

JENNER & BLOCK

# CLE RELAY

International Trade in a Volatile  
World: Accounting for Sanctions  
and Tariffs in Business Decisions  
and Contracts

To learn more, visit: [www.jenner.com/en/cle-relay-2026](http://www.jenner.com/en/cle-relay-2026)



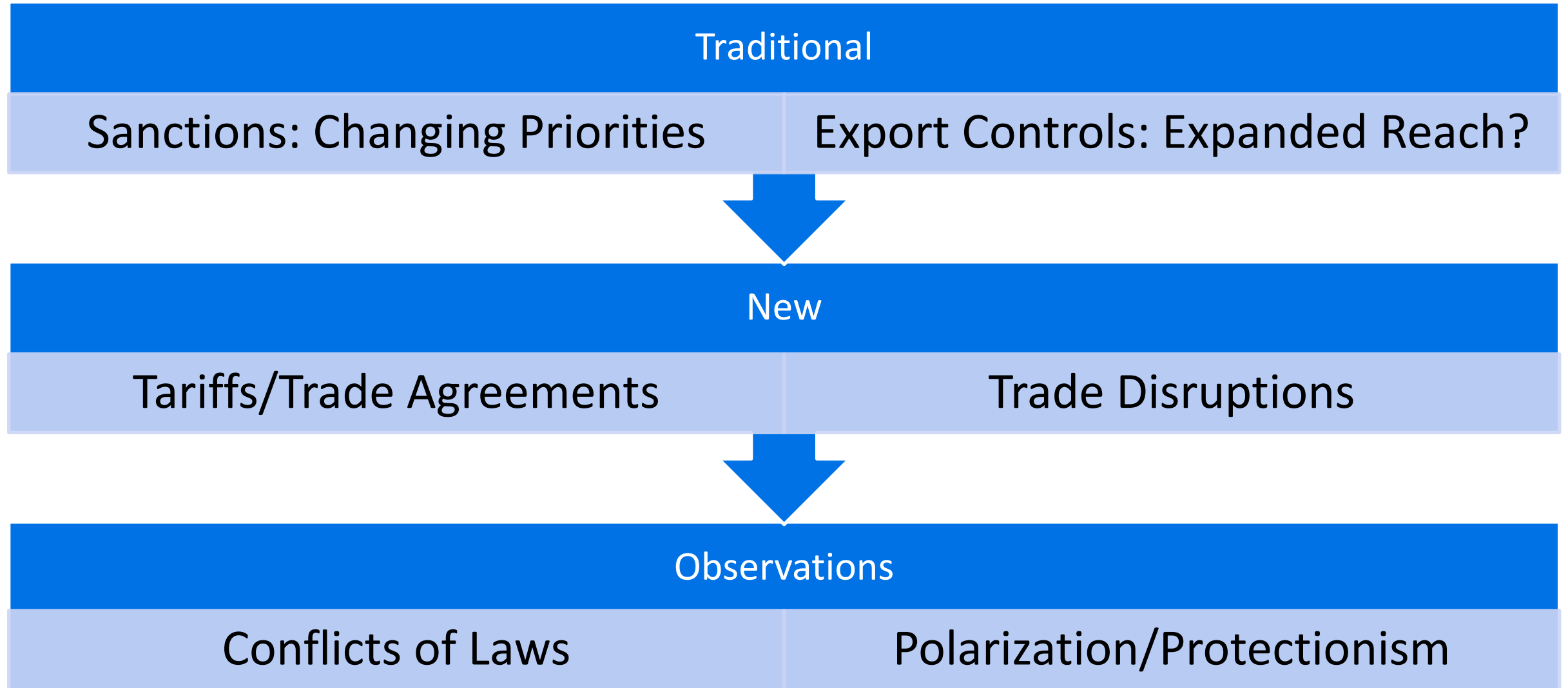
# Agenda

- Sanctions and Trade Developments
- Closer Look: Case Studies in Supply Chain Risks
- Contractual Considerations

# Sanctions and Trade Developments

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# Evolving Risks



# Iran

Max Pressure → Economic Fury

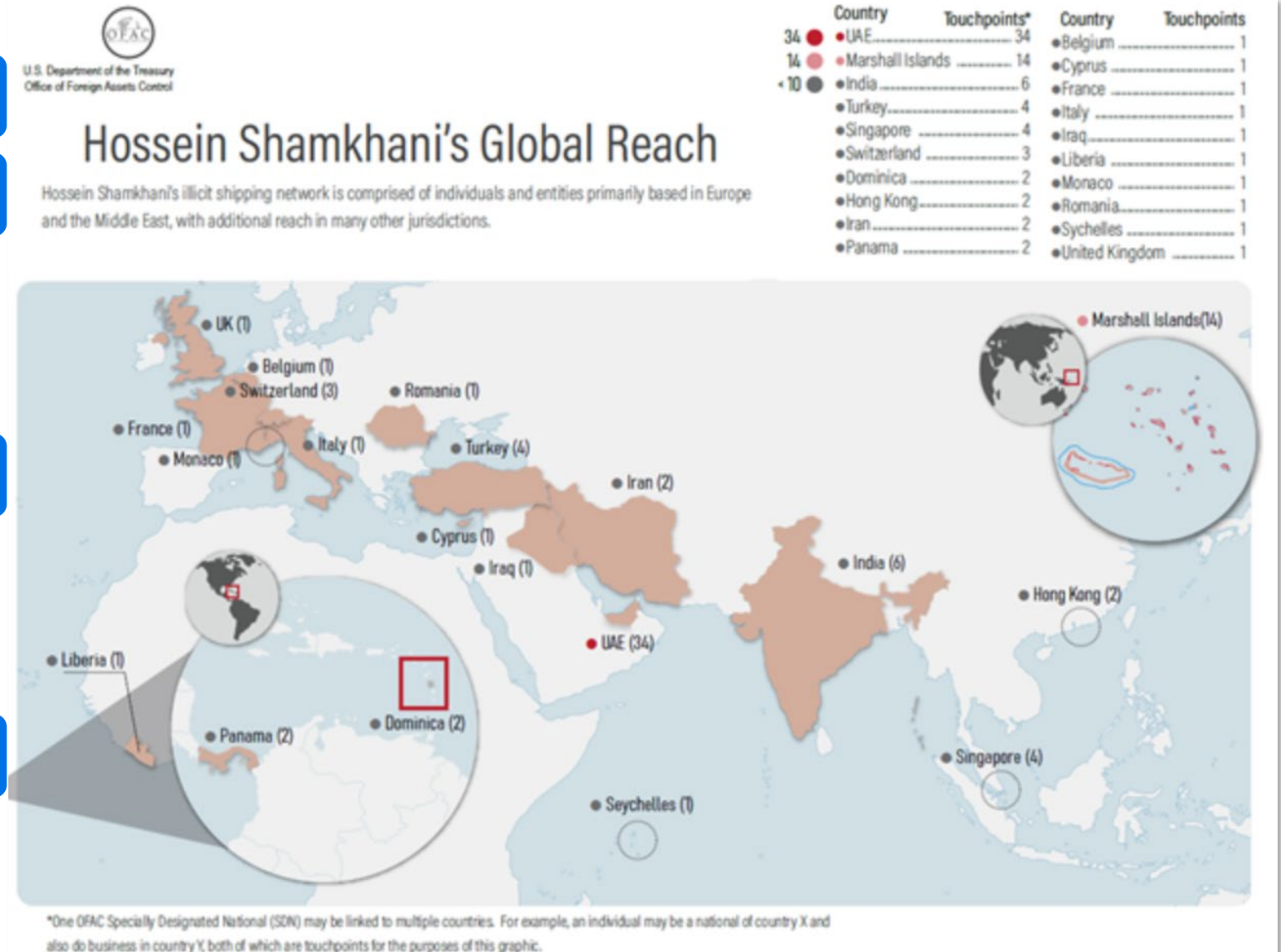
## Sanctions Focus

- Petroleum and Petrochemicals
- Digital Asset Exchanges
- Procurement Networks
- Nonproliferation Networks

## Targets in Multiple Jurisdictions

- China's Teapot Refineries
- India's Petrochemical Sector
- UAE Front Companies
- Iraq Oil Smuggling

## Beyond Sanctions: Blockade



# Cartels

## Terrorist Designations: FTO and SDGT

- Risks for Material Support
- New KYC and Diligence Concerns

## Affected Sectors

- Chemicals/Pharmaceuticals
- Agriculture
- Tourism
- Multinationals broadly

## Geographic Reach

- Western Hemisphere
- India
- China

## Emerging Legal Exposure for Businesses in Mexico: Local Supplier Relationships Can Trigger Enforcement of U.S. Financial Crime Laws

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A Year After Designation of Cartels as Terrorists, What Is the Risk Landscape for Multinationals Operating in Mexico?

**MEXICO**

## U.S. Treasury Sanctions Signal Heightened Scrutiny Over Mexican Financial Sector

# Cuba

EO 14404 issued May 1, 2026

Sector-related sanctions risks: energy, defense and related material, metals and mining, financial services, security.

Secondary sanctions risks to Foreign Financial Institutions

Changes the sanctions risk calculus for non-US companies.

Executive Order 14404 of May 1, 2026

## Imposing Sanctions on Those Responsible for Repression in Cuba and for Threats to United States National Security and Foreign Policy

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA), section 212(f) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(f)), and section 301 of title 3, United States Code, and in order to take further steps with respect to the national emergency declared in Executive Order 14380 of January 29, 2026 (Addressing Threats to the United States by the Government of Cuba), I hereby determine and order:

**Section 1. Policy.** The policies, practices, and actions of the Government of Cuba, as described in Executive Order 14380, continue to constitute an unusual and extraordinary threat, which has its source in whole or

## Sanctions on Cuban Actors Responsible for Subversive Anti-American Activities

FACT SHEET

OFFICE OF THE SPOKESPERSON

JUNE 4, 2026

# Venezuela Recent Developments: General Licenses

- GL 46B, certain downstream activities with VZ oil for “established U.S. entities.”
- GL 47, U.S. origin diluent sales to VZ
- GL 48A, U.S. provision of goods, technology, software, or services for oil/gas/petrochemical/electricity exploration and development in VZ
- GL 49A, contingent contracts for investment in oil/gas/petrochemical/electricity in Venezuela
- GL 50, broad authorization for oil/gas operations of specific companies
- GL 51A/54/55, Venezuela-Origin minerals/gold-related activities, operations, and new investment contingent contracts
- GL 52, transactions involving PdVSA
- GL 56, commercial-related negotiations of contingent contracts with the Government of Venezuela
- GL 57, financial services involving 4 sanctioned banks
- GL 58, services in connection with potential debt restructuring

**\$50,000,000 USD**

**FOR INFORMATION LEADING TO THE ARREST AND/OR CONVICTION OF THE  
LEADER OF THE SPECIALLY DESIGNATED GLOBAL TERRORIST  
CARTEL DE LOS SOLES**



**Nicolás Maduro Moros**

**FOR NARCO-TERRORISM CONSPIRACY, COCAINE IMPORTATION  
CONSPIRACY, CONSPIRACY TO USE AND CARRY MACHINE GUNS AND  
DESTRUCTIVE DEVICES IN FURTHERANCE OF A DRUG CRIME**

# Venezuela Compliance Considerations

Crime

Environmental  
Risks

Security  
Situation

Sanctions/  
Terrorist Groups

Money  
Laundering and  
Corruption

Human Rights  
Abuses



TRAVEL ADVISORY - BOLIVARIAN REPUBLIC OF VENEZUELA

**Level 3 - Reconsider travel**

Also includes areas at level **4**

🕒 Date issued: June 09, 2026 - [advisory history](#)

CRIME (C)

KIDNAPPING OR HOSTAGE TAKING (K)

TERRORISM (T)

HEALTH

Reconsider travel to Venezuela due to risk of crime, kidnapping, terrorism, and poor health

# Russia

- **Oct. 22, 2025:** US sanctions Rosneft and Lukoil (following UK)
- **General Licenses to:**
  - Allow continued operations of certain Lukoil and Rosneft—owned assets in third countries.
  - Encourage a sale of Lukoil International GmbH assets
- **Goal:** Sever Russian interests in European assets, cut off Europe energy dependency on Russia

## PRESS RELEASES

### Treasury Sanctions Major Russian Oil Companies, Calls on Moscow to Immediately Agree to Ceasefire

October 22, 2025

**WASHINGTON** — Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) is imposing further sanctions as a result of Russia’s lack of serious commitment to a peace process to end the war in Ukraine. Today’s actions increase pressure on Russia’s energy sector and degrade the Kremlin’s ability to raise revenue for its war machine and support its weakened economy. The United States will continue to advocate for a peaceful resolution to the war, and a permanent peace depends entirely on Russia’s willingness to negotiate in good faith. Treasury will continue to use its authorities in support of a peace process.

“Now is the time to stop the killing and for an immediate ceasefire,” **said Secretary of the Treasury Scott Bessent.** “Given President Putin’s refusal to end this senseless war, Treasury is sanctioning Russia’s two largest oil companies that fund the Kremlin’s war machine. Treasury is prepared to take further action if necessary to support President Trump’s effort to end yet another war. We encourage our allies to join us in and adhere to these sanctions.”

Today’s action targets Russia’s two largest oil companies, **Open Joint Stock Company Rosneft Oil**

# China

Affiliates Rule → Expansion in Impact of Export Controls?: Paused

Expanded 1260H List of Chinese Military Companies

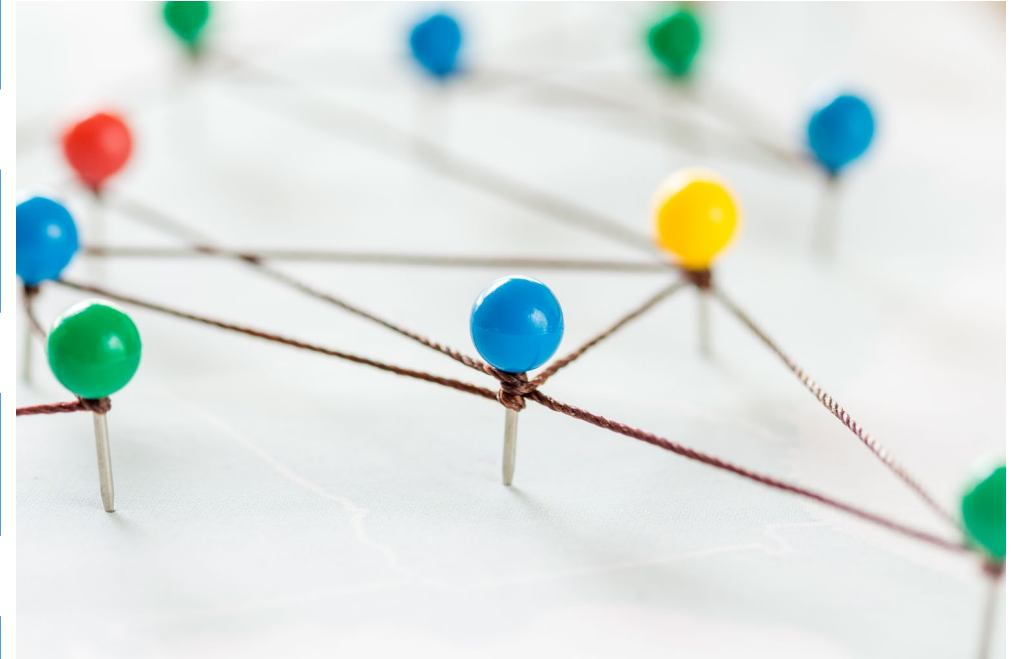
Outbound Investment Security Program, Effective January 2, 2025

- Prohibits or requires notification of certain types of outbound investments by United States persons into certain entities located in, subject to the jurisdiction of, or owned by persons of China.
- Currently focuses on investments in semiconductors and microelectronics, quantum information technologies, and artificial intelligence.
- FY 2026 NDAA expands it to include high-performance computing and supercomputing and hypersonic systems in the future.

# Closer Look: Case Studies in Supply Chain Risks

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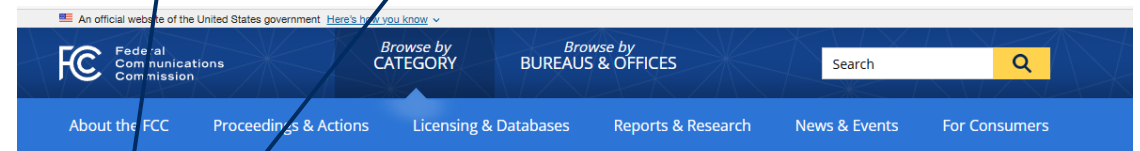
# Evolving Policy Frameworks Driving Supply Chain Risk



# Case Study: FCC Covered List

- What: A list maintained by the FCC based on determinations that certain equipment and services pose an unacceptable risk to the national security of the U.S. or the security and safety of U.S. persons.
- How: National security determinations are made by certain executive agencies or by Congress; FCC maintains the list.
  - 2021: certain equipment used for specified purposes from five Chinese companies.
  - 2022: certain products and services from a Russian company, and telecommunications services from four Chinese-owned or -affiliated telcos.
  - 2024: software from the Russian company added.
  - December 2025: all foreign-produced Uncrewed Aircraft Systems & UAS critical components.
  - March 2026: all foreign-produced routers.

Section 1.50002 of the Commission's rules directs the Public Safety and Homeland Security Bureau to publish a list of communications equipment and services (Covered List) that are deemed to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons, based exclusively on any of four sources for such a determination and that such equipment or services possess certain capabilities as enumerated in section 2(a) of the Secure and Trusted Communications Networks Act of 2019, Pub. L. No. 116-124, 133 Stat. 158 (2020)



## List of Equipment and Services Covered By Section 2 of The Secure Networks Act

Section 1.50002 of the Commission's rules directs the Public Safety and Homeland Security Bureau to publish a list of communications equipment and services (Covered List) that are deemed to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons, based exclusively on any of four sources for such a determination and that such equipment or services possess certain capabilities as enumerated in section 2(a) of the Secure and Trusted Communications Networks Act of 2019, Pub. L. No. 116-124, 133 Stat. 158 (2020) (codified as amended at 47 U.S.C. §§ 1601-1609). Pursuant to the Commission's rules, the Public Safety and Homeland Security Bureau will maintain this list on the Commission's website, and will monitor the status of any determinations in order to update the Covered List. More information on how the Covered List is compiled and updated can be found in the Commission's rules at 47 C.F.R. § 1.50000 *et seq.*

### Related Links

#### Related Links

- [Covered List FAQs: UAS and UAS Critical Components](#)
- [Covered List FAQs: Routers](#)

# Closer Look: UAS (Drones) and UAS Critical Components

On December 22, 2025, FCC added almost all foreign-produced UAS & UAS critical components to the Covered List

Based on National Security Determination from “Executive Branch interagency body” issued Dec. 21, 2025

First-ever addition of entire product category

No longer specific to entities linked to China or Russia

Covers production in any country outside U.S.

National Security Determination on the Threat Posed by Uncrewed Aircraft Systems (UAS) and UAS Critical Components Produced in Foreign Countries  
*December 21, 2025*




**PUBLIC NOTICE**

Federal Communications Commission  
45 L Street NE  
Washington, DC 20554

News Media Information 202-418-0500  
Internet: [www.fcc.gov](http://www.fcc.gov)

DA 26-22  
Released: January 7, 2026



THE UNDER SECRETARY OF WAR  
3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

JAN 07 2026

ACQUISITION AND SUSTAINMENT

National Security Determination on the Threat Posed by Certain Uncrewed Aircraft Systems and Certain Uncrewed Aircraft Systems Critical Components



**PUBLIC NOTICE**

Federal Communications Commission  
45 L Street NE  
Washington, DC 20554

News Media Information 202-418-0500  
Internet: [www.fcc.gov](http://www.fcc.gov)

DA 25-1086  
Released: December 22, 2025

PUBLIC SAFETY AND HOMELAND SECURITY BUREAU ANNOUNCES  
ADDITION OF UNCREWED AIRCRAFT SYSTEMS (UAS) AND UAS CRITICAL  
COMPONENTS PRODUCED ABROAD, AND EQUIPMENT AND SERVICES LISTED  
IN SECTION 1709 OF THE FY2025 NDAA, TO FCC COVERED LIST

## UAS cont'd

- In early January 2026, subsequent National Security Determination exempted:
  - UAS & UAS critical components on the DCMA's "Blue List" of UAS cleared for use by federal government agencies, and
  - Those that satisfy the "Buy American" county of origin standard
- FCC also released DoW/DHS Guidance on Conditional Approval Application process
  - Enables companies to apply for exemption from Covered List for named equipment
  - Guidance specifies that applicant must include onshoring plan
- Exemptions are time-limited unless superseded or extended



# Closer Look: Consumer Routers



- On March 23, 2026, FCC added all foreign-produced consumer-grade routers to the Covered List
- Based on Executive Branch interagency body National Security Determination from March 20, 2026
- Included Guidance on Conditional Approval process, as with UAS determination
- FCC also issued waiver permitting certain security updates to previously authorized routers through at least March 1, 2027 (approx. one year)
- FCC encouraged router manufacturers to apply for Conditional Approval
- Impacted supply chains and manufacturing sites

# Routers cont'd


- DoW/DHS granted first Conditional Approval for routers on April 14, 2026 – three weeks after inclusion on Covered List
- On May 8, 2026, FCC extended and expanded waiver of prohibitions on certain changes – including security patches and updates
- As of June 4, DoW/DHS has granted Conditional Approvals to seven companies, covering range of widely deployed consumer routers
- Wireless and wireline communications providers and an association of cable broadband providers have sought waivers for additional changes to accommodate supply chain constraints – including chipset related changes
- FCC has granted in whole or in part four waiver requests
- Waivers and Conditional Approval grants are time-limited

 Ars Technica

FCC imposes sweeping ban on foreign-made routers, affecting all new models

Mar 24 • By Jon Brodtkin




 Consumer Reports

What the FCC Ban on Foreign-Made Routers Means for U.S. Consumers

May 6 • By Nicholas De Leon



 Industrial Cyber

FCC expands Covered List to block high-risk routers and drones, tighten ban on foreign-made connectivity devices

Mar 26 • By Anna Ribeiro



# Contractual Considerations

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# Addressing tariffs, sanctions and trade compliance in supply chain and other contracts

Q. Do you negotiate the force majeure language in contracts or terms and conditions?

Yes

No



**Q. Do you negotiate the force majeure language in contracts or terms and conditions?**

**Yes**

**No**

## Q. Do you address tariffs specifically in any contracts?

Yes

No

## Q. Do you address sanctions specifically in any contracts?

Yes

No

**Q. Do you address trade compliance specifically in any contracts?**

**Yes**

**No**

# Addressing tariffs, sanctions and trade compliance in supply chain and other contracts

- Big issue is who bears the cost and risk of nonperformance due to tariffs, sanctions or trade compliance
- For tariffs, many contracts have either:
  - Incoterms: such as DAP (delivered at place = purchaser pays any duties) or DDP (delivered duty paid = seller pays)
  - Specific contractual provisions
  - Despite contract terms party may refuse to perform or seek to renegotiate
- For sanctions, often do not address

# Addressing tariffs, sanctions and trade compliance in supply chain and other contracts

- Traditional contract concepts to avoid performance
  - Force Majeure Clause:
    - Listed events/narrowly construed
    - List usually does not include tariffs
    - Government action resulting in costing more not enough
    - COVID exceptions which made performance impossible, not just costlier
    - Suez Canal – shipments had to go around Cape of Good Hope so much more expensive

# Addressing tariffs, sanctions and trade compliance in supply chain and other contracts

- Traditional contract concepts to avoid performance
  - Commercial impracticability: Unforeseen that makes performance extreme or unreasonable
    - Again, costing more is not enough even if becomes unprofitable
    - Especially when fixed-price contracts

# Tariffs

- Applied to tariffs:
  - Arguably foreseeable because of prior term/campaign rhetoric
  - Cases reject tariffs or trade wars as sufficient
  - Dicta in cases if extreme change in price might suffice, but no guidance

# Sanctions and trade compliance

- Applied to sanctions and trade compliance:
  - UCC 2-615 excuses performance if made impracticable by compliance in good faith with an applicable governmental regulation or order
  - Must be supervening regulation not existing at the time of the contract
  - Sanctions that prevent a seller from obtaining a key component it needs is more likely to be able to claim commercial impracticability
  - Key question is whether the parties mutually contemplated a particular source of supply and the failure of that source was unexpected
  - Cannot be company's fault
  - As with tariffs, where compliance merely results in increased costs alone is unlikely to provide an excuse to performance

# Potential contract provisions

- Contract provisions that might apply to tariffs, sanctions and trade compliance:
  - Change in law
  - Material change in cost
  - Bespoke force majeure
  - Specific provisions
  - Obligations to challenge tariffs (e.g., best efforts to keep cost down)

# Potential remedies

- Potential remedies for refusal to deliver:
  - Usually monetary/costs to cover
  - Specific performance if unique good/no substitute – if they can specifically perform
    - Prior to final adjudication, need to meet preliminary injunction standards
    - Might be available even if required to arbitrate disputes (AAA permits and contract might)

# Questions

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# CLE RELAY

## FULL SCHEDULE

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Session 1  
**International Trade in a  
Volatile World: Accounting  
for Sanctions and Tariffs in  
Business Decisions and  
Contracts**

Friday, June 12  
12 pm CT



Session 2  
**Energy for the New  
Data Age**

Monday, June 22  
1:30 pm CT



Session 3  
**AI Challenges and  
Opportunities in the  
Legal Space**

Friday, June 26  
12 pm CT



Session 4  
**US Supreme Court  
Term in Review**

Tuesday, June 30  
3 pm CT