they proactively engage with regulators and trade bodies.

Airbus's Raymond Bonci believes ecosystem collaboration is critical both to overcoming sanctions challenges and to harnessing the potential of technology. "Partnering with our financial institutions, national regulators, customers and suppliers is, frankly, the only way to overcome silos and ensure we have the same level of information. Sanctions compliance is most effective when you have the most information available, which technologies like AI can then bundle and use to connect the dots."

Technology is a critical enabler of sanctions compliance, with AI and automation in particular helping organizations to keep up with sanctions changes. These technologies can be transformative, but can organizations govern them adequately?

> **"Sanctions compliance is most effective when you have the most information available, which technologies like AI can then bundle and use to connect the dots."**

**Raymond Bonci**
Chief Ethics & Compliance Officer
Airbus

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# 5. Automate compliance responsibly

AI is becoming central to sanctions compliance. Almost every executive surveyed (97 percent) says their organization has increased its use of AI over the past 12 months to monitor and manage sanctions compliance.

Many are already seeing the benefits of automation. Almost three-quarters of respondents (73 percent) say automated systems frequently enable faster responses to sanctions changes compared with manual processes. This rises to 77 percent of respondents in ASPAC and 75 percent of respondents in Europe, but is slightly more conservative among financial services companies than other organizations (68 percent of respondents compared with 75 percent). Organizations plan to continue building on the foundations they have created so far: 95 percent of respondents say they plan to increase their use of AI to monitor and manage sanctions compliance in the coming year.

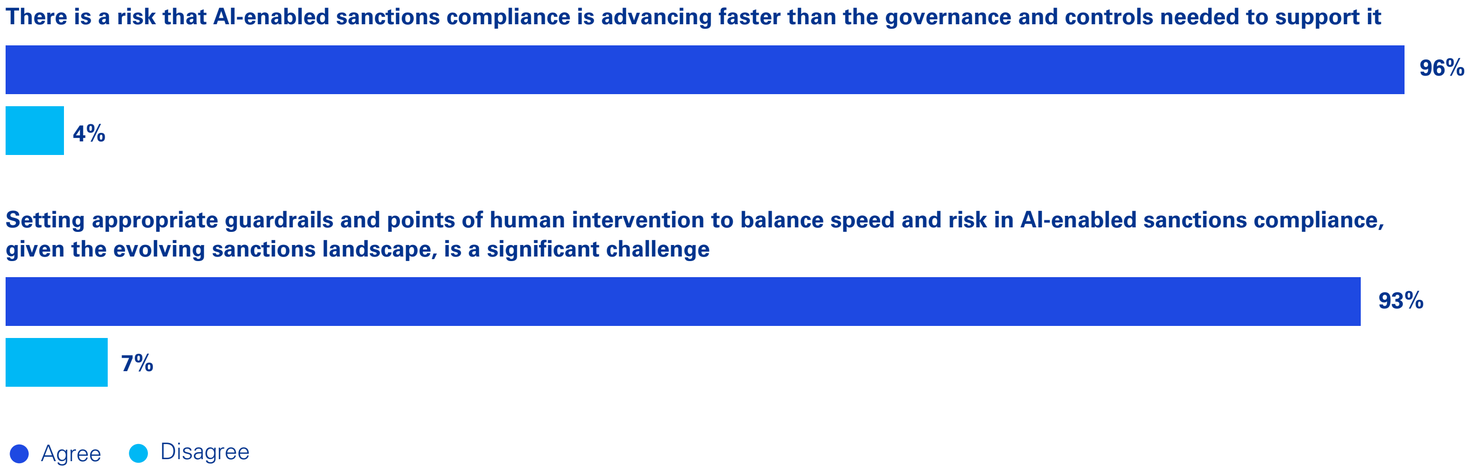
## Innovate with control

Executives in the survey know that AI's growing role increases the need for effective governance. But many are concerned about how AI is accelerating in the sanctions space and whether they have appropriate controls in place.

Almost all executives surveyed (96 percent) believe there is a risk that AI-enabled sanctions compliance is advancing faster than the governance and controls needed to support it. Almost as many (93 percent) say that setting appropriate guardrails and using human intervention to balance speed and risk is a significant challenge in the evolving sanctions landscape.

## Executives worry about balancing technological innovation and governance

*To what extent do you agree or disagree with the following statements about your organization's use of AI for sanctions compliance?*

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As organizations increase their use of advanced screening technologies, false positives remain a significant challenge. Seven in 10 executives surveyed say false positives have frequently required manual intervention in the past 12 months. This is preferable to missing potential violations and incurring penalties, but these instances can take up significant time and stop companies from moving early on potential opportunities.

"Historically, sanctions compliance relied on large teams of people reviewing customer and payment alerts," says KPMG's Robert Dean. "Even with extensive training, quality assurance and oversight, human error of course slipped through. Now, with AI, there's an assumption that it has to be 100 percent accurate. The challenge is creating frameworks, controls and governance that give confidence in decisions made by AI and allow organizations to demonstrate this to regulators."

It is critical to understand when to introduce human intervention, and many organizations recognize this: 94 percent of respondents say they set clear criteria for when AI-driven decisions and outputs require human review or intervention.

Raymond Bonci says that Airbus sets strict boundaries for AI. "We use AI to augment human expertise, not replace it. Most often this involves high-volume, low-risk activities, such as routine screenings where the parameters are binary. But humans are absolutely necessary for any kind of high-stakes strategic decision-making — for example, entering a new market or engaging a new partner in a volatile jurisdiction."

It is also important to look more generally at the benefits and consequences of using AI. Almost all executives surveyed (96 percent) say they have carried out thorough risk assessments to understand the impact and potential drawbacks of using AI tools in sanctions compliance workflows.

At JPMorgan Chase, Dorothy Bennett notes the team has established robust testing to optimize and control AI effectively. "We have a regular quality testing and governance process to make sure the technology is working the way we want it to," she says. "We also monitor for downstream blocks and rejects, where we let a transaction through that is caught by another organization.

We loop back and look at the transaction to see whether this was a result of automation or human error." Organizations are enthusiastic about AI, but they know that stronger governance and human oversight should evolve alongside automation. If executives proceed with caution, they are more likely to be in a good position to benefit from technology while reducing risk. "Ultimately, AI is an enabler that allows my team to focus on high-value, strategic activities," says Bonci. "I don't want them to waste time on low-risk screening. I want them to develop their professional expertise, evolve and become future company leaders. Maximizing their skills is good for them, but it also benefits our company and its resilience."

## "We use AI to augment human expertise, not replace it."

**Raymond Bonci**
Chief Ethics & Compliance Officer
Airbus

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# Five lessons in sanctions readiness

As geopolitical volatility reshapes global trade, sanctions have become an enterprise-wide capability that can influence market access, investment decisions, supply chains and customer relationships.

The organizations that are achieving the greatest sanctions compliance readiness are not necessarily spending the most or taking the least risk. What they are doing is integrating their capabilities so they can respond quickly and identify opportunities without taking on unnecessary risk.

## 1.

### Sanctions can be a strategic advantage, not just a compliance obligation

Many organizations are embedding sanctions considerations into their strategic planning, market entry decisions and customer support. Sanctions readiness is increasingly becoming a source of competitive advantage, not simply a defensive capability.

## 2.

### Organizations best positioned to respond may be those that can act early without compromising disciplined risk assessment

Many companies are designing and maintaining pre-approved response plans for sanctions changes, but the biggest potential advantage comes from balancing speed with disciplined risk assessment. Agility without governance can create as much risk as inaction.

## 3.

### Sanctions readiness depends on the strength of the rest of the ecosystem

Successful sanctions management relies on alignment across a business's functions and regions as well as with the entities it works with, such as financial institutions, regulators and trade bodies. Organizations that operate in silos may expose themselves to delays, friction and compliance risk.

## 4.

### Human judgment stands as a critical control layer

Technology can accelerate screening and monitoring, but the complexity of the sanctions landscape demands human expertise and decision-making. And yet, employee awareness gaps, poor communication and weak escalation processes continue to drive risk. Building a sanctions-aware workforce remains one of the strongest defenses against compliance failures.

## 5.

### AI governance needs to develop faster to avoid creating new risks

Many organizations are rapidly adopting AI in sanctions compliance to improve speed and efficiency, but many believe governance controls are struggling to keep up. Sustainable value is likely to come from ensuring clear guardrails, human oversight and accountability that can stop automation from introducing errors into sanctions compliance efforts.

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