Wisdom of the Crowd: The Latest Insights on Tariffs, AI, Cybersecurity, and More

Commercial and Contracts

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The Association of Corporate Counsel gathered a group of prominent CLOs from US-based companies for an exclusive event where they exchanged insights, tackled shared challenges, and dispensed proven strategies to strengthen their influence in the C-Suite. The discussion was held pursuant to the Chatham House Rule. Below are some takeaways from the gathering:

Tariffs and trade policy

Amid persistent trade policy uncertainty, CLOs are navigating tariff challenges by balancing proactive compliance guidance with practical risk mitigation. From contractual protections to supply chain strategies, legal leaders are helping their companies remain agile while traditional advocacy channels prove ineffective.

- Even though companies have been dealing with tariff implementation for some months, private companies remain in the dark when it comes to receiving timely and actionable guidance on trade policy changes.
- Traditional advocacy routes — industry groups, lobbyists, and political relationships — have not proven effective in shaping or anticipating policy shifts.
- CLOs emphasized the importance of legal departments proactively advising business units on trade compliance and long-term strategic implications despite ongoing regulatory uncertainty.
- Some companies are leveraging free trade zones to reduce customs costs, improve efficiency, and capture tax benefits.

- Others are utilizing the "First Sale Valuation" approach to reduce import taxes by declaring the value of goods based on the original sale price in the supply chain.
- Legal teams are embedding protective clauses in contracts to manage tariff-related risks, including cost-sharing and price adjustment mechanisms.
- While reshoring, nearshoring, and supplier diversification are under consideration, most companies are hesitant to invest capital given continued trade policy volatility.
- Exporters have noted political backlash affecting cross-border sales, particularly to Canada.
- CLOs continue to guide business units based on the best information available, aligned with each company's risk tolerance.

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AI governance and cybersecurity threats

As AI adoption accelerates, CLOs are weighing both the risks and opportunities — from deepfakes and insider threats to efficiency gains in contract management. Legal leaders are shaping governance, piloting responsible use, and emphasizing that while AI can streamline workflows, it cannot replace human judgment in strategic counsel.

- Legal teams are closely monitoring the rapid advancement of deepfake technology and the growing sophistication of cyber threats.
- Attendees raised serious concerns about insider threats, including foreign state actors infiltrating IT departments.
- Oversight of AI systems is most commonly shared between legal and IT, though approaches to governance vary.
- Some CLOs believe existing internal controls sufficiently address AI risks, while others see a need for dedicated AI use policies.
- Legal leaders are encouraging responsible use of generative AI, especially for routine tasks like NDAs, through pilot use cases and team competitions.
- A few companies have invested in proprietary AI-driven contract management systems, which have improved efficiency despite lengthy development times.
- AI is also being used to automate contract routing and executive signoff processes.
- CLOs agreed that AI cannot yet replace human judgment in providing strategic legal counsel.
- Generational differences in comfort with AI were noted — some team members are overly eager, others overly cautious.

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Professional development

While technology is reshaping routine legal work, CLOs remain focused on talent — from developing and retaining top performers to deepening business integration. At the same time, legal departments are rethinking external partnerships to balance quality with cost efficiency.

- AI may automate routine tasks, but strong leadership remains essential to identify, retain, and nurture high performers.
- Providing meaningful professional development to the in-house counsel remains a challenge.
- Embedding legal team members within business units fosters growth, engagement, and greater business alignment.
- Despite workforce shifts, companies continue to receive a healthy volume of job applications, with candidates still valuing the work-life balance of in-house roles.
- Legal departments are seeing value in partnering with mid-sized law firms and former large-firm partners to achieve quality results at lower cost.

Ethical obligations and leadership by the legal function

CLOs play a pivotal role in safeguarding corporate culture, guiding board dynamics, and preparing organizations for crises. From conflict management to incident response systems, legal leaders are reinforcing transparency, accountability, and sound judgment as cornerstones of effective governance.

- CLOs must function as guardians of corporate culture and facilitate strong relationships between the CEO and the board of directors.
- When facing potential conflicts of interest, bringing in outside counsel immediately is essential.
- Sound judgment is critical at all levels, but especially in the C-Suite where missteps can endanger the organization.
- Attendees recommended creating “critical incident response” systems with app-based access to essential protocols and contact info.
- Employees should be trained to escalate concerns promptly; vigilance and responsiveness are essential.
- Crisis teams must have well-defined reporting lines and include cross-functional leadership with specialized risk training.
- Fostering a culture of transparency is key, especially in a tech-driven world where anyone can function as a whistleblower.
- CLOs must be cautious not to conflate their organizational responsibilities with acting as the CEO’s personal legal advisor.

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CLO oversight beyond legal

As CLOs expand their oversight beyond legal, they are leveraging these broader roles to deepen trust, showcase strategic value, and strengthen governance. By bridging legal expertise with

business insight, CLOs are positioning themselves as indispensable enterprise leaders.

- When overseeing non-legal functions, CLOs must remain alert to privilege issues but should also embrace these roles as opportunities to build trust and influence.
- Understanding how business teams think and operate is critical to CLO effectiveness.
- CLOs are encouraged to track and present a “legal wins” dashboard to demonstrate cost savings and strategic value.
- Asking questions — even outside one’s domain — is an essential skill for in-house counsel managing broader operational teams.
- Some privately held companies, due to their unique ownership structure, have embraced unique C-Suite governance models.

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