Key 10 Regulatory Challenges: 2025 Midyear

Regulatory agency leadership changes, including those at the DOJ, FTC and OSHA, could result in a shift in policies related to the environment and domestic production. Increasing international trade restrictions, tariffs, and sanctions (including secondary sanctions) align with evolving geopolitical positions.

Key Regulatory Signals



"America First" Trade Agenda

Continued/expanded use of tariffs, sanctions, and bans; focus on sector-specific and tech-related trade policies and import/export controls.



Regulatory & Inspection Pullback

Reduction in new regulations, easing of enforcement and inspection activities, review and potential recission of existing rules.



State/Federal Regulatory Divergence

Increased regulatory discrepancies and legal actions between state and federal levels, particularly related to workplace safety and environmental standards.



Tech & Digital Regulatory Developments

Changing stances to Al and digital asset regulation could help promote continued adoption.

Industrial manufacturing companies (including auto) should expect regulatory focus and change across:



Regulatory Divergence



Trusted Al & Systems



Cybersecurity & Information Protection



Financial Crime



Fraud & Scams



Fairness & Protection



Financial & Operational Resilience



Parties & Providers



Governance & Controls



Markets & Competition



Key 10 Regulatory Challenges: 2025 Midyear

Tariffs: Continued tariffs and restrictions on products, affecting sectors such as technology and automotive.

e.g., Steel and aluminum imports.

Signals

Sanctions and Bans: Policies aimed at limiting economic interactions, including investments and imports, with certain countries will persist.

e.g., Bans on specific technologies and partnerships.

Export/Import Controls: Enhanced controls on exports/imports to maintain national security and domestic competition, focusing on high-tech products and dual-use technologies.

e.g., Potential for expanded anti-dumping and countervailing duty laws.

Fewer New Regulations: Executive Order on deregulation limits new regulatory rulemaking. e.g., EO "Unleashing Prosperity through Deregulation."

Review and Recission of Existing Rules: Existing rules related to environmental/safety regulations, such as GHG guidelines and fuel economy standards, are undergoing reassessment/recission.

e.g., DOT recission of GHG Measurement Rule .

Inspection Reductions: Decrease in the frequency and thoroughness of workplace inspections due to changing agency priorities and workforce reductions. e.g., Executive actions for DOGE "Workforce Optimization Initiative."

"America First" Trade Agenda



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What's coming...

Signals



Regulatory & Inspection Pullback



Tech & Digital Regulatory Developments

Workplace Safety Regulations: Individual states

State-Federal Regulatory Divergence

may maintain workplace safety standards despite federal pullbacks, creating a patchwork of varied regulations across different states.

e.g., California Workforce Violence Prevention.

e.g., EO "Protecting American

Crypto and Digital Assets: EO on federal digital asset regulation framework.

e.g., Blockchain usage; stablecoin legislation.

Environmental Standards: Divergent environmental rules challenged in response to the federal rollback of certain EPA standards and EO. Energy from State Overreach."

Al Regulatory "Leadership": Policies, directives, and orders 'not consistent' with new Administration Al innovation priorities to be reviewed/revised/rescinded

e.g., RFI AI/180-day Action Plan; revisions to NIST.

Labor Provisions: Variations in labor laws could increase, with some states imposing stricter/lessening requirements than federal standards.

e.g., Rollbacks of child labor laws; enforcement of sensitive location laws.

Tech-Specific Export Controls: Revisions to export controls to safeguard intellectual property and establish reciprocal rules with international trading partners.

e.g., Expansion of restricted entity list; elimination of license exceptions.



Signals

Key 10 Regulatory Challenges: 2025 Midyear

"Growing regulatory divergence and fragmentation add another layer of complexity to establishing a clear path from strategy and operations to effective risk and compliance. Will a deregulatory policy really equate to deregulation?"

Amy Matsuo, Principal & Leader KPMG Regulatory Insights



Claudia Saran, Principal Industrial Manufacturing Sector Lead



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Principal
Industrial Manufacturing
Sector Lead

Ten Key Regulatory
Challenges:
2025 Mid-Year
Shifting through the Bump(er)s

Ten Key Regulatory

Challenges

2025 Mid-Yea

