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# How are board rooms being impacted by U.S. politics in 2025?

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With a new presidential administration and changing federal- and state-driven regulations, corporate boardrooms are working their way through a period of both uncertainty and opportunity.

These changes will notably impact corporate governance, regulatory compliance, and business strategy, requiring leaders to reassess where they domicile their corporations, respond to new SEC disclosure mandates, and adapt to developing legal environments and trade policies.

M&A activity was supposed to open up under new leadership at the Federal Trade Commission (FTC). But new leadership at the FTC has decided to keep the prior administration's pre-merger guidelines, and has made numerous public statements pouring cold water on the idea that the floodgates are open.

Meanwhile, the Department of Justice (DOJ) remains active in enforcing antitrust laws, continuing cases initiated under the previous administration against both Google and Microsoft.

## Where corporations will domicile, and is Delaware's dominance at risk?

For decades, Delaware has been the preferred state of incorporation for America's business for generations due to its business-friendly legislature, regulators, well-established statutory framework, and specialized, sophisticated, and predictable judicial system for corporate disputes.

Some recent Delaware judicial decisions rendered and the reaction it engendered, together with low-tax or no-tax jurisdictions, have started a free-for-all regarding corporate domicile and headquarter relocation, which are challenging Delaware's dominance.

Over the past few years, more and more states such as Nevada, Maryland, Wyoming, and Texas have been positioning themselves as alternatives by promoting lower incorporation fees, fewer regulatory burdens, and favorable tax structures.

Just last June, Nevada Secretary of State Francisco Aguilar, and UNLV Law Professor Benjamin Edwards published an opinion in the Wall Street Journal (https://bit.ly/3Y5f5Eh) outlining reasons why companies are leaving Delaware and moving to Nevada.

"In Delaware and across the country, major corporations are facing high fees and legal risks as they try to conduct business; so, they're looking to other states for better opportunity to be successful," said Secretary Aguilar.

"But corporations aren't just moving away — they're moving to Nevada. Our business-friendly environment, lower filing costs, and process improvements are incentivizing business owners and shareholders to invest in Nevada."

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Meanwhile, in recent weeks, the legislature in the State of Texas has introduced a new bill that would address many of the gaps between its current laws and those in Delaware to make it compare more favorably.

Another factor is the ongoing backlash against environmental, social, and governance (ESG) regulations. Those states that have pushed back against ESG regulations are benefiting as corporations reevaluate their choices.

## SEC regulatory changes and disclosure requirements

Under the Trump administration, the Securities and Exchange Commission (SEC) has abandoned enforcement actions against digital asset businesses and is expected to adopt regulations that enable the development of this budding industry.

Former SEC Commissioner Paul Atkins is expected to be confirmed as the next SEC Chair. Known for his market-friendly approach, Atkins is expected to prioritize the easing of capital formation regulations in addition to structuring a legal framework for digital assets. The SEC will also likely change its approach to ESG and DEI initiatives, dropping or modifying rules related to corporate greenwashing and human capital disclosures.

## Proxy season and corporate governance shifts

Momentum for U.S. ESG and climate disclosure regulations, in addition to those relating to diversity, equity and inclusion (DEI), has been stopped cold, but companies still face compliance obligations under EU and California laws.

Although the previous administration's climate disclosure rules are likely to be rolled back, investors and key stakeholders continue to assess sustainability efforts, making it important for boards to evaluate how ESG considerations align with long-term value creation.

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Corporate approaches to Diversity, Equity, and Inclusion (DEI) are also in flux. Companies are shifting from broader commitments to more of a practical implementation. We are also seeing no DEI at all. However, transparency in proxy statements will still be important to ensure consistency between public claims and internal practices.

When it comes to digital assets, Acting Chairman Uyeda has launched a Crypto Task Force, with Commissioner Hester Peirce leading efforts to address regulatory uncertainty. Legislative reforms related to market structure and stablecoins are expected to move forward. Safeguarding financial disclosures remains a core SEC focus as well in order to avoid financial fraud.

The SEC aims to make it simpler for companies to raise capital, both in public and private markets, while evaluating whether increased oversight of large private firms is necessary.

## State attorneys general and corporate laws

As we know, the current Trump administration is using executive orders (EOs) to roll back regulations and implement new policies, with varying degrees of impact:

- Performative EOs generate media attention but result in little substantive change.
- Indicative EOs create uncertainty in investment decisions without immediately altering rules.
- Operative EOs directly influence business operations, such as those affecting trade and tariffs.

At the state level, attorneys general (AGs) are becoming more assertive in shaping corporate regulations. Texas, for example, has made significant changes to highlight the state as business friendly, with the goal of attracting more companies to incorporate in the Texas.

State attorneys general are active now in areas such as corporate oversight, targeting everything from antitrust violations to environmental compliance. This move presents more risks for companies when they are operating across multiple jurisdictions and they must now account for varying legal interpretations and enforcement approaches.

For example, some state attorneys general have pursued legal action against companies over alleged consumer protection violations, privacy breaches, and workplace discrimination. Multistate lawsuits are increasing, forcing corporations to work through a legal environment with potentially conflicting demands.

Additionally, while it doesn't seem apparent in the spring of 2025, the long-tail of progressive corporate laws in states like California that require diverse board representation and greater shareholder transparency, could continue to set a precedent for other blue states, obliging companies located there to get on board.

## Tariff and supply chain updates affecting pricing and operations

Trade policy under the Trump administration will play an important role in shaping corporate strategies. Recent volatility around tariff adjustments increased geopolitical tensions, and supply chain disruptions have companies rethinking sourcing, production, and distribution models.

Tariffs on imports remain a big concern. Some businesses have diversified their supply chains to mitigate risks, others are struggling with expenses and logistical hurdles.

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This administration's approach to trade agreements, particularly with allies like Canada, Mexico and the European Union, not to mention trade partners in Asia, will influence corporate pricing strategies and long-term operational planning. We can likely expect further tariff measures targeting the EU, China, and potentially India as well.

Companies should look to engage in scenario planning to evaluate whether reshoring or relocating supply chains could mitigate long-term risks, and quantify each potential change.

Beyond tariffs, global supply chain resilience has become a top priority. The COVID-19 pandemic exposed a variety of vulnerabilities in just-in-time inventory models, prompting many companies to consider reshoring or nearshoring operations.

Government incentives for domestic manufacturing and infrastructure improvements may accelerate this trend, which may lead to shifts in investment strategies and employment patterns.

 

## Technology, national security, and AI regulation

National security concerns continue to shape regulatory scrutiny of artificial intelligence (AI), quantum computing, and other emerging technologies. Companies working on transformative AI solutions should prepare for heightened oversight globally. Boards should ensure they have solid strategies for AI adoption maintaining compliance with changing regulations.

## Boardroom considerations:

- **SEC**: Are we engaging with the SEC on regulatory changes? Particularly in digital assets and capital markets.
- **Materiality standards**: Are our financial disclosures aligned with the SEC's evolving focus on economic impact?
- **ESG and DEI strategy**: Are our governance policies consistent with investor expectations and actual corporate practices?
- **Regulatory and trade impacts**: How will the current administrations executive orders, tariffs, and shifting state policies affect our operations and long-term strategy? What is the cost of change vs. the cost of doing nothing?

## Conclusion

As corporate boardrooms work through the regulatory and strategic challenges, they must also balance compliance with innovation. Companies need to stay agile as they adjust to new SEC mandates, respond to legal shifts, and adapt to global trade changes. Success depends on a company's ability to adapt in 2025's increasingly complex business environment.

## About the authors

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