



SAUDI LAW CONFERENCE
المؤتمر السعودي للقانون

UNDER THE THEME OF: **REINFORCING A SUSTAINABLE
AND INCLUSIVE BUSINESS ENVIRONMENT**

Legislation Promoting Transparency and Combatting Fraud and Corruption

Zaid Sultan
Senior Manager of Forensic & Integrity
Services, Ernst & Young



Transparency

It is the surest way of guarding against corruption, and helps increase trust in the people and institutions on which our futures depend



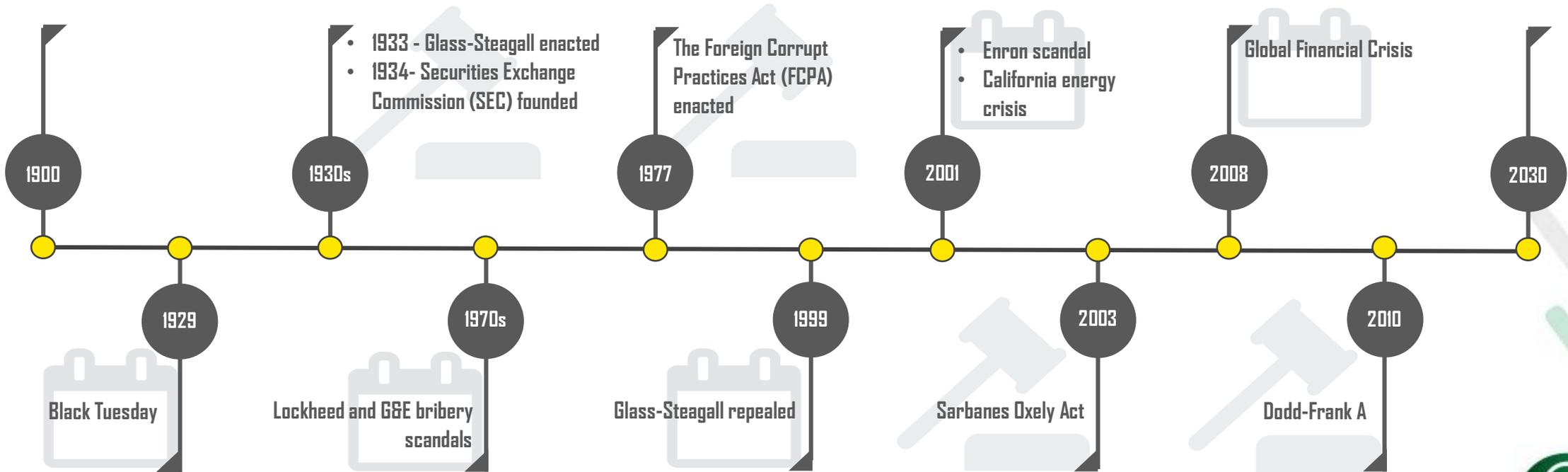
Integrity, transparency and the fight against corruption have to be part of the culture. They have to be thought as **fundamental values**

José Ángel Gurría
OECD Secretary General



Mature markets

- United States the largest economy in the world, ranked **16th** on the TI 2017 CPI
- Regulation evolved as a result of various economic events created mainly by corruption and a lack of transparency



BRICs

- Emerging market (Brazil, Russia, India, China – BRIC)
- Deemed the next big economies of the world
- How transparency laws have failed in these countries
- Still high probability of corrupt practices in these massive economies

Goldman Sachs Global Economics Institute
Economics Research from the GS Financial Workbench™ at <https://www.gs.com>

Global Economics Paper No: 66

Building Better Global Economic BRICs

- In 2001 and 2002, real GDP growth in large emerging market economies will exceed that of the G7.
- At end-2000, GDP in US\$ on a PPP basis in Brazil, Russia, India and China (BRIC) was about 23.3% of world GDP. On a current GDP basis, BRIC share of world GDP is 8%.
- Using current GDP, China's GDP is bigger than that of Italy.
- Over the next 10 years, the weight of the BRICs and especially China in world GDP will grow, raising important issues about the global economic impact of fiscal and monetary policy in the BRICs.
- In line with these prospects, world policymaking forums should be re-organised and in particular, the G7 should be adjusted to incorporate BRIC representatives.

Many thanks to David Blake, Paulo Leme, Binit Patel, Stephen Potter, David Walton and others in the Economics Department for their helpful suggestions.

Jim O'Neill
30th November 2001

Emerging Economies Meet in Russia

By ANDREW E. KRAMER JUNE 16, 2009



From left, President Luiz Inácio Lula da Silva of Brazil, President Dmitri A. Medvedev of Russia, President Hu Jintao of China and Prime Minister Manmohan Singh of India at the first BRIC summit in Yekaterinburg, Russia. Sergei Ilnitsky/European Pressphoto Agency

BRICS nations struggling with corruption, dwindling economic growth: Has the bloc lost its relevance?

World FP Staff Jul 29, 2017 18:14:00 IST [Comment 0](#) [Tweet](#) [G+](#)

In 2001, Goldman Sachs chief economist Jim O'Neill coined an acronym which became so popular and gained prominence that five nations actually organised themselves as a group and held their first summit in 2009.

The acronym was BRIC. O'Neill had argued that that since the four BRIC countries (Brazil, Russia, India and China) were developing rapidly, by 2050 their combined economies could eclipse all the economies of the richest countries in the world. His paper titled, 'Building Better Global Economic BRICs' **tried to show that the world cannot be run properly without getting these countries involved.**



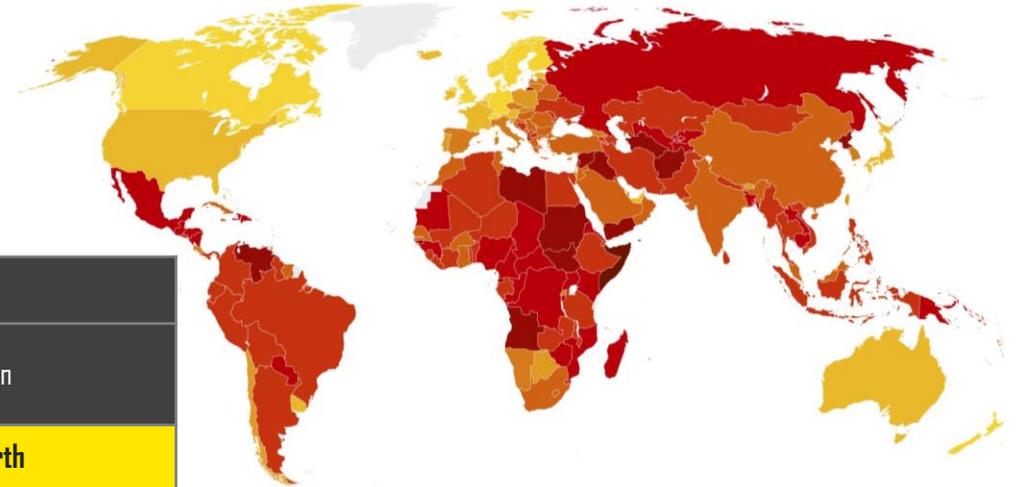
South Africa joined the bloc later and it became BRICS from BRIC.

About two years later, he tried to explain that the combined GDP of BRIC could become bigger than the G7 around 2037. He expected the countries to grow faster than the developed countries and to play an



Emerging markets

- Saudi Compared BRICS and MINT
- Transparency International Results



Transparency international CPI 2017								
2017 Rank	Country	Score						Region
		2017	2016	2015	2014	2013	2012	
57	Saudi Arabia	49	46	52	49	46	44	Middle East and North Africa
71	South Africa	43	45	44	44	42	43	Sub Saharan Africa
77	China	41	40	37	36	40	39	Asia Pacific
81	Turkey	40	41	42	45	50	49	Europe and Central Asia
81	India	40	40	38	38	36	36	Asia Pacific
96	Brazil	37	40	38	43	42	43	Americas
96	Indonesia	37	37	36	34	32	32	Asia Pacific
135	Mexico	29	30	31	35	34	34	America
135	Russia	29	29	29	27	28	28	Europe and Central Asia
148	Nigeria	27	28	26	27	25	27	Sub Saharan Africa



CORRUPTION PERCEPTIONS INDEX 2017

 The perceived levels of public sector corruption in 180 countries/territories around the world.



KSA as an emerging market and beyond

Economy

- Oil- same as 75% emerging markets countries
- Moving into diversifying economy

Legislation promoting transparency, integrity and anti-corruption

- 19/2/2007 the National Strategy for Protecting Integrity and Combating Corruption was approved
- 2015 New companies law
- SAMA regulation (Anti-money Laundering etc.)
- UN Convention against Corruption - Saudi Arabia
- Public Procurement Laws review



KSA as an emerging market and beyond

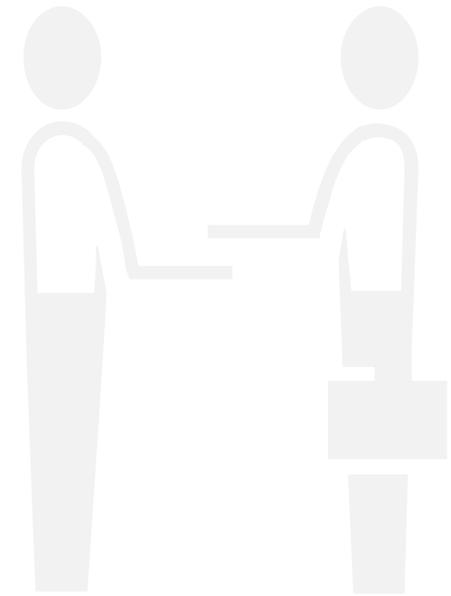


Embracing transparency

- ✓ Zero tolerance for corruption
- ✓ Adopt leading global standards
- ✓ Uphold high standards of accountability
- ✓ Boost in transparency and reduction in delays

KSA open for investment

- Saudi Arabian General Investment Authority (SAGIA)
- Foreign investment regulation



Formula for success as an emerging market

- Saudi will need to maintain and **continuously review legislation to protect integrity and minimize corruption opportunities**



Why?

- Facilitates building long term economic progress to the country
- Enhances reputation
- Potential gain in FDI
- Growth in global partnerships
- Gain and maintain economic influence in the region
- Easier investment relationships

