



# Growing Global

Navigating regulatory complexity

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# Foreword

How can a business grow internationally and with confidence when so much in the world seems uncertain?

If that's a question that comes to mind, you're not alone. Based on our latest global research, we know that companies around the world are ready to expand and eager to enter new international markets – 94% of executives expected growth in 2024 according to our latest [C-suite barometer report](#). Yet to expand successfully, they must navigate geopolitical, economic, sustainability, climate change and technological challenges. Together, these are contributing to an increasingly complex regulatory landscape – particularly in Europe, the United States and China, which were identified by executives as their top markets for potential growth.

Devoted to the most effective strategies for international expansion, our [Growing Global series](#) draws on the insights of our partners and clients

to focus on the ways that regulation is increasing in jurisdictions around the world, and how that is making doing business more complex for companies looking to enter new markets.

Whether it be around finance, tax, technology, talent or sustainability, companies must now navigate many different types of compliance. Knowing what is required, how to identify the information needed, what to report, and how regulation in one jurisdiction might be relevant to another will be crucial to securely and successfully growing your business abroad.

In this first paper we consider the changing regulatory landscape in four key areas of business – data privacy, cyber security, artificial intelligence and sustainability – and we offer smart approaches to navigating across different jurisdictions. Finally, we provide a 10-part framework that companies can apply now to their own operations to give them a head start on the road to global success.

“By getting on the right side of regulation early, companies of all sizes can have peace of mind. Not just of being compliant but of creating a robust operating framework that will help them adapt to, and take advantage of, the fast-moving technological, environmental and geopolitical trends that are set to define the future business world.”



**Eric Gillier**

Partner & Head of Global Compliance and Reporting,  
Forvis Mazars Group



# The changing global regulatory landscape

Regulation has always been a concern for executives, but there's no doubt that it has become more complex in recent years as governments have retreated from widespread agreement over the benefits of globalisation and adopted more protectionist and sometimes isolationist policies.

This retrenchment away from global cooperation both in geopolitics and trade means that companies must understand and comply with regulations that are specific to their own sectors as well as others that apply to all companies operating in a country or trading bloc – such as the European Union. The result is a growing global patchwork of regulations that companies must navigate.

Some of the regulations faced by companies looking to expand internationally – around tax or finance laws like Business Expansion Schemes, value-added taxes or digital filing and compliance for example – will be very familiar to most business executives, no matter where they are located. Other regulation, however, such as new rules around sustainability or technology compliance, will be a completely new concept for many organisations.

Here is an overview of four areas of regulation that are likely to have a profound impact on businesses as they grow globally in the coming years.

## Data privacy

Since being enacted in 2018, the EU General Data Protection Regulation (GDPR) has brought about major changes in the way every company doing business in Europe interacts online with consumers. By guaranteeing online users control and access to their data, and even the right to request their data be deleted, GDPR has forced organisations to employ security and encryption tools to minimise the damage to users in the event of a data breach.

This isn't just a consumer issue. Companies that are expanding internationally must now consider

how secure the data is that flows from their home to employees or contractors in other parts of Europe and the world.

## Cyber security

In a world that has become reliant on digital technology, most organisations' current cyber security strategies are no longer enough to combat threats. The scale of threat is escalating – cyber crime is expected to cost the world [USD9.5 trillion in 2024](#) – so it's no surprise that governments globally are tightening cyber security regulations for companies of all sizes and scopes.

**“Cyber security is not a luxury, it's a public interest obligation.”**



**Jan Matto**

Partner & Head of Cyber Security,  
Forvis Mazars Group

In 2023, the EU passed the Cybersecurity Act which strengthened the powers and mandate of the EU Agency for Cybersecurity (ENISA). From now on, ENISA will play a central role in maintaining the European cyber security certification framework by preparing the technical ground for specific certification schemes. It will inform the public on the certification schemes and the issued certificates through a dedicated website.

[Futureproofing cyber security](#) means complying with a plethora of new legislation, conducting assurance reviews, accepting the complexity of the IT reality and preparing the human factor – as well as developing and fortifying cyber defences so they continue to mitigate current and future risks.

# The changing global regulatory landscape

## Artificial intelligence

Regulation always plays catch up to industrial innovation, but even the most proactive governments would have struggled to keep up with the impact that artificial intelligence (AI) has had on business and society in the last 18 months alone.

Belatedly, governments in Europe, China and the US are starting to address the ways that companies employ AI in their operations and interactions – even if their approaches diverge considerably. China has been keen to nurture AI innovation and so has approached regulation with a light touch. Though it has passed some regulation about [Generative AI, deep fakes, and recommendation algorithms](#). In the US, where tech companies are driving the Generative AI revolutions, the Biden administration issued an Executive Order on safe, secure and trustworthy AI and a blueprint for an AI Bill of Rights, but did not push for more stringent regulation. States like California, New York and New Jersey, however, are taking a tougher approach – particularly around potential AI bias in employment hiring practices.

The EU, meanwhile, is developing more [proactive and comprehensive regulation](#). In May 2024, it announced the final approval of the Artificial Intelligence Act which aims to be the “global standard for AI regulation.” The goal is to regulate general-purpose AI models and impose obligations on developers of, and businesses using, both high-risk and low-risk AI systems.

## ESG and sustainability

As climate change, biodiversity and social sustainability issues become growing risk factors for business and society, governments all over the world are enacting new regulations. The most comprehensive regulation now in place is the [EU's Corporate Sustainability Reporting Directive \(CSRD\)](#) which requires a large number of

companies operating in the EU to publicly disclose and report on environmental, social, and governance (ESG) issues. Its core objective is to define a standardised and common language for sustainability information, bringing sustainability reporting to the same level as financial reporting. Preparing early to comply with the new rules also smooths the path for companies looking to expand into more than one EU state as the rules will be applied throughout the jurisdiction. In the US, new SEC rules require public companies to disclose certain climate-related information in their annual reports, while countries like Singapore and China are looking to crack down on greenwashing. However, much of this regulation remains fragmented, creating headaches for companies.

“A solid sustainability approach requires clear strategy, good governance and quality corporate reporting.”



**Carole Masson**  
Partner,  
Forvis Mazars, France

Given this increasingly complex regulatory landscape – and the interwoven areas that it impacts, our findings suggest there are four clear areas that private businesses need to prioritise as they plan to grow and expand internationally.

[We explore them in the next chapter.](#)

## Horizon scanning for effective future growth

It might be tempting, when faced with such a combination of regulatory requirements across multiple jurisdictions, to just plough ahead and open up in new markets believing you can take care of compliance once established.

Whether it's tax planning, data networking, building secure supply chains or recruiting talent, it pays to undertake a comprehensive horizon or future growth planning exercise to develop a clear roadmap for successful growth and expansion.

That starts with some of the very basic questions around the type of company you need to establish in your new area of operations. What is the best structure? How much will you need to invest and hold in reserve to be compliant? Unless a company has already undertaken a process of international expansion, it's unlikely it will have the institutional in-house expertise or knowledge needed to make the right decision.

Then there's the always tricky issue of allocating and integrating the right talent within the organisation. Based on Forvis Mazars' research from our most recent [C-suite barometer](#), 44% of executives say they struggle to hire talent into their organisation and 39% say attracting the right candidates is the biggest recruitment challenge. These challenges are compounded when you are establishing new operations abroad.

Therefore, it's important to consider how many employees you will need in your new expanded operation, and whether they will be local or utilised from your existing operations. If they are current staff, business leaders should ask where these employees will be based for tax purposes. Another point to be aware of is importing of core talent might contravene specific employment laws in the jurisdiction where they will be operating. Individual employees will also need to know of their own personal tax obligations and how to file them when moving to a new country.

“Quite often, we find that because businesses are so entrepreneurial, they prefer to make growth decisions and then worry about the consequences afterward – essentially retrofitting their regulatory compliance. But when you do that, you don't know the tax implications and what it might cost you. So, it's always better to get things right from the start rather than unpick your tax liabilities later.”



**Gerry Vahey**  
Partner,  
Forvis Mazars, Ireland

# Horizon scanning for effective future growth

If you're thinking of expanding into more than one market, knowing how regulation overlaps, complements or conflicts from one jurisdiction to another can save you administration and legal costs, streamline your resource allocation and avoid duplication of talent. Speak to a valued advisor with knowledge of, and expertise in, local regulation and compliance.

New tax and financial disclosure regulations over the past decade have not only caused companies to shift strategies but also adapt and scale their operations in a rush to comply. Consider the US Foreign Account Tax Compliance Act (FATCA). When it was first implemented, banks all over the world scrambled to put in place documentation and new process to capture data in order to comply with the regulations. If they couldn't, they risked having to withhold 30% of a client's income for US tax compliance.

Likewise, the implementation of the OECD's Global Anti-Base Erosion Model Rules (Pillar Two) 2021 regulations created hundreds of pages of new tax rules across 135 jurisdictions. The result was that companies had to rethink their resources in terms of sourcing data, reporting and whether they were liable for top-up tax in different countries.

In some cases, understanding the demands of new regulation can even telegraph the need for new functions and roles within a company. Take the case of Chinese companies looking to expand into Europe and needing to comply with the recent CSRD. The level of ESG data reporting and compliance required will be of a level most Chinese companies have never had to research and compile before.

Ultimately, horizon scanning and strategizing isn't just about compliance and cost savings, it's about establishing the correct foundations for future growth, helping companies scale with the least amount of regulatory friction.

“In order to be CSRD compliant, many companies will need to spend more budget; recruit new people; and implement a new team, new departments and new internal control processes.”



**Nikko Fu**

Partner & Head of Global China Services,  
Forvis Mazars Group

“When we can work with companies up front, we can help them navigate the right way to grow and help unpack individual challenges on a case-by-case basis.”



**Gerry Vahey**

Partner,  
Forvis Mazars, Ireland

# Horizon scanning for effective future growth

## A people-centric approach

As identified above, local connections matter when it comes to international expansion because they can help make sense of local bureaucracy, statutes and regulation. Even the biggest multinationals don't have the reach and depth of expertise to navigate today's global patchwork of regulations. The value of local knowledge extends far beyond just understanding the rules, however. It is also important in helping companies navigate the cultural nuances and norms of doing business around the world. Often, it is these nuances that make the difference between a smooth growth trajectory and a long, challenging struggle to establish yourself in a new market.

“Successful expansion into new markets isn't just about numbers or technology, it's about people and cultural nuances. When you listen and learn from those with local experience, your growth journey becomes much easier.”



**Karl Bygrave**  
International Group Director,  
Lush

Part of gaining that experience can come from upskilling employees – offering them the opportunities to work in jurisdictions and learn different regulatory structures, ways of doing business and working cultures. To do that, however, often involves navigating new types of levels of employment law and taxation structures. Even then, employees will still need to tap into local expertise.

Karl has helped Lush grow and expand into many international markets, including Italy and Japan. “You want to find a good local lawyer pretty quickly because you need a friendly face and you want somebody that can tell you how it is,” he notes.

In the simplest terms, the companies that experience the smoothest international growth path often are the ones that are the best listeners. That way they quickly learn how to respect the nuances of the jurisdiction they want to operate in and adapt their best practices to succeeding in that regulatory environment.

“Normally, companies are short of resources internally to deal with complex environments in different countries. So, having a local contact person or team can always help them save time and understand the regulations that will most impact them.”



**Cindy Cappia**  
International Desks,  
Forvis Mazars

# Horizon scanning for effective future growth

## Maximising data insights

They say data is the new oil. But in many ways, it will have an even more transformational influence on the world of business than black gold did throughout the 20th century. More than simply powering economic growth, data (and the insights to be gleaned from it) has the potential to deliver an overwhelming competitive advantage for the companies that use it most effectively. Certainly, there can be little doubt that managing and pooling data within private businesses for greater insights is becoming increasingly important as they seek to expand internationally.

A data-led approach can help identify hidden strengths within the business while also identifying potential pain points. As companies expand across borders, smart use of data can help streamline supply chains while the use of distributed ledger technology (the most popular being blockchain) can provide secure and transparent ways of managing cross-border transactions.

However, the way that companies shape and manage their cross-border data infrastructure is critical because of specific global regulations regarding the sharing of data within those organisations. All companies doing business in Europe and the UK already [understand the complexities of GDPR information](#) while, more recently, companies (particularly US cloud computing ones) have been coming to terms with how to comply with Schrems II, a 2020 law which added a much higher threshold for securing personal data of EU citizens when it is processed outside the EU. In the US, meanwhile, the 2020 California Privacy Rights Act poses compliance issues for all companies.

“GDPR regulation is massively disrupting all of business - especially the technology and media industries. Some organisations will have to reshape their business model to operate and thrive in the future.”



**Liam McKenna**  
Partner,  
Forvis Mazars, Ireland

Nearly every established business embracing a data-led approach to growth must overcome legacy technology, operations and, often, corporate philosophy to remain competitive and compliant. That amount of innovation and cultural change can be overwhelming – particularly when companies are navigating other areas of regulatory complexity – so it makes sense to pilot small, data-led initiatives and see how they scale before rolling them out throughout the business.

Often, there is a cultural and educational battle that must be won within the organisation. By using small test case scenarios, companies can demonstrate how data can be used in the right way and break down the silos that can build up. It also helps to both call on outside expertise in embedding a data-driven culture and the technological expertise needed to provide the necessary governance in order to ensure new data programmes and strategies are compliant as they are developed.

# Horizon scanning for effective future growth

## How AI regulation will shape your business

Don't think you're an AI business? Think again. As AI becomes a central part of back-office operations, augmented products and even marketing, every private business will have to think about new AI regulations being introduced around the world.

The new AI regulations are fundamentally more challenging than those applied to past technological breakthroughs. AI is posing important questions about how organisations interact with consumers and society, how they staff their operations and, in some cases, how they plan future business models.

These are core issues for any company. Over the coming decade, AI, and the regulation that will evolve to influence the challenges and opportunities it presents, will change the governance and working culture of every business. It will also determine how companies structure their executive and advisory boards.

The ethical dilemmas and market opportunities of Generative AI and Large Language Models (LLM) speak to a new cultural sensibility that is developing within organisations, one that is becoming overwhelmingly data driven. Unless there is a background within the culture of the company that is data led – meaning that data is already informing your business decisions – then you can't really make the best use of Gen AI and you will be playing catch up when trying to be compliant with new regulation.

Those businesses not already embracing a comprehensive data-driven strategy and operations approach will soon need to rethink how they recruit talent and upskill employees. They will also need to put in place the programmes needed to assess the impact of AI, how they can best employ it and how they organise governance around it.

With governments all over the world scrambling to anticipate AI growth and shape regulation that is fit for purpose, companies looking to grow will need both global and local expertise and advice. Not just to be compliant from a regulatory point of view, but to help determine how the entire organisation adapts to one of the greatest technological, business and societal challenges of the modern age.



# Next steps for navigating the regulatory landscape



Doing business abroad and growing internationally is complex – and is likely to become more so in the coming years. Greater and more targeted regulation only increases that complexity – whether it be around data privacy, tax laws, sustainability or the overall licence to operate.

The following selective portfolio of actions can guide businesses, ensuring they remain compliant and enabled to confidently seize growth opportunities. By exploring the themes outlined above and addressing the 10 recommended actions below, we believe that businesses can begin to navigate the regulatory landscape more effectively, ensuring compliance while capitalising on international growth opportunities. Doing so will put them in a strong position to succeed in an uncertain world.

## 1. Develop comprehensive horizon scanning

As described above, it is crucial to conduct a [thorough horizon scanning](#) or future growth planning exercise before embarking on international expansion. This involves identifying potential regulatory changes and understanding the implications for your business. Companies should:

- Regularly monitor regulatory developments in target markets
- Use insights from local advisors to understand jurisdiction-specific requirements
- Evaluate how international regulations might intersect or conflict with each other, particularly in areas like tax, data privacy, and environmental standards

## 2. Optimise strategic tax planning

Tax regulations vary significantly across jurisdictions, making it [essential to plan strategically](#). Businesses should:

- Engage with international tax experts to understand local tax laws and treaties
- Develop a tax-efficient structure for their international operations
- Stay updated on international tax developments, such as OECD guidelines and digital services taxes

## 3. Utilise technology for regulatory compliance

Technological solutions can streamline compliance processes and reduce administrative burdens. Companies can [make the best use of technology](#) by:

- Investing in compliance management software to track and manage regulatory requirements
- Using data analytics to monitor compliance and identify potential risks
- Integrating technology solutions to ensure real-time compliance with evolving regulations

## 4. Ensure data privacy compliance

Stringent data privacy laws like GDPR and CCPA mean that [compliance is non-negotiable](#).

Here are some ways to prepare:

- Conduct a data audit to understand the types of data processed and stored
- Implement robust data protection measures and privacy policies
- Train employees on data privacy regulations and best practices

# Next steps for navigating the regulatory landscape

## 5. Strengthen cyber security measures

Cyber security is a critical aspect of regulatory compliance and business continuity.

Businesses [can protect their operations](#) by:

- Performing regular cyber security risk assessments
- Implementing advanced cyber security protocols and incident response plans
- Staying informed about evolving cyber threats and regulatory requirements

## 6. Leverage local legal expertise

Understanding and complying with [local laws and regulations is vital](#). Key actions include:

- Hiring legal advisors with local expertise and a global outlook to navigate corporate, commercial, and employment laws
- Ensuring contracts and agreements are compliant with local regulations, whilst avoiding restrictions on international markets

## 7. Implement robust compliance programmes

Establishing [comprehensive compliance programmes](#) helps mitigate regulatory risks.

Key steps to consider include:

- Developing internal policies and procedures aligned with regulatory requirements
- Conducting regular compliance training for employees
- Setting up monitoring and reporting systems to ensure ongoing compliance

## 8. Make the best use of sustainability and ESG reporting

Sustainability and ESG reporting are becoming mandatory in many regions and offer opportunities for [companies to grow as well as be compliant](#). Companies should:

- Develop a robust ESG strategy aligned with global and local regulations
- Implement systems to collect, analyse, and report ESG data
- Engage with stakeholders to ensure transparency and compliance with standards like the EU's CSRD

## 9. Conduct financial due diligence

When entering new markets, thorough [financial due diligence is essential](#). This includes:

- Evaluating potential acquisition targets or partners
- Assessing financial risks and opportunities in new markets
- Ensuring compliance with local financial regulations and standards

## 10. Engage in continuous improvement and adaptation

[Regulatory landscapes are dynamic](#), and businesses must adapt. Strategies include:

- Regularly reviewing and updating compliance programmes and policies
- Engaging with industry associations and regulators to stay informed about upcoming changes
- Continuously improving compliance processes based on feedback and evolving best practices



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