



From TEP to LSO: How Linguistic QA Verification Has Changed in 12 Months

What regulated industries now require from linguistic quality assurance goes well beyond accurate translation. This presentation examines how the service mix shifted from March 2025 to February 2026, and what that means for procurement, vendor evaluation, and compliance risk management.

AUTHOR: GERGANA TOLEVA

METHODOLOGY

The Data Behind This Analysis

This is not a survey or industry forecast. The findings are drawn from anonymized production records spanning two distinct six-month periods across 1-StopAsia's active client base.

4,500+

Monthly Project Intakes

Anonymized records from actual production workflows

200

Companies Served Monthly

Across seven industry verticals

7


Industry Verticals

Including Life Sciences, FinTech, and Legal

12

Months of Production Data

March 2025 through February 2026

 All figures are derived from production workflow records, not estimates. The report covers two six-month windows designated P1 (March–August 2025) and P2 (September 2025–February 2026).

The Service Mix Shift: P1 vs. P2

The displacement of standard TEP by compliance-oriented verification services occurred within a single six-month window. The change is visible and measurable in production data.

PERIOD 1: MARCH - AUGUST 2025

Dominant Services

TEP

Translation, Editing, Proofreading as the primary quality model

ISO 18587 MTPE

Machine translation post-editing under established ISO framework

Standard LQC

Linguistic quality checks scoped as add-on verification

PERIOD 2: SEPTEMBER 2025 - FEBRUARY 2026

Dominant Services

Linguistic Sign-Off (LSO)

Compliance-grade verification with documented accountability

ICR Arbitration

Formalised resolution of in-country reviewer disputes

LQA Framework Management

Structured quality assurance governance across production

What TEP Was Designed to Do

TEP remains appropriate for a wide range of content. Its three stages were built for a specific purpose: verifying language quality where a downstream error does not mean a compliance failure.

Translation

Produce an accurate target-language version of the source text, preserving meaning and intent.

Editing

Check source fidelity, correct terminology, improve register consistency and stylistic coherence.

Proofreading

Catch residual errors in spelling, punctuation, and formatting before final delivery.

- ❑ 1-StopAsia integrates internal QA protocols into every TEP workflow at no additional cost to the client.



Linguistic Sign-Off: A Verification Role, Not a Proofreading Pass

LSO verifies production evidence and compliance.

TMS Segment Status Confirmation

Segment statuses are confirmed in the platform.

Reference Material Evidence

Approved glossaries and style guides are verified.

QA Flag Resolution

Flags are reviewed and resolved with rationale.

Technical Specification Compliance

Deliverables are checked against regulatory requirements.

⚠ At LSO, missed errors become compliance risk.

LSO Pricing Reflects Liability, Not Volume

TEP is a per-word service. LSO is typically priced per hour because its value is the liability absorbed at each verification checkpoint, not the volume of text processed.

The Regulatory Stakes Are Concrete

EU MDR / IVDR

Every language version of a medical device IFU or labelling document is a compliance artefact. Non-conformance is a regulatory violation, not a quality complaint.

EU AI Act

Full high-risk system enforcement scheduled for August 2026.
Penalties reach **€35 million or 7% of global annual turnover**.

Procurement Implication

Organisations that scope LSO work as a proofreading add-on are systematically mispricing the function. The service is an independent compliance verification layer with its own resourcing, documentation, and accountability requirements.

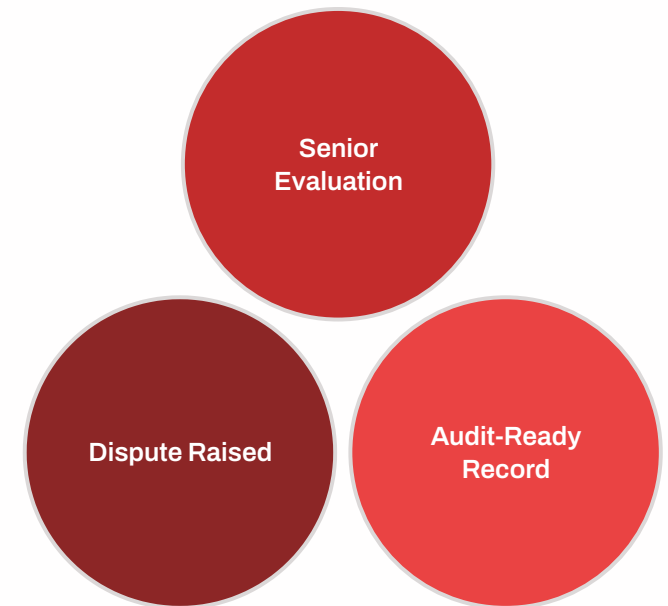
SERVICE CATEGORY

P2 WORKFLOW

ICR Arbitration: A Formally Scoped Service Category

In-Country Review (ICR) Arbitration was not a formally defined service category in most production environments twelve months ago. The 1-StopAsia report identifies it as a primary P2 workflow.

The historical approach to ICR disputes was informal: whoever held more seniority or argued more forcefully tended to prevail, with no documented rationale. ICR Arbitration replaces that with a formal resolution structure that produces an audit-ready record. The skills required (senior subject-matter expertise, regulatory awareness, and formal dispute documentation) sit outside the scope of standard translation or proofreading competencies.



Asian Language Pairs: Additional Verification Complexity

The regulatory frameworks driving compliance demand in Life Sciences and FinTech apply equally to Japanese, Korean, Chinese, Thai, and Vietnamese versions of regulated documents. Verification in these languages carries requirements that have no direct equivalent in Latin-script workflows.

CJK Typographic Conformance

Character spacing, line-break rules, and punctuation handling differ significantly from Latin-script conventions and require dedicated verification steps.

Character Encoding Consistency

Mixed-encoding errors in CJK content can render text unreadable or create compliance documentation failures that are not immediately visible during review.

Regulatory Terminology Constraints

Established regulatory term equivalents in Japanese or Korean cannot be substituted with functional translations. This is a compliance requirement, not a preference.

Limited Reviewer Availability

Qualified in-country reviewers with regulatory expertise are scarce for several Asian language pairs, raising the consequence level of each LSO checkpoint.

⊗ A terminology error in a Japanese-language medical device IFU is a potential MDR non-conformance.

TMS Migration and Its Impact on QA Workflows

Platform-based delivery changed what QA means.

- **25% → 85%**
Platform-Based Intake jumped in a single six-month window
- **In-Platform Verification**
Segment statuses confirmed inside the TMS
- **Portal-Only Delivery**
Regulated clients on Smartling prohibit email attachments; the audit trail lives in the platform

⚠️ Vendors who can't navigate TMS environments are excluded before language quality is even assessed.



Vertical Growth Confirms the Compliance Driver

The service mix shift reflects genuine volume growth in the regulated verticals that created the demand for compliance-grade verification services.

147%

Life Sciences

Word Volume Growth (%)

114%

FinTech

Word Volume Growth (%)

What Is Driving the Growth

Both verticals are operating under EU regulatory compliance obligations that convert every language version of every document into a legal artefact. EU MDR and IVDR make medical device labelling a compliance deliverable in every language. The EU AI Act, with full high-risk enforcement from August 2026, creates equivalent obligations for financial services firms localizing risk assessments and compliance filings.

📄 At this scale, linguistic QA verification is a production requirement with documented accountability at every stage.

Three Procurement Adjustments for Regulated-Sector Buyers

The 1-StopAsia report is explicit: vendor evaluation criteria for regulated-sector accounts must now include LSO capacity, ICR arbitration experience, and compliance documentation capability. Three practical adjustments follow.



Build LSO Into Scope From the Start

In regulated verticals, linguistic sign-off is a primary production activity with its own time, resource, and documentation requirements. Adding it during QA review compresses timelines without reducing the compliance obligation.



Evaluate ICR Arbitration as a Standalone Capability

Senior linguistic expertise, regulatory subject-matter knowledge, and formal dispute documentation do not map onto standard translation competencies. Vendor qualification frameworks should assess ICR arbitration separately.



Formalise AI Prohibition in Vendor Agreements

Written human-production attestation is now a standard contractual term in regulated-sector localization agreements, with violation triggering immediate project rejection and payment cancellation. Contracts without this clause are behind current market norms.

Ready to Close the Compliance Gap?

The shift from TEP to LSO is already reflected in production data across 200 companies. If your vendor contracts still reflect a 2023 service model, the gap is present now.

[Full Report Available Here](#)

[Contact Us](#)