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The AI Prohibition Clause

How AI regulations are changing procurement requirements for language vendors in 2026

AI Prohibition Has Already Arrived

The New Reality

AI prohibition is not coming to localization procurement. It arrived. It is already embedded in enterprise contracts, with **payment cancellation** as the stated consequence for non-compliance.

A Rapid Shift

Twelve months ago, AI usage was still framed as a controllable variable. Today, the instruction is explicit: deliverables must be human-produced, and non-compliance triggers **immediate rejection and non-payment**.

- ❏ The conversation has moved upstream into procurement, but the operational burden sits downstream with the vendors actually producing the work.

What the Clause Actually Says

Documented in the *1-StopAsia State of Language Operations Outsourcing 2025/2026 Report*, the AI prohibition clause appears with three consistent elements across regulated sectors such as Life Sciences, FinTech, and Legal.

1

Written Confirmation

Contractors must provide written confirmation that deliverables are human-produced.

2

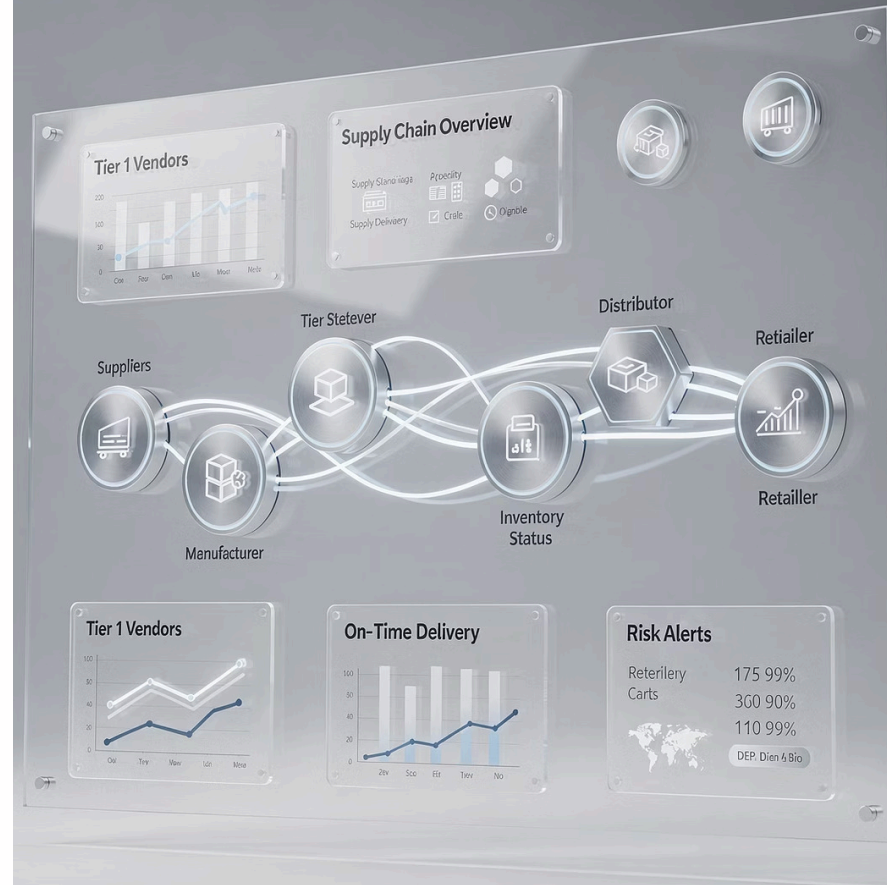
Immediate Rejection

Unauthorized AI usage triggers immediate rejection regardless of output quality.

3

Payment Cancellation

Work completed using AI tools in violation of the clause is explicitly **not billable**.



No Carve-Outs: Scope Is Uniform

The requirement applies across **all language pairs, content types, and project volumes**. There are no exceptions for "low-stakes" content or high-volume production. Whether the task is regulatory documentation or UI strings, the standard is identical: human production.

- ❏ What the clause does **not** specify is how compliance is verified beyond the first tier of the supply chain. Enterprise clients contract with LSPs, but actual production is often executed by tier-two subcontractors. The clause states *what* must be delivered. It does not define *how* the LSP ensures subcontractor compliance.

All Language Pairs

Including complex Asian language pairs

All Content Types

Regulatory docs to UI strings

All Project Sizes

No volume-based exemptions

Three Levels of Assurance

AI regulation in translation workflows currently operates across three levels. The market is moving quickly from the weakest to the strongest, and most frameworks have not caught up.



Enterprise clients issuing AI prohibition clauses expect Level 2 or Level 3 assurance. Most LSP subcontractor evaluation frameworks are still anchored at Level 1.

Level 1: Written Confirmation

What It Is

A contractor confirms in writing that no AI was used in the production of deliverables. It satisfies the formal requirement of the clause and is administratively simple and contractually clean.

Why It Falls Short

A written statement is not verifiable on its own. A linguist who used AI tools can still sign a human-production confirmation. It is a **declaration, not evidence**, and insufficient given the enforcement mechanism attached to the clause.



Level 2: Process Documentation

At this level, the vendor provides structured documentation of their production workflow that makes AI usage **structurally improbable**.



ISO 17100 Certification

Recognized standard for translation service quality and workflow controls.



In-House Linguist Models

Documented employment structures that limit reliance on unvetted subcontractors.



Platform Access Controls

Restrictions on unauthorized tool usage at the platform level, plus TM and QA logs.

This level introduces friction against non-compliant behavior and provides a defensible position if compliance is questioned, significantly stronger than a written declaration alone.

Level 3: Auditable Project-Level Evidence

This is where AI compliance moves from policy to **verifiable fact**. The vendor can provide project-specific evidence of human production on request.

→ Linguist Assignment Records

Traceable records of which human linguist worked on each project.

→ QA Run Logs

Documented quality assurance stages showing human review at each step.

→ Segment-Level Edit Histories

Traceable activity within CAT tools and production platforms confirming human edits.

- ❑ This is the standard expected in regulated sectors, aligning with broader compliance practices where process transparency and traceability are required, not assumed.

Timestamp	User	Action	Action	Status	Details
22282221	22282221	Compliant	12:00	Pending lone	Flagged
22202920	22202920	Compliant	10:00	Bending lone	Flagged
22202112	22202112	Compliant	15:50	Pending lone	Pending
22002020	22002020	Compliant	10:00	Pending lone	Flagged
22082220	22082220	Compliant	10:00	Pending lone	Flagged
22202820	22202820	Compliant	12:00	Pending lone	Flagged
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22202220	22202220	Compliant	10:00	Bending lone	Flagged
22402222	22402222	Compliant	11:30	Bending lone	Flagged

What the Evaluation Framework Should Require

Closing the compliance gap requires translating the three levels of assurance into concrete procurement criteria: what you ask, what you require, and what you contract.

The Agreement Must Include

1

A written confirmation requirement tied to each deliverable

2

A defined rejection mechanism for non-compliance

3

A clear payment consequence aligned with the enterprise contract

Extend the Clause Downstream

The AI regulation must be specified at the **production level**, not just at the LSP level. This means explicitly extending the clause to subcontractors and production partners. If the clause stops at the LSP boundary, the compliance chain is already broken.

EVALUATION CRITERIA

PROCESS VERIFICATION

Process Verification

- Is the workflow aligned with ISO 17100?
- Are linguists in-house or in controlled vendor pools?
- What platform controls restrict unauthorized tools?
- Can the vendor provide TM and QA logs?



EVALUATION CRITERIA

AUDIT CAPABILITY

Audit Capability

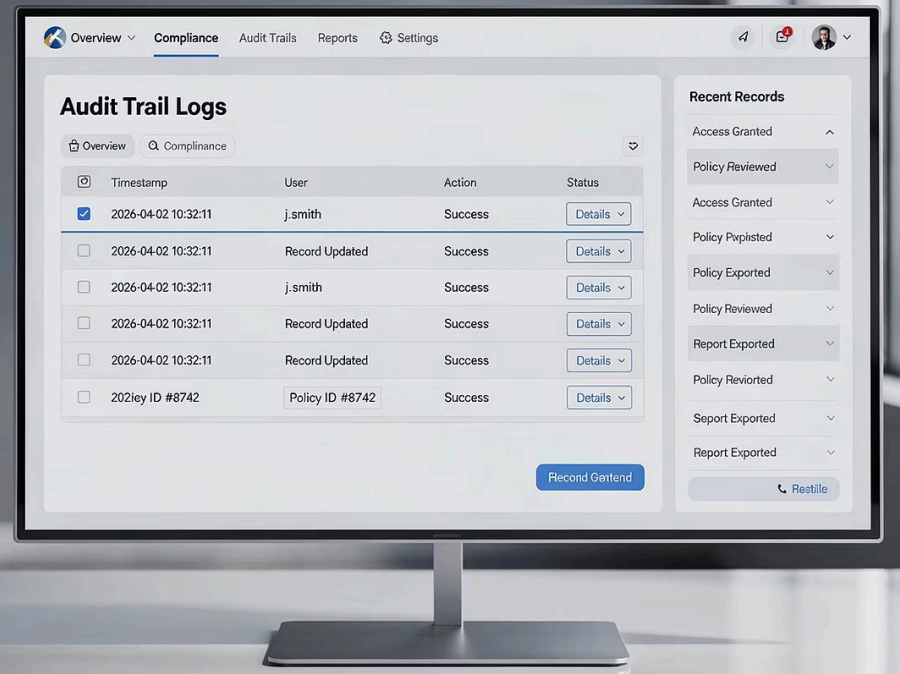
Linguist assignment records per project

QA logs showing human review stages

Segment-level edit histories in CAT tools

Evidence available within a defined SLA

If a vendor cannot produce project-level evidence within a reasonable timeframe, the audit capability is not operational regardless of what their policy states.



SCOPE CONSISTENCY

TOOLCHAIN COVERAGE

Scope Consistency & Toolchain Coverage

No Partial Prohibitions

A "partial" prohibition is not aligned with how enterprise contracts are written. The requirement is uniform. Evaluate whether the vendor's policy applies across all language pairs, all content types, and all project sizes.

Limiting the prohibition to final output leaves gaps elsewhere in the workflow.

Beyond Final Translation

AI usage can occur at multiple stages of the production chain. The vendor's compliance framework must explicitly address:

- Pre-processing and content preparation
- Terminology research
- QA and validation steps

The Gap Is Already Operational

AI moved from emerging concern to contractual standard with payment consequences in just twelve months.

What Was Enough Before

Confirmation, basic vetting, and process trust

What Is Required Today

Auditable, project-level proof across the full supply chain

Written confirmations are no longer sufficient. In a landscape where non-compliance triggers immediate payment cancellation, auditable project-level evidence across your Asian language supply chain is a contractual necessity.

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