

LOCAL REGULATIONS

Preparing for regulatory changes

Our series of insights can help businesses look at the external drivers and internal enablers that will underpin their strategy and programmes, whilst working in sync to boost performance. Businesses should prepare effectively for regulatory changes in order to remain resilient.

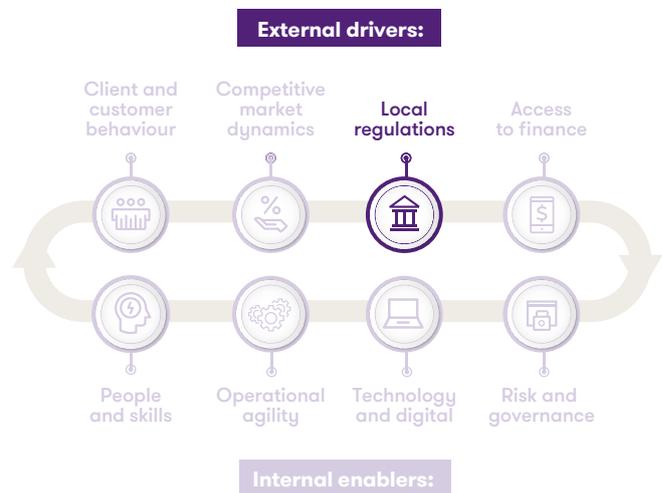
Retuning Action Areas

- Keep up to date with the latest regulatory advice
- Retune your processes for compliance obligations across multiple jurisdictions
- Pre-empt the regulators; understand what they are trying to achieve

Regulatory changes can be challenging at the best of times but with many businesses focused on day-to-day survival, recent rule changes have proved particularly problematic. In the early stages of the pandemic, governments had to act quickly to protect lives and support the economy, meaning businesses had little time to prepare. As attention turns to the future and recovery, further regulatory changes are inevitable. With many governments talking about a ‘green recovery’ environmental, social, and governance regulations may tighten.

Grant Thornton’s [IBR data](#) shows that concerns over regulations and red tape have risen during the crisis, with 47% of global respondents identifying regulation as a constraint in H1 2020 compared with 43% in H2 2019.

While regulators may tighten rules in one area, and create greater flexibility in another, businesses need to ensure they can meet new compliance regimes and not miss out on incentives that could help their recovery.



Keep up to date with the latest regulatory advice

Regulators across all regions and industries will continue to update and alter rules as businesses emerge from the crisis. Whether it is in-store or in-office health and safety measures, insolvency laws or reporting rules, the regulatory situation can change quickly, and businesses should review their current mechanisms for horizon-scanning and sharing insight with all relevant parties across the organisation.

Communicating changes to employees exposed to regulatory changes clearly, accurately and in time will be critical to compliance. Consider regular updates and alerts supported by virtual training and staff presentations to reinforce messages and behaviours.

Businesses should also consider what exposure they may have to outsourced providers or within their value-chain, particularly in relation to regulated activities. Gaining assurance over third-parties’ business resilience plans is critical, particularly for financial services firms.

Retune your processes for compliance obligations across multiple jurisdictions

Competing priorities through the crisis have pushed global compliance issues down the list, but the risk of non-compliance and a lack of attention and adherence to local requirements could present unnecessary costs at a challenging time.

Notwithstanding the actual regulatory changes in individual jurisdictions, businesses face multiple challenges with compliance, including different languages, time zones, and multiple professional services from different countries supporting primary reporting, corporate and sales tax.

“Both Tax and Technology continue to emerge and transform across the Gulf region, particularly as the countries work towards pivoting their economies to refuel growth. Such innovation has introduced new regulations, which will have a global compliance implication.”



Adel Daglas

Director
Grant Thornton Saudi Arabia

Pre-empt the regulators; understand what they are trying to achieve

Across Saudi Arabia we are seeing an empowering shift towards achieving a diverse and sustainable economy which aligns to the key G20 priorities. Such shifts will have an impact on global taxation, digital currency, technology transformation and inclusive economic growth.

These country specific priorities will lead to changes in the trading and regulatory environment to align focus and enable the Vision2030 aspiration to be achieved.

It is therefore important for businesses to preempt the regulations which maybe on the horizon and to understand what the regulators are aiming to achieve, so that businesses can adapt prior to any regulation being released, which will inevitably save time, cost and bureaucracy.

Businesses must be responsive in taking steps to manage regulatory change efficiently, but they must also think about the sustainability of their business models and discern the long-term direction of travel within their industry. In many regions, the pandemic could bring forward legislation that promotes green technologies and further disincentivizes polluters; businesses need to adapt to ensure they are long-term beneficiaries and mitigate any downside.

Speak to our team across Saudi Arabia to help you prepare for local regulations and realigning your business.

Head office-Riyadh

Al Mousa Commercial Complex,
7th Floor, Tower 4,
Al Olaya Street
T +966 (11) 463 0680
E infor@sa.gt.com

Jeddah

Saad H. Abu Khadra Building,
3rd Floor, King Fahad Street,
P.O. Box 20142,
T +966 (12) 691 6883
E infoj@sa.gt.com

Khobar

Ababtain Tower,
Dahran Street, Al-Khobar,
P.O. Box 20142,
T +966 92 000 6582
E infok@sa.gt.com