Morgan Lewis

INDUSTRY OUTLOOK

THE TRENDS—AND TRAPS—SHAPING 2026

www.morganlewis.com

Morgan Lewis

THE TRENDS—AND TRAPS—THAT WILL SHAPE 2026

The global business landscape in 2026 is marked by accelerating political realignments, intensifying regulatory oversight, rapid technological maturation, and shifting market expectations.

In this year's report, our lawyers assess the trends and emerging risk areas that organizations across industries and regions are likely to encounter in 2026 and beyond. Drawing on insights from a dynamic array of developments—from the business repercussions of geopolitical recalibration to the continued expansion of transformative technologies—this compilation delivers a forward-looking perspective designed to support informed strategy and purposeful decision-making for businesses worldwide.

BUSINESS OPERATIONS

The global outlook for private credit in 2026 is expected to be positive, driven by increased demand for alternative financing solutions amid volatile public markets. Investors are likely to continue seeking higher yields and diversification, while regulatory changes and economic conditions will shape regional growth dynamics.

"Easing of interest rates and stability in the M&A markets will likely fuel lending in the private credit markets into 2026. Investors are also showing strong interest in private credit due to attractive yield premiums and diversification." – Paul Denham

- For more, view our private credit capabilities and read The Diamond Era? Private Credit's Outlook for 2026, *Alternative Credit Investor.*

The data centers market is booming with rapid growth driven by increased demand for cloud services and AI applications.

"By 2030, analysts are projecting that there will be over 2,000 new data centers constructed worldwide. Global data center infrastructure spending is projected to approach $7 trillion over the next five years, with the bulk of that capital flowing into servers and the chips that drive modern data center performance." – Jane Accomando, Barbara Melby, Michael Muller, Ulises Pin

- For more, view our data centers capabilities and read Data Center 2026 Outlook: Energy, Infrastructure, and Connectivity.

In 2026, family offices are monitoring updates on a variety of fronts that could impact their day-to-day operations.

"Family offices enter 2026 facing a convergence of policy, market and technology developments that directly affect governance, tax efficiency and long-term allocation decisions. The One Big Beautiful Bill Act's federal estate and gift tax updates will shape near-term transfer strategies and multigenerational planning; the rapid institutionalization of private credit continues to recalibrate risk and return, liquidity, and structuring across the capital stack; and digital assets—including crypto and stablecoins—now implicate custody, compliance, valuation and payment rails in ways that can no longer be relegated to 'emerging' status." – Sara Wells, Rahul Patel, Jon English

- For more, view our family offices capabilities and read Hot Topics For Family Offices in 2026, *Law360.*

As retailers and investors therein plan for 2026, the big picture matters. Expect continued attention to inflation, interest rates, and consumer confidence as each will shape pricing, inventory strategies, and capital allocation.

"Companies that adopt simple but effective best practices can and will succeed. Success will come from disciplined IP enforcement, strategic capital deployment, tech enabled and resilient workforces, and focused bets in specialty categories that align with customer demand." – Nick Bolter, Allison Gargano, Carrie Gonell, Aliza Karetnick, Melissa Rodriguez, Dan Salemi

- For more, view our retail and ecommerce capabilities and read 2026 Retail Outlook: Where Smart Bets Will Pay Off, *Total Retail.*

As the date for the implementation of the European Union (EU) Pay Transparency Directive in June 2026 draws closer, there is much that employers can do now to prepare. By focusing on the principle of equal pay for equal work or work of equal value between men and women in advance of the national transposition deadline, employers can effectively manage risk, minimize disruption and ensure alignment of employees and their representatives.

"The implementation of the directive is likely to result in an increase in pay equity litigation and will impact current best practice. It is recommended that employers act now to consider establishing a legally privileged framework to seek advice regarding their preparations, including those set out above." – Louise Skinner, Phoebe Fardell

- For more, view our labor and employment and global pay equity capabilities and read How Employers Can Prepare for EU Pay Transparency Directive, *Employee Benefits.*

As several closely watched tax cases move through the appellate courts and toward potential US Supreme Court review, 2026 is shaping up to be a consequential year for federal tax law. From the scope and application of the economic substance doctrine to the treatment of limited-liability partners for self-employment tax purposes and renewed scrutiny of agency authority and judicial deference, these cases may significantly reshape long-standing tax frameworks and compliance expectations.

"Taken together, these cases signal increased uncertainty and heightened litigation risk for taxpayers. Businesses and tax practitioners should closely monitor developments and consider how evolving interpretations of statutory authority, administrative power, and judicial review may affect transaction planning and controversy strategy." – Tamara Shepard, Hannah Sullivan

- For more, view our tax capabilities and read From Tax Court to SCOTUS: Cases That May Reshape Tax Law in 2026, *Bloomberg Law.*

GOVERNMENT REGULATIONS AND LEGISLATION

Compliance staff should monitor risks related to cybersecurity, third parties, export controls, artificial intelligence, and new state regulatory disclosure laws in the coming year. In 2026, state laws in New York and Texas may present compliance challenges.

For instance, closely watch New York's LLC Transparency Act, which mirrors the federal Corporate Transparency Act. The federal law was narrowed in 2025 to exclude US businesses from ownership reporting requirements, leaving the state version in uncertainty. Additionally, in those doing in business in Texas are monitoring Senate Bill 17, which prohibits residents and entities from certain countries, including China, from purchasing property in the state. Although the law has been enacted, it lacks implementing regulations. – Jeffrey Dinerstein

- For more information, view our Corporate Transparency Act capabilities and read 4 Compliance Trends To Watch In 2026, *Law360.*

In 2026, congressional oversight is expected to be significant, with the upcoming midterm elections potentially leading to more assertive investigations and stronger coalitions of state attorneys general. Companies should proactively implement risk management strategies to prepare for these potential changes.

Republicans entered 2025 with complete control of Washington: a governing trifecta and, at least at the outset, a clear sense of political mandate. However, there is still much time for change before the November midterm elections. Against this backdrop, 2026 is shaping up to be a consequential year not just for campaigns and candidates, but also for congressional oversight. – Amanda Robinson, Justin Weitz

- For more information, view our congressional investigations capabilities and read Preparing for Congressional Investigations in a Midterm Year, *Law360.*

Companies should be aware that the White House plans to fill several vacant leadership roles at the Commodity Futures Trading Commission (CFTC), a move coming amid warnings from industry experts and former CFTC insiders that the agency needs more funding and staff to effectively oversee emerging areas such as cryptocurrency and prediction markets. Without a fully staffed and resourced CFTC, regulators may struggle to provide clear, robust enforcement and guidance in these rapidly evolving digital asset sectors, so firms should stay engaged with nominations and resource-planning developments as they unfold.

"In my experience at the CFTC, when the commission was at full capacity, when it had commissioners with different expertise, balanced expertise, like the statute requires … it was a strength for the commission to be able to deliberate with perspectives that come from those places." – Robert Schwartz

- For more, view our investment management capabilities and read House Weighs CFTC's Future As Admin Looks To Fill Positions, *Law360.*

The Financial Crimes Enforcement Network (FinCEN) of the US Department of the Treasury has slowed the pace of its previously aggressive push to advance anti-money laundering (AML) and countering the financing of terrorism (CFT) initiatives.

"Covered entities should not rush just yet to bring themselves into full compliance with the Rules, until the process of revisiting and revising them plays out and a final version has been adopted. Waiting for clarity about the final Rules, however, does not mean having lax or nonexistent AML controls and policies in place—far from it." – Christine Lombardo

- For more, view our investment management capabilities and read FinCEN Proposes Push Back AML Rules Compliance Date to January 2026, *Hedge Fund Law Report.*

The US Securities and Exchange Commission (SEC) is putting advisor mergers and acquisitions and alternative investments, and how they impact investors, at the center of its 2026 exam priorities.

"Exam teams will be looking closely for "slippage" in how firms notify clients, integrate compliance and operations and monitor fee and performance impacts. The focus reflects the surge in RIA consolidation as firms look to buy or combine with other practices to expand their client base." – Christine Schleppegrell

- For more, view our investment management capabilities and read SEC to Put Advisor M&A, Alts in 2026 Exam Crosshairs, Former Regulator Says, *Financial Advisor Magazine.*

Morgan Lewis

Following the 2025 US government shutdown, there has been a significant impact on exchange-traded fund (ETF) launches, with the SEC not using its full powers of review on new products.

"ETFs have proven for the last 25 years to be a very efficient vehicle for providing solutions for a wide range of investors and this is the next generation of that: more managers and more asset classes and more ways to use them creatively. It's a pretty exciting time." – John O'Brien

- For more, view our registered funds capabilities and read New Trends in ETF Launches and the Impact of the US Government Shutdown, *ETF Express.*

Looking ahead to 2026, companies' intellectual property priorities will increasingly be shaped by the rapid integration of artificial intelligence across patent, copyright, and trade secret regimes. At the same time, long-running patent reform efforts, such as the Patent Eligibility Restoration Act, remain on the radar, though their progress may be constrained by competing legislative priorities.

"Historically, patent legislation has been pretty bipartisan: it's not a very politicized area," Dion said. "So it is possible that something happens there. I just don't think it's very high on the list of priorities of anyone." – Dion Bregman

- For more, view our intellectual property capabilities and read Patent Policy to Watch in 2026, *Law360*

For regulated companies, the lesson heading into 2026 is that the compliance bar is shifting, rather than dropping. A "back to basics" enforcement approach is returning to the forefront for agencies like the SEC, even as cybersecurity and data privacy remain persistent pressure points for exams and investigations.

"This administration has made clear that they're returning to a 'back to basics' focus and strategy, looking at identifying and combating fraud and manipulation." – Kelly Gibson

"The degree of emphasis on cybersecurity, on particular regulations that apply to broker dealers and investment advisers… I think is interesting and reflective of the fact that cybersecurity just continues to impact everybody, especially financial institutions." – Carolyn Welshhans

- For more, view our securities enforcement capabilities and listen to the podcast Kelly Gibson and Carolyn Welshhans on Navigating the Compliance Landscape, *Global Relay Intelligence & Practice.*

A decision by the SEC to stop reviewing public company requests to exclude certain shareholder proposals could have impacts for how companies do business in 2026.

The "new paradigm" established by the SEC "has the potential to reshape the way that proponents of shareholder proposals engage with company management." – Leland Benton

- For more, view our capital markets capabilities and read SEC Decision to Halt Review of Most Corporate 'No Action' Requests Draws Investor Ire, *Corporate Counsel.*

As evolving defense priorities continue to reshape federal procurement expectations, the US Department of Defense has signaled a significant shift in how it acquires capabilities and executes foreign military sales. This shift could materially alter timelines, competition, and compliance dynamics for contractors heading into 2026.

"Taken together, these developments could signal a far more rapid, consolidated and commercially oriented acquisition environment that may materially reshape how contractors position themselves, structure bids and manage compliance in the near term." – Alexander Hastings, Justin Weitz, Clinton Small, David Plotinsky, Moshe Klein

- For more, view our government contracts capabilities and read What to Expect from DOD's Acquisitions Revamp, *Law360.*

The Treasury Department's announcement that it will audit all contracts awarded under preference-based programs reflects a growing willingness by the federal government to scrutinize eligibility representations, increasing compliance and enforcement risks for contractors in the year ahead.

"Although the audit is currently limited to the Treasury, this action could encourage other agencies to conduct similar audits—especially considering the US administration's priorities of cutting costs and terminating contracts that appear connected to diversity, equity and inclusion efforts." – Alexander Hastings, Justin Weitz, Casey Weaver, Moshe Klein

- For more, view our white collar and government investigations capabilities and read Preparing for Treasury's Small Biz Certification Audits, *Law360.*

NEW AND EMERGING TECHNOLOGY

Antitrust laws across the European Union and United Kingdom prohibit agreements or concerted practices, such as algorithmic pricing, that restrict competition. Under long-established EU and UK competition law, parties to such agreements may face severe penalties, including fines of up to 10% of global turnover. In addition, individuals involved in the infringement can be subject to personal fines, director disqualification, and, in some jurisdictions, imprisonment.

"While any business will have to analyze how the relevant laws apply to their own particular circumstances and activities, companies using or contemplating adopting algorithmic pricing tools in the European Union and United Kingdom should consider whether it is appropriate to take proactive steps to manage risk." – Michael Masling, Leonidas Theodosiou, Minna Lo Naranjo

- For more, view our artificial intelligence and antitrust and competition capabilities and read When Machines Decide the Price: Algorithmic Pricing Emerges as Enforcement Priority for EU & UK Antitrust Regulators, *The AI Journal*.

As AI becomes more deeply embedded in legal workflows, firms are shifting from questions about adoption to questions about reliability, oversight, and risk. Heading into 2026, the challenge is less about whether legal AI tools are improving and more about how firms validate and govern their outputs as those tools become more sophisticated and harder to second-guess.

"As legal AI outputs continue to improve, this makes hallucinations harder, not easier, to detect. The risk continues to shift from obviously wrong answers to confidently delivered, plausibly incorrect ones that evade surface-level review. As a result, the differentiator may not be which AI a firm uses, but output validation." – Scott Milner

- For more, view our eData capabilities and read 85 Predictions for AI and the Law in 2026, *The National Law Review.*

Compliance teams are beginning to test and adopt AI tools amid shifting enforcement expectations, creating a window for experimentation even as long-term governance questions remain unresolved.

"There is a lot of dialogue around, 'Maybe now is our time to play in the sandbox in a way that we didn't feel comfortable with because we were in the crosshairs of potential enforcement,'" Amy said, adding, "there may not be negative consequences to getting it wrong right now." – Amy Schuh

- For more, view our corporate ethics and compliance capabilities and read Compliance Feels AI's Pull, but Doesn't Know Where It Will Lead, *Dow Jones Risk Journal.*

In response to growing use of AI in innovation, the US Patent and Trademark Office has issued guidance defining the boundaries of AI's role in patent applications, drawing a clear distinction between AI tools and human inventors.

"The [US Patent and Trademark Office] guidance treats AI systems like laboratory equipment or software, helping companies structure internal innovation processes, document human contribution, and avoid naming AI tools in application materials." – Manita Rawat

- For more, view our intellectual property capabilities and Reaction: AI Inventorship in the US Just Took a Leap Into the Unknown, *World IP Review.*

CLIMATE & ENERGY

The current administration's restoration of National Electric Vehicle Infrastructure funding is reshaping opportunities in the electric vehicle (EV) market.

"Companies should pay attention to how the Department of Transportation's revised guidance streamlines state-level decision-making and removes certain barriers, creating new prospects for charge point operators, site hosts, and other market participants to secure federal support for EV charging projects." – Levi McAllister

- For more, view our automotive and mobility and electric and zero-emissions vehicles capabilities and read Restored Charging Project Funds Revive Hope for EV Market, *Law360.*

Nuclear power is growing in viability as a reliable, zero-carbon energy generation option. The Nuclear Regulatory Commission (NRC) had made efforts to accelerate licensing and review processes to support broader deployment.

"In the race to decarbonize and secure America's energy future, nuclear power is once again in the spotlight. From advanced reactors to fusion breakthroughs, the promise of nuclear energy is clear. Yet, despite strong bipartisan support and technological momentum, deployment remains slow. The Nuclear Regulatory Commission (NRC)—long seen as a bottleneck—is in the spotlight. While the NRC has increased licensing and oversight efficiency in recent years, bipartisan legislation and recent executive actions are driving unprecedented change on an ambitious timeline. With an energized NRC, the US nuclear sector is poised for a renaissance." – Brooke Poole Clark, Joseph Azeizat

- For more, visit our nuclear energy capabilities and read Delivering Nuclear Energy: Promise vs. Regulatory Reality, *POWER.*

Courts and regulators are playing an increasingly active role in enforcing climate mandates, as a recent New York state court ruling underscores that agencies may be compelled to act on statutory emissions requirements regardless of cost or policy concerns.

"This ruling… underscores the judiciary's role in ensuring that legislative directives are carried through and met and clarifies that fulfilling statutory requirements is not subject to an agency's discretion based on policy, cost, or complexity." – Pamela Wu

- For more, view our carbon emissions capabilities and read What a New York Climate Ruling Means for Companies Preparing for Emissions Reporting, *Reuters.*

New regulations for energy storage in the United Kingdom and European Union are creating both opportunities and obligations for market participants. In the United Kingdom, a new scheme providing regulatory certainty and revenue stabilization for long-duration electricity storage (LDES) is coming into effect, while the EU Battery Regulation will impose stricter sustainability, due diligence, and disclosure obligations for industrial and rechargeable batteries used in storage.

"The UK's policy momentum, especially around LDES, supports market expansion and M&A, with a strong pipeline and growing grid integration targets. The EU will likely see robust activity in Germany, Spain, France, and Central/Eastern European markets, particularly where new regulatory or market incentives appear." – Allison Soilihi, Alexandra Rotar

For more, view our energy storage capabilities and read Energy Storage Landscape 2026: Regulatory Developments, Litigation Outlook, and M&A Trends in the UK and EU, *Energy Global.*

DISPUTES

As influencer marketing continues to shape consumer behavior, particularly in the beauty sector, companies are entering 2026 facing heightened scrutiny of influencer claims, disclosures, and emerging litigation risks tied to social media–driven advertising strategies.

"2026 will be the year of influencer scrutiny. Social media has emerged as a dominant force shaping consumer behavior in the United States. Beauty companies in particular are increasingly relying on social media as a key component of their advertising. … However, no successful marketing strategy is without potential pitfalls, as demonstrated by the growing number of consumer-driven class action lawsuits involving social media influencers and the adequacy of their disclosures—or lack thereof." – Rachel Raphael

"Private plaintiffs are increasingly stepping into the arena… Influencer marketing is ubiquitous, but there are influencers who have really made incredible amounts of money and so this has become a rich target." — Aliza Karetnick

- For more, view our advertising and marketing capabilities and read 2026 Year of 'Clarity' for US Beauty? Regulatory Reform, FDA Enforcement Strategy Coming Into Focus and Wave of Class Actions Targeting Influencer Marketing Signals Potential Trend, *HBW Insight.*

As companies adopt AI-enabled technologies and increasingly complex collaboration tools, eDiscovery risk in 2026 will turn less on volume alone and more on defensible preservation, information governance, and early coordination between legal and information technology teams.

"Companies are rapidly upgrading information technology systems, including collaborative platforms with ephemeral messaging and AI-enabled technologies, all of which present challenges for preservation in the event of litigation or regulatory action." – Tara Lawler, Jennifer Mott Williams, Matthew Hamilton

- For move, view our eDiscovery capabilities and read Navigating the Evolving World of eDiscovery, Information Governance and Artificial Intelligence, *Reuters.*

Following heightened focus on defensible preservation and information governance, the next phase of eDiscovery's evolution centers on generative AI–driven review tools and whether regulators will accept these technologies as part of core litigation workflows.

"The Antitrust Division of the Department of Justice will approve a gen AI review workflow as part of a Second Request submission. Historically, the Division has been at the forefront of predictive coding, approving and occasionally rejecting such workflows. We predict that the Division will… approve a workflow explicitly incorporating a gen AI review workflow." – Ethan Ackerman

- For more, view our eData capabilities and read Legal Tech's Predictions for E-discovery in 2026, *LegalTech News.*

DIGITAL ASSETS AND FINTECH

2025 materially reshaped the regulatory landscape for digital assets in the United Kingdom and the European Union.

"As the UK regime moves from consultation into final rules, and as MiCA transitions from temporary flexibility to full supervisory enforcement, the focus shifts from interpretation to implementation. Legal teams will be central to converting regulatory expectations into compliant legal structures, enforceable documentation and robust operating frameworks." – Steven Lightstone, Hubert de Vauplane

- For more, view our digital assets and fintech capabilities and read What To Expect From UK, EU Crypto Regime Changes In 2026, *Law360.*

Looking ahead, the SEC and CFTC are signaling a more coordinated regulatory approach to crypto markets, as they have announced a joint effort to pave the way for certain spot cryptoasset products to trade on regulated exchanges. This collaboration suggests increased regulatory clarity and a more structured pathway for crypto products to enter mainstream, regulated trading venues.

"The joint statement is perhaps most noteworthy because it's the earliest and most visible instance of interagency cooperation on crypto regulation. It is also the latest chapter in the CFTC's long-running efforts to address the Commodity Exchange Act's exchange-trading requirements for leveraged commodity transactions, representing a change of direction." – Robert Schwartz, Stacie Hartman, James Doench

- For more, view our digital assets and fintech capabilities and read CFTC, SEC Joint Statement Highlights New Unity on Crypto, *Law360.*

Chinese banks are beginning to pay interest on deposits held in the e-yuan, signaling Beijing's steady push to integrate its digital currency into everyday finance. Rather than loosening control, China is doubling down on a central-bank–led model—while the United States is heading in a very different direction, placing its bets on privately issued stablecoins.

"These announcements can be seen as a desire on the part of the central bank to regain control over these private players, without whom it is now very difficult to make payments in stores in China." – Hubert de Vauplane

- For more, visit our digital assets, fintech, and stablecoin capabilities and read China Seeks to Give New Impetus to the Digital Yuan, *Le Monde.*

There has been a rise of sports event contracts on prediction markets and the legal tensions between platform operators and state regulators over classification and oversight.

"When I was at the CFTC, on multiple occasions when a court would consider an issue under the Commodity Exchange Act or a CFTC regulation—and the CFTC wasn't involved in the case—the court would ask us to weigh in with an amicus brief or, if the issue were sufficiently important, we would get involved on our own initiative…That hasn't happened here." – Robert Schwartz

- For more, view our digital assets and fintech capabilities and read Sports Event Contracts Are Replacing Bets. Trump's Regulator Is Standing Aside., *Barron's.*

The CFTC's evolving approach could reshape the regulatory landscape for cryptocurrency, including recent staff advisories encouraging commodities firms to self-report violations. The piece discussed the CFTC's decision to ease certain penalties, introduce fine reductions for firms that self-report, remediate issues, and cooperate with investigators, and outlined how these shifts may influence enforcement priorities and compliance expectations across digital asset markets.

"Over time, there has been a stratospheric soaring away from the statutory basis for setting a civil monetary penalty… We need a little time to tell how the [discount] matrix actually gets applied." – Stacie Hartman, Robert Schwartz

- For more, view our digital assets and fintech capabilities and read Big Changes Are Coming for Crypto Under Trump's CFTC. What's In Store., *Barron's.*

The cryptocurrency industry pinned its hopes on a designated "crypto week" in the US House of Representatives as lawmakers prepared to consider an array of digital asset bills aimed at establishing stablecoin regulation, clarifying asset classification between securities and commodities, and restricting central bank digital currency issuance, signaling potential progress toward long-sought regulatory clarity.

"The GENIUS Act represents the US Congress' view that stablecoin is a digital asset that needs to be brought into the US financial system in a very methodical, regulated manner, and that every participant in the financial services industry needs to have clear rules," – Alice S. Hrdy

- For more, view our digital assets, fintech, and stablecoin capabilities and read Industry Hopes Hinge on 'Crypto Week' as US Congress Takes on Digital Assets Bill, *Reuters Regulatory Intelligence.*

HEALTHCARE AND LIFE SCIENCES

Ongoing staffing cuts at the US Food and Drug Administration (FDA) are raising alarms across the pharmaceutical and biotech sectors about potential slowdowns in product development. Some companies may look overseas to advance their pipelines, but doing so introduces regulatory and operational risks that will require careful planning and stronger compliance frameworks.

"Companies considering foreign clinical trials will need to be prepared to navigate complex regulatory, trade and compliance challenges. As such, companies looking abroad must carefully weigh the costs and benefits of such foreign development programs and undertake proactive planning to ensure that compliance programs are tailored to meet the added complexities and risks." – Jacqueline Berman, Kathleen Sanzo, Vishnu Shankar

- For more, view our FDA and healthcare capabilities and read 7 Considerations for Conducting Drug Clinical Trials Abroad, *Law360.*

Issues top of mind for the industry include the FDA's launch of an internal artificial intelligence tool, new guidance on AI-enabled medical devices, and a warning about wearable technology.

Michele Buenafe, Maarika Kimbrell, Ariel Seeley were quoted in *Law360* following a session of Morgan Lewis's Technology Marathon series, where they examined the FDA's launch of an AI tool and the agency's new guidance on AI-enabled medical devices and drug development. The panel also addressed the agency's expanding use of AI in policy and enforcement, including recent actions targeting wearable technology companies.

- For more, visit our FDA and healthcare capabilities and read Morgan Lewis Attys Talk Key FDA AI Policies of 2025, *Law360.*

The United Kingdom and European Union face sweeping changes in the healthcare and life sciences sectors in 2026, with recent proposals including the EU Pharma Package, the Biotech Act, and new rules regarding point-of-care manufacture and medical devices, among other developments.

"Given the current economic climate, regulatory authorities are focused on ensuring that the regulatory framework supports, rather than hinders, speed to market and that it reduces red tape." – Jackie Mulryne

- For more, view our life sciences and pharmaceuticals and biotechnology capabilities and read Key EU and UK Regulatory Changes to Catch in 2026, *Life Sciences Intellectual Property Review.*

Recent analysis showed a significant decrease in FDA guidance issued in 2025, framing the shift as a potential turning point in how the agency communicates regulatory expectations. This trend may alter compliance planning, risk assessment, and engagement strategies for healthcare and life sciences companies.

"The agency made several, significant policy announcements outside of its usual notice-and-comment regulatory and guidance processes, especially in the drugs and biologics spaces. We saw policies announced instead over social media and in publications in academic journals, for example… In the long run, a reduction in the publication of guidance from FDA will simply mean that it is an agency that is less transparent to all of its stakeholders and developing policy without as much benefit of feedback from industry and other stakeholders," – Maarika Kimbrell, Ariel Seeley

- For more, view our FDA and healthcare capabilities and read Blip or Trend? FDA Guidance Fell Off Steeply in 2025, *Law360.*

In a two-part series on hospice merger and acquisition activity, Hospice News reported that deal momentum rebounded in late 2025 after a slower start to the year, with growing alignment between sellers and investors around strategy and valuations and increasing investor attention on the sector. Looking ahead to 2026, the series pointed to continued M&A activity, with investors increasingly drawn to hospice operators that are using AI tools to strengthen compliance, improve operational efficiency, support revenue cycle management and workforce capacity, and assess the return on investment of higher-quality hospice assets.

"It's a connection between how AI is affecting hospice and home-base care, but also how it can be used in connection with due diligence… I think we'll see a continued interest among investors to figure out how to deploy AI to make processes around acquisitions and diligence more efficient, and help identify and assess good [hospice] opportunities." – Howard Young

- For more, view our FDA and healthcare and healthcare capabilities and read The Hospice M&A Locomotive Gains Momentum in 2025 and its follow up companion piece The Pendulum Swings: Hospices' 2026 M&A Outlook, *Hospice News*.

INTERNATIONAL TRADE, TARIFFS, AND SANCTIONS

Despite dramatic political developments in Venezuela, including the apprehension of Nicolás Maduro, companies entering 2026 face a familiar sanctions reality: foundational US restrictions remain firmly in place, and premature moves based on political signals, rather than real regulatory change, continue to pose significant compliance risk.

"While the administration's public statements indicate a relaxation of sanctions, particularly related to oil and gas production and related activities, all sanctions remain in place, including those targeting PdVSA, the GoV, and the oil and gas sector. Until [the US Department of the Treasury Office of Foreign Assets Control] issues changes (such as through new general licenses), there are no legal permissions to engage in such activities, and parties doing so without OFAC authorization risk significant financial penalties." – Christian Contardo, Eli Rymland-Kelly, Katie Hilferty, Mike Huneke, Carl Valenstein

- For more, view our Venezuela and international trade and national security capabilities, and read Compliance Landscape in Venezuela Following Nicolás Maduro's Removal from Power, *Global Relay Intelligence & Practice.*

As the US government intensifies scrutiny of Chinese military-linked entities, companies are facing growing compliance and contracting risk tied to the Pentagon's Section 1260H list, an area that is rapidly shifting from reputational concern to one with tangible legal and commercial consequences heading into 2026.

"[The Section 1260H list has] been around for a couple of years, but there's now some real teeth behind it, and that's why we're seeing significantly increased client work and client interest in that space." – David Plotinsky

"How do you know whether your existing or future Chinese business partners or vendors are going to be on the list? And what do you do with them? This is a huge issue for a lot of multinational companies." – Todd Liao

- For more, view our international trade and national security, global supply chain risk management, and government contracts capabilities, and read Lawyers Seeing More Activity, Industry Concern Surrounding 1260H List, *Export Compliance Daily*.

SPORTS

With major events like the 2026 FIFA Men's World Cup and the 2026 Winter Olympics on the horizon, businesses involved with major sporting events need to be more mindful than ever with regard to unforeseen risks and potential perils. From severe weather events and third-party liability claims to potential cyber and geopolitical attacks, stakeholders in the sports and entertainment industry require robust insurance coverages to provide financial protection, minimize potential losses and maximize insurance recoveries.

Companies should proactively review their insurance programs, ensure policies align with contractual and risk-management requirements, provide timely notice of potential claims, and engage experienced coverage counsel to help preserve and maximize insurance recoveries. – Brad Nes, Sergio Oehninger

- For more, visit our sports and 2026 World Cup capabilities, and read Protecting the Goal: Insurance Considerations for the World Cup and Other Major Events, *Sports Business Journal.*

Morgan Lewis

FOR MORE INFORMATION

We invite you to SUBSCRIBE to Morgan Lewis publications to receive updates on trends, legal developments, and other relevant areas that may be of interest to you.

ABOUT US

Morgan Lewis is recognized for exceptional client service, legal innovation, and commitment to its communities. Our global depth reaches across North America, Asia, Europe, and the Middle East with the collaboration of more than 2,200 lawyers and specialists who provide elite legal services across industry sectors for multinational corporations to startups around the world. For more information about us, please visit www.morganlewis.com.

Morgan Lewis

At Morgan Lewis, we’re always ready to respond to the needs of our clients and craft powerful solutions for them.

Connect with us

www.morganlewis.com

020626_260266