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BUSINESS WORLD



Doing business in the United States

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Stephen Hamlet
CEO
Russell Bedford International

Foreword

As I started writing this, I was wondering where the year had gone. We are now in the final quarter of 2026 and time has flown. One tends to say that's a good thing – referencing 'time flies when you're having fun' – but for those feeling they're becoming rapidly older, it seems more of a concern!

Looking back, however, it has indeed been 'fun'. We've had fabulous in-person events since my last foreword to Business World: in Amsterdam for our EMEA conference with International Tax, and in Bali for our Asia-Pacific conference. I also had the pleasure of visiting our firms in Kuala Lumpur and Colombo whilst in Asia.

October is the month of the network's Annual Global Conference, where we shall be in the City of Angels. Following this, our Young Professionals will meet in Athens.

After my trip to Asia, I wrote a blog on artificial intelligence (AI). I explained how I'm more convinced than ever that our profession is far from disappearing but evolving. I've witnessed our firms embracing artificial intelligence and new technologies. Our conversations have been about how AI can make the accountant even better and greater. AI will automate routine tasks. It will analyse data faster than ever; it will improve efficiency and free up valuable time, but it can't build trust. It can't understand the ambitions and concerns of a business owner; it can't read the room during a difficult conversation; it can't develop relationships that are built over years, and it can't become a trusted adviser. The future of our profession isn't about choosing between people and technology; it's about combining the best of both.

The accountants who thrive won't be those who fear AI, nor those who rely on it completely. They'll be the ones who embrace technology while strengthening the uniquely human skills that clients value most – judgement, empathy, communication and relationships. The great accountants using AI will undoubtedly outperform those who don't. This is what we continue to build at Russell Bedford – a network of professionals who can be the best for businesses.

I also wrote a piece for a publication recently on reaching my tenth year as CEO.

One of my greatest priorities has been ensuring that our member firms feel connected – not simply to the organisation, but to one another.

This is highlighted by the energy and engagement we witness at our in-person events.

For me, it has meant spending time listening before leading. Every firm has its own history, ambitions and challenges, and understanding those differences has helped us create an environment where collaboration is authentic. Trust is earned over time, and it grows through consistency, openness and a willingness to understand different perspectives.

As our network has expanded, maintaining that sense of community has become even more important. Growth inevitably brings complexity, but it should never come at the expense of culture. In fact, I would argue that culture becomes even more valuable as an organisation grows. We have worked deliberately to create an environment where people enjoy contributing, where ideas are welcomed, and where member firms feel that they are part of something bigger than themselves while still retaining their independence.

The accounting profession continues to evolve at pace. Technology, talent expectations and client needs are changing rapidly, and successful organisations will need to continue adapting. I believe our greatest strength lies not only in our expertise, but in our willingness to learn from one another and to build meaningful connections across borders, markets and cultures.

Together, we have built something that extends far beyond a network of accounting firms. We have created a community founded on shared values, mutual respect and a commitment to helping one another succeed.

In this edition, our experts explore doing business in the US, ahead of our Annual Global Conference in Los Angeles. We also examine how digital assets are becoming part of mainstream finance, how critical minerals and infrastructure could shape Peru's next phase of growth, how ESG is moving beyond voluntary disclosure to become a strategic business priority, and the foundations businesses need to establish to unlock the full potential of AI. Finally, we explore the question of accountability in an increasingly algorithm-driven world, and why responsibility remains firmly with people, even as technology continues to evolve.

I trust you enjoy this edition, and do please connect with any of our firms should you need assistance and advice.





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Doing business in the United States

A market that continues to attract global business

For businesses looking beyond their domestic markets, the United States (US) continues to offer a compelling proposition. With a GDP of more than US$30.7 trillion, according to the World Bank, the US remains the largest economy in the world, providing access to vast consumer markets, deep capital pools and one of the most dynamic business environments anywhere.

The scale of the opportunity is difficult to overstate. Figures from the US Census Bureau show the US population reached 340.1 million in 2024, with growth at its strongest rate in more than two decades. For international businesses, that represents access not only to a large customer base but also to a workforce, investor community and innovation ecosystem that continue to attract global attention.

That appeal spans industries and geographies. Businesses from Europe, Latin America, Asia-Pacific and the Middle East continue to view the US as a gateway to growth, particularly in sectors such as technology, professional services, advanced manufacturing and healthcare.

Yet while the opportunities are significant, today's business environment is more complex than many international companies expect.

Confidence remains strong despite uncertainty

Economic headlines in recent years have often focused on inflation, political polarisation, global supply chain disruption and geopolitical tensions.

Despite these challenges, entrepreneurship is booming in the US.

For many companies, the attraction lies not simply in market size, but in the ability to scale rapidly. Businesses often come to the US because they see the potential for growth that may not be available in their home markets. However, ambitions for growth need to be balanced with a clear understanding of the regulatory and tax landscape.

According to the US Chamber of Commerce, the number of applications filed to start new businesses has surged over the last few years. Application numbers doubled in 2020 compared to previous years, and this trend has continued, with over 5 million new business applications filed annually since then. In addition, international investors continue to demonstrate confidence in the US market, with the US Bureau of Economic Analysis stating that foreign investors spent US$232.2 billion acquiring, establishing or expanding US businesses during 2025, an increase of almost 50% on the previous year. The cumulative value of foreign direct investment in the United States now stands at approximately US$5.86 trillion, highlighting the country's enduring appeal as a destination for international capital.

One country, fifty different operating environments

One of the most common misconceptions among overseas businesses is that the United States operates as a single, unified market. In reality, companies entering the US are often confronted by a patchwork of federal, state and local regulations.

> *"The US may look like one market from the outside, but every state effectively has its own set of rules."*

While federal law provides the overarching framework, individual states maintain their own tax codes, employment regulations, compliance requirements and filing obligations. Businesses operating across multiple states may find themselves dealing with numerous regulatory regimes simultaneously. This complexity can create unexpected challenges for companies accustomed to more centralised systems.

For example, a business incorporated in one state may still be required to register, file returns and comply with regulations in every state where it has employees, customers, physical operations or sufficient revenue-generating activity. For international businesses, understanding where operations will be located often becomes just as important as establishing the right corporate structure.

Early planning pays dividends

One of the biggest mistakes overseas businesses make is treating compliance as an administrative issue rather than a strategic consideration. Ownership reporting, cross-border transactions, foreign affiliations and state registrations can all trigger filing requirements that may not exist in other jurisdictions. The consequences of overlooking these obligations can be costly – there can be significant penalties where required filings are missed or completed incorrectly.

As a result, businesses considering expansion into the US benefit from engaging local advisers well before establishing operations. Tax, legal and regulatory considerations are frequently interconnected, and decisions made early in the process can have long-term implications. For smaller organisations in particular, investing in upfront planning can prove far less expensive than correcting avoidable mistakes later.

Tax complexity requires local knowledge

Taxation remains one of the most challenging aspects of doing business in the US. Many overseas businesses focus initially on federal taxes. Yet state tax considerations often have an equally significant impact on overall liabilities. A federal incentive, deduction or depreciation allowance may not be recognised at state level. As a result, businesses can find themselves managing substantially different tax outcomes depending on where they operate. Cross-border organisations must also navigate transfer pricing requirements and demonstrate that transactions between related entities are conducted on an arm's-length basis.

For companies entering the market, developing a coherent tax strategy from the outset is essential. The objective is not simply to minimise liabilities, but to ensure compliance while creating a structure capable of supporting long-term growth.

Technology and AI are reshaping the business landscape

One area in which the US continues to exert global influence is innovation. Artificial intelligence (AI) is increasingly shaping investment decisions, business strategy and competitive advantage across industries. Recent figures from the National Venture Capital Association show that US venture capital investors deployed US$320 billion in 2025, with AI-related businesses accounting for more than 65% of total deal value.

For international businesses entering the US market, this creates both opportunities and challenges. The pace of technological adoption is accelerating, but organisations must also consider issues such as governance, workforce readiness, cybersecurity and emerging regulatory expectations. Businesses that understand how technology is reshaping customer expectations and operating models are likely to be better positioned for long-term success.

Looking beyond the headlines

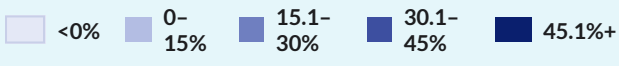
Tariffs, political debate and economic uncertainty will always attract attention. Yet businesses that focus solely on the headlines risk overlooking the fundamentals that continue to make the US an attractive place to invest.

The scale of the market, access to capital, entrepreneurial culture and appetite for innovation remain powerful advantages. Success, however, depends on recognising that the US is not simply a larger version of other markets. It is a highly diverse business environment where regulations, tax obligations and commercial conditions vary significantly from state to state.

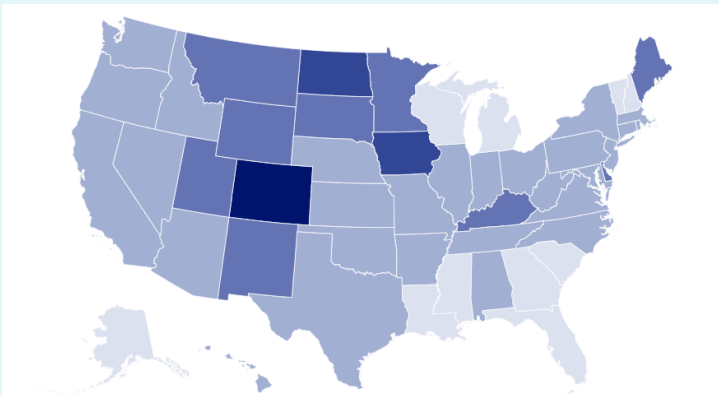
For companies prepared to do their homework, seek expert advice and plan carefully, the opportunities remain substantial. The rewards can be significant, but so too is the importance of understanding the complexity that lies behind the world's most influential economy.

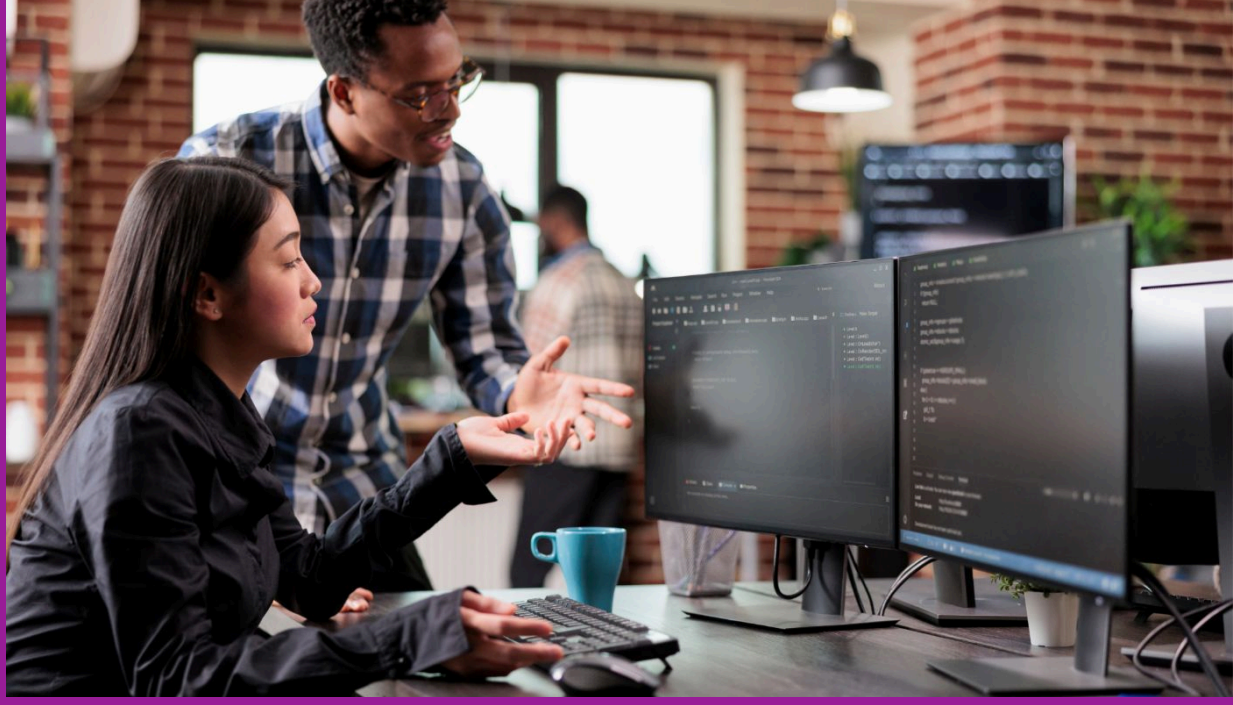
New business applications by state

Growth rate of business applications (%), December 2022 – December 2023. Colorado, Iowa and North Dakota recorded the fastest growth, with the Mountain West and Upper Midwest ahead of the coasts.



Source: US Chamber of Commerce.







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Helen is Director of Professional Standards at Russell Bedford International, where she leads audit quality management and professional standards across the network's member firms. She monitors developments in international auditing, ethics and quality management standards (ISAs, ISQM 1/2, the IESBA Code), oversees the network's inspection and remediation programme, and engages with the Professional Standards and Quality Committee and Global RBI Board on quality oversight. She is currently contributing to guidance on the implications of AI for auditors and finance professionals.

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Who owns the algorithm?

The technology may be new. Accountability is not

Artificial intelligence (AI) is becoming part of daily life in finance. It can forecast cash flow, identify anomalies, strengthen controls, and support decision-making at a speed that would have seemed remarkable only a few years ago. Yet as organisations adopt AI-powered tools, a more awkward question is emerging: if an algorithm influences a financial result, who is responsible for explaining it?

The answer has not changed. The chief executive and chief financial officer still sign off the accounts. Boards remain accountable to shareholders, regulators, and other stakeholders. Auditors provide assurance, but responsibility for the numbers stays firmly with management. That makes AI not simply a technology issue, but a governance issue.

The problem with the black box

Many finance professionals are already using tools they did not design and may not fully understand. That is not necessarily a problem. Businesses have always relied on specialist software. What is different about AI is that its outputs can be difficult to explain, particularly when models evolve over time or generate conclusions from vast quantities of data. The risk lies in assuming that because a system is sophisticated, its output must be correct. This is where professional scepticism becomes critical.

Traditionally, scepticism has been regarded as the auditor's responsibility. Increasingly, however, it must extend beyond the audit function. Boards, executives, and finance teams all need to challenge AI-generated outputs and ask straightforward questions. What data produced this result? How was the model validated? What changed following the latest update? Can the outcome be explained? If the answer is 'We'll ask the vendor', then a governance gap has already emerged.

Accountability has not been automated

One of the most significant risks facing organisations is the growing distance between those who build AI systems and those who rely on them.

Finance teams may use software developed by external vendors. The technology may be maintained by specialists in IT or data science. Yet accountability remains exactly where it has always been. Management owns the numbers. Auditors review them.

This distinction matters because regulators and investors are unlikely to accept 'the algorithm said so' as an explanation for a financial outcome. Organisations must be able to demonstrate not only that systems work, but that they understand how those systems influence decisions.

> *"The financial statements remain the responsibility of the finance department. AI does not change that."*

Why regulators are paying attention

Regulators and standard setters are already moving in this direction. The EU Artificial Intelligence Act has introduced specific requirements for AI used in high-risk applications, including areas relevant to finance. At the same time, international auditing and ethical standards are increasingly focused on how AI-generated outputs are evaluated and controlled.

The principles are familiar: competence, due care, and objectivity. The difficulty is that AI can create an illusion of certainty. The challenge for organisations is not adopting the technology, but retaining the judgement needed to question it.

For auditors, the implications are equally significant. Demonstrating how AI-generated information has been tested, challenged, and verified is becoming an increasingly important part of the assurance process. At Russell Bedford our role is to help firms navigate emerging standards, strengthen governance and ensure that professional scepticism keeps pace with technological change.

Closing the accountability gap

The good news is that organisations do not need an entirely new governance framework. Many of the tools required already exist within established risk management and control processes. What is needed is a more deliberate application of those disciplines to AI.

The first step is visibility. Organisations should maintain an inventory of AI and algorithmic tools that influence financial reporting, forecasting or controls. Each tool should have a clearly identified owner.

The second step is documentation. Finance teams should be able to explain how models are used, how outputs feed into financial decisions and what checks exist around them. Model updates, validation processes, and changes should be recorded and understood.

The third step is governance. In larger organisations, oversight may sit with a risk committee or audit committee. Smaller organisations may choose to make AI a standing item on board agendas. The structure matters less than ensuring accountability is clear.

Culture is the missing control

Processes alone will not solve the problem. Perhaps the most overlooked aspect of AI governance is culture. Finance professionals do not need to become data scientists, but they do need enough understanding to challenge assumptions and ask questions with confidence.

That requires training. More importantly, it requires an environment in which questioning is encouraged rather than discouraged. If people feel uncomfortable admitting they do not understand an AI-generated result, risks will remain hidden. If leaders encourage curiosity and challenge, those risks are more likely to be identified and addressed.

> *"Professional scepticism should become a shared discipline across the organisation, not just an auditing requirement."*

Trust requires understanding

AI will transform finance. It promises greater efficiency, richer insight, and faster decision-making. But trust cannot be outsourced. As AI becomes more deeply embedded in financial processes, organisations will need something more valuable than automation: explainability. Those that succeed will not necessarily be the organisations with the most advanced algorithms. They will be the ones that understand them best.

Across the profession, firms are already helping clients adapt to this new reality. The focus is less on the technology itself than on the governance that surrounds it: understanding the risks, documenting the controls, and ensuring that those responsible for financial reporting can explain how AI influences the numbers.

> *"If you cannot explain how an AI-generated figure was produced, that is the gap that needs to be closed."*



Three questions every board should ask about AI

1. Where is AI influencing our financial reporting and decision-making?
Keep a clear inventory of systems, models and tools that affect financial outcomes.

2. Can management explain how AI-generated outputs are produced?
Explanations should come from the business, not solely from vendors or IT.

3. What controls exist around updates, validation and model changes?
Boards should understand how changes are monitored, tested and documented.



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More than cryptocurrency

How digital assets are becoming part of mainstream finance

For much of the past decade, conversations about cryptocurrency have focused on price. Bitcoin's dramatic rises and falls, the collapse of exchanges and stories of overnight fortunes have dominated headlines. Yet focusing solely on cryptocurrency risks missing a much bigger story.

Digital assets, tokenised investments and programmable financial products are gaining traction among governments, banks, asset managers and regulators. What began as an experiment on the fringes of finance is increasingly becoming part of mainstream financial services. The implications for accountants, auditors and advisers could be significant.

According to forecasts from Boston Consulting Group, tokenised assets could reach US$16 trillion by 2030, while the crypto market is already valued at around US$3 trillion globally. Realised or not, these projections reflect rising institutional interest in the sector.

Understanding the bigger picture

To understand digital assets, it helps to look beyond cryptocurrency itself. Money has continually evolved in response to changing economic needs. Societies moved from barter systems to commodities, from gold-backed currencies to fiat money, and eventually to today's digital banking infrastructure. Each evolution sought to solve a practical problem around trust, portability or efficiency.

Bitcoin emerged after the 2008 financial crisis with a different proposition: a decentralised monetary system that does not rely on a central authority. Instead of trusting banks or governments to maintain records, transactions are verified across a distributed network using blockchain technology. While debates about cryptocurrency continue, the technology behind it has sparked a much broader shift in thinking about ownership, payments and financial infrastructure.

The rise of tokenisation

In simple terms, tokenisation converts ownership of an asset into a digital token that can be transferred, traded or stored electronically. That asset might be a property, bond, investment fund, shareholding or piece of infrastructure. The potential benefits are significant.

For example, a commercial property worth US$1 million could be divided into thousands of digital tokens, allowing investors to buy a fractional stake rather than the entire asset. This lowers barriers to entry while potentially increasing liquidity and market participation.

Tokenised securities can also be traded almost continuously and settled far more quickly than traditional assets. Rather than waiting for conventional settlement cycles, asset transfers can occur almost instantly through programmed rules embedded in the technology. This is why many observers believe tokenisation may ultimately prove more transformative than cryptocurrency itself.

Payments, reimagined

Much of the discussion around digital assets has focused on investment. Yet some of the most significant developments are taking place in payments. Stablecoins, digital tokens linked to traditional currencies, are becoming a test case for how blockchain technology can improve financial infrastructure. Unlike conventional payment systems, which can involve settlement delays, stablecoins allow transfers to take place almost instantly.

This explains why major financial institutions and payment providers are investing heavily in the space. The attraction is not speculation but efficiency, particularly for international trade and cross-border payments. For regions with significant international business activity, some influence holders are already exploring whether locally issued stablecoins could support faster regional trade and settlement.

Why institutions are paying attention

The strongest signal that digital assets are maturing may be who is paying attention to them. Institutional adoption has accelerated rapidly in recent years. BlackRock has launched a Bitcoin Exchange-Traded Fund (ETF); JPMorgan operates blockchain-based settlement services, while payment providers including Visa and Mastercard are expanding their use of stablecoin infrastructure. Governments and central banks are also exploring digital alternatives.

More than 130 countries are currently exploring or piloting Central Bank Digital Currencies (CBDCs), while research from the Bank for International Settlements suggests that 86% of central banks are now examining digital currency initiatives in some form.

Opportunity comes with risk

Digital assets are not without challenges. The sector has experienced repeated governance failures, exchange collapses and frauds. According to industry estimates, digital asset-related scandals and failures have resulted in losses exceeding US$8 billion, underlining the importance of effective oversight and investor protection.

Perhaps the best-known example is the collapse of the Canadian exchange QuadrigaCX. Following the death of its founder, access to substantial customer holdings was reportedly lost because only one individual controlled the private keys needed to access the assets. New technology does not remove the need for governance. Investors still require transparency. Regulators still require compliance. Markets still require trust.

> *"Technology may power digital assets, but governance will determine whether they succeed."*

A growing role for accountants and advisers

While attention often focuses on blockchain and software development, the long-term success of digital assets will depend on far more traditional disciplines: governance, assurance, compliance, valuation, taxation and financial reporting. As digital assets mature, organisations will increasingly need advisers who understand both the technology and the regulatory environment in which it operates.

This creates an opportunity for finance professionals who are uniquely positioned to help organisations navigate emerging standards while ensuring adequate safeguards for investors and stakeholders. In many respects, the profession's role is the same as it has always been: creating trust in new and evolving markets.

Beyond cryptocurrency

Digital assets remain a young and rapidly evolving asset class. Not every use case will succeed and not every business problem requires a blockchain solution. Indeed, one of the most common mistakes is assuming that blockchain is the answer to every challenge. Yet the underlying direction of travel appears increasingly clear.

Tokenisation is opening new possibilities for ownership and investment. Smart contracts are creating new forms of automation. Digital currencies are prompting central banks to rethink payment infrastructure. And regulators are gradually building the frameworks required to support adoption. For finance professionals, the most important question is no longer whether digital assets matter. It is whether organisations are preparing for the opportunities and responsibilities that come with them.



Digital asset valuations

Source: Boston Consulting Group, 2026

Cryptocurrency (Bitcoin, Ethereum, others)

~US$3 trillion market cap at the end of 2025; ~US$90 billion revenue pool

Digital money: stablecoins, tokenised deposits, CBDC

Stablecoins ~US$300 billion; tokenised deposits and CBDC still early

Digital real-world assets: tokenised securities, commodities, alternatives

~US$30 billion visible today, mostly money market funds; strongest long-term growth potential

> *"Bitcoin was the first application. The bigger opportunity lies in what can be built on top of it."*





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Soumia is Office Manager at El Maguiri & Associés, where she oversees audit quality processes, supports clients on legal and employment matters, and manages the firm's engagement with Russell Bedford International. A Chartered Accountant with a master's degree in business administration, she is also Co-Leader of the Russell Bedford International ESG Centre of Excellence.

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From voluntary disclosure to strategic necessity: the next phase of ESG

Why ESG is becoming a passport for doing business

For business leaders, environmental, social and governance (ESG) considerations are moving beyond questions of voluntary disclosure. In Morocco and the wider Middle East and North Africa (MENA) region, the landscape is shifting towards more standardised reporting and greater regulatory scrutiny. This is changing how companies approach reporting, access to capital, supply chains and long-term competitiveness.

From voluntary reporting to audit-ready data

We are seeing a growing push for alignment with international standards, particularly those of the International Sustainability Standards Board (ISSB). In Morocco, development of the Moroccan Green Financial Taxonomy has gathered pace, with an expanded public consultation on the draft framework launched in July 2026 as part of the process towards its finalisation.

Alongside existing ESG reporting requirements for issuers, this reflects a wider move towards more structured, comparable and decision-useful sustainability information. Businesses are increasingly expected to move beyond marketing-led corporate social responsibility towards credible, audit-ready ESG data.

Demand for green bonds and sustainable financing is also growing. Clients and international partners increasingly expect evidence of ESG performance when making trade and investment decisions. For Moroccan banks and businesses, alignment with these expectations is becoming an important factor in competitiveness and access to international capital.

Beyond large corporations, the pressure is extending to small and medium-sized enterprises (SMEs). As international supply chain due diligence expectations evolve, including through the European Union's Corporate Sustainability Due Diligence Directive (CSDDD), local suppliers are increasingly being asked to provide detailed information on their carbon footprint and social governance to maintain access to export markets.

Beyond compliance, businesses are recognising ESG as a tool for risk management. Across MENA, where water scarcity and energy costs are significant considerations, resource efficiency and climate adaptation are increasingly important to long-term operational stability and competitiveness.

Where businesses are focusing their efforts

In 2026, attention has shifted from high-level advocacy towards practical integration. Businesses across the region are increasingly concentrating on three strategic priorities: the digital transformation of ESG data, decarbonisation and energy efficiency, and supply chain resilience and ethics.

Companies are investing in automated reporting tools to produce more consistent, traceable and verifiable disclosures. The transition towards digital reporting is gaining importance as businesses seek to meet local regulatory expectations, including those of the Moroccan Capital Market Authority, alongside international investor requirements under ISSB standards.

Given the global push for carbon transparency and mechanisms such as the European Union's Carbon Border Adjustment Mechanism (CBAM), businesses are also prioritising renewable energy and waste management. Large exporters are particularly focused on reducing Scope 1 (direct) and Scope 2 (indirect emissions from purchased energy) emissions to maintain their competitiveness in international markets.

There is also renewed attention on the social and governance dimensions of ESG. Businesses are placing greater emphasis on fair labour practices, supply chain transparency and responsible governance. Many are reviewing their suppliers and business partners to identify human rights and governance risks and meet the expectations of international customers.

Where businesses may be misjudging the challenge

We observe a significant gap between perceived and actual ESG challenges. Many businesses still overestimate the value of ESG as a branding exercise. Companies that produce ambitious sustainability reports without reliable supporting data risk reputational damage and increased scrutiny from regulators and investors.

Governance is frequently underestimated. While environmental goals attract attention, businesses often overlook the complexity of internal governance and supply chain ethics. Many are unprepared for increasingly rigorous due diligence expectations, which can require transparency several layers into supplier networks.

> *"Aligning with ESG standards is no longer just about doing good; it is about ensuring long-term financial viability."*

Some firms still view ESG as a cost centre rather than a risk management necessity. They underestimate how quickly climate transition risks, such as carbon-related costs and rising energy prices, can erode profitability in an increasingly decarbonising global economy.

What international businesses should be aware of

For international businesses operating in the region, the shift towards more structured ESG reporting and compliance expectations requires more than high-level policies. Organisations need to understand local requirements, strengthen their reporting capabilities and embed sustainability considerations into operational decision-making.

Alignment with international standards is becoming increasingly important for businesses seeking access to overseas markets and capital. As the region moves towards greater alignment with ISSB standards, alongside the development of Morocco's Green Financial Taxonomy, credible ESG reporting is becoming a passport for doing business.

International banks, investors and capital-market stakeholders are placing greater emphasis on reliable, decision-useful sustainability disclosures, particularly when assessing sustainable investment and green financing opportunities.

International firms may underestimate the depth of information increasingly expected across supply chains. Measures such as the CSDDD and CBAM are adding to these pressures, with businesses being asked to provide greater visibility beyond their direct suppliers, known as Tier 1, into more distant tiers of the supply chain. Where SMEs form the backbone of the economy, meeting these expectations requires investment in reporting capabilities and support for local business partners.

The social and governance dimensions also have local considerations. Corporate restructuring and mergers and acquisitions (M&A) activity are attracting greater scrutiny, while transparency in board composition and anti-corruption measures are increasingly important to international partnerships.

Compliance with local labour requirements, including social security obligations, working hours and health and safety standards, is also subject to greater scrutiny from international buyers.

As businesses transition to digital ESG reporting, they must navigate evolving data protection requirements. In Morocco, personal data processing is governed by legislation overseen by the National Commission for the Control of Personal Data Protection. Organisations sharing sensitive information across borders need to understand the applicable data protection and transfer requirements.

What comes next?

Over the next one to two years, I expect ESG to move towards greater integration into business strategy and financial decision-making. Rather than focusing solely on what businesses disclose, attention will increasingly turn to how reliable sustainability data informs investment, risk management and operational performance.

Digital verification, Scope 3 emissions (other indirect emissions across the value chain) and ESG considerations in company valuations are likely to become increasingly important (see panel).

A strategic necessity

Taken together, these developments point to a wider change in how business leaders should approach ESG. Sustainability is no longer simply a separate reporting function; it is becoming an integral part of financial and operational decision-making. For businesses operating in or trading with Morocco, the challenge is to turn ESG from a reporting exercise into a practical component of strategy, risk management and long-term competitiveness.

What comes next? Three shifts to watch

More digitally verifiable ESG information
Growing demand for structured, machine-readable sustainability data that enables greater scrutiny and comparison.

Greater Scope 3 accountability
Increasing pressure to measure emissions across the value chain and obtain reliable data from suppliers.

ESG in M&A and valuation
Greater consideration of sustainability risks in due diligence, investment decisions and company valuations.





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Graziella is a Director at NOUV, Russell Bedford International's member firm in Malta. She holds a PhD in Computer Science and Mathematics and specialises in artificial intelligence (AI), data-driven transformation and applied research. Drawing on previous academic and advisory experience in Italy and Malta, she helps organisations implement AI and data solutions that improve efficiency, support responsible innovation and deliver long-term business value.

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Ready or not?

Why the biggest barrier to AI success is organisational readiness

Artificial intelligence (AI) has quickly become a boardroom priority. Yet while employees are embracing AI tools in their daily work, many organisations are still grappling with a more fundamental question: are they ready to use AI effectively?

Boards are discussing it, employees are using it, and software vendors are embedding it into almost every business application. Yet despite the enthusiasm, many organisations are struggling to translate AI investment into measurable business value.

The reason may be simple – many organisations are focusing on the technology before addressing the foundations needed to support it. AI may be the latest business priority, but success still depends on familiar disciplines: strong processes, reliable data, effective governance and committed leadership.

> *"AI should never be the starting point. You start with the business process and then use technology to improve it."*

The AI readiness gap

In many organisations, AI conversations begin with tools. Should the business adopt ChatGPT? Is Microsoft Copilot worth the investment? Which platform offers the greatest return? While these questions are understandable, they can distract from a more important one: is the organisation actually ready for AI?

Many organisations are still experimenting with AI while trying to understand how it fits within their broader business strategy. The challenge is that AI adoption is often treated as a technology project rather than a business transformation initiative. Without preparation and planning, AI initiatives can quickly lose momentum. Pilot projects fail to scale, employees become frustrated and leadership teams struggle to demonstrate return on investment.

> *"The organisations that succeed tend to have a clear understanding of where they are today; they assess their capabilities, identify opportunities and understand the barriers before they start implementing solutions."*

Automating a poor process still creates a poor process

Perhaps the most common misconception surrounding AI is that it can solve existing operational problems. In reality, AI often magnifies them. Processes that are inconsistent, poorly documented or inefficient do not improve simply because a new technology is introduced. They become automated versions of the same problem.

Rather than immediately searching for use cases, organisations should first examine how work currently flows through the business. Where are the bottlenecks? Which activities consume the most time? Which decisions rely on manual effort? Only once these questions have been answered should AI enter the conversation. For leadership and finance teams, this approach can provide a more realistic view of where AI can genuinely improve productivity and where wider operational changes may be needed first.

How ready is your business for AI?

Before investing in new AI solutions, consider whether your organisation can answer "yes" to the following:

- ✓ **We understand which business problems we are trying to solve.**
- ✓ **Our key operational processes are documented and consistent.**
- ✓ **We have confidence in the quality of our business data.**
- ✓ **AI governance responsibilities are clearly defined.**
- ✓ **Leaders have committed budget, resource and training support.**

If any of these areas remain unclear, the next step may be improving readiness rather than purchasing technology.

The data challenge

If process maturity forms the foundation of AI, data provides the fuel. Yet data quality remains one of the most significant barriers to successful implementation. Many organisations possess large volumes of information but little confidence in its accuracy, consistency or accessibility. Data may be spread across multiple systems, duplicated between departments or maintained using different standards. The consequences become apparent when organisations try to apply AI to forecasting, analytics or decision-making.

An AI model can only work with the information it receives. If the data is incomplete or unreliable, the output will be too. For growing businesses, AI initiatives may promise rapid gains, but the underlying work often begins with improving data governance, consistency and ownership.

Governance is moving up the agenda

As organisations increase their use of AI, governance is becoming a board-level issue. The challenge extends beyond compliance or technology risk. AI has the potential to influence decisions across finance, operations, customer service, human resources and strategy. As a result, oversight can no longer sit solely within the IT department.

Organisations should establish cross-functional governance structures that bring together technology, risk, legal and operational expertise. The objective is not to slow innovation but to ensure AI initiatives align with business priorities and are deployed responsibly.

For business leaders, finance teams and board members, AI governance is increasingly becoming a question of accountability as much as innovation. Organisations need to understand not only what AI can do, but how decisions are being made, monitored and controlled. Much like cyber security a decade ago, AI is rapidly evolving from a specialist concern into an organisation-wide responsibility. Boards are increasingly asking familiar questions: Where is AI being used? Who is accountable for it? How are risks being managed? What controls are in place? The answers to these questions are becoming just as important as the technology itself.

Open source or closed source?

As organisations move beyond experimentation, they face an important decision: how much control do they need over their AI tools? Closed models offer simpler deployment, vendor support and regular updates. Open-source models provide greater flexibility, transparency and control, but often require more technical expertise. The right choice depends on business objectives, governance requirements and risk appetite.

The culture challenge

One of the less discussed aspects of AI adoption is the gap between individual and organisational readiness. Many employees are already using AI tools to draft content, analyse information and improve productivity. In some organisations, adoption is happening faster at employee level than through formal business programmes.

For leaders, the challenge is balancing innovation with oversight, and this requires planning and structure – increasingly important as AI regulation evolves. Standards such as EN 18286:2026, developed to support compliance with the EU AI Act, place greater emphasis on governance, accountability and documented AI management processes.

Rather than treating AI as a race, organisations should focus on creating the right conditions for sustainable adoption. Businesses that invest in governance, skills and clear policies are likely to be better positioned to realise long-term value.

> *"Successful AI adoption isn't about moving quickly. It's about moving with purpose."*

Leadership commitment matters

Almost every leadership team acknowledges the strategic importance of AI. The difference between success and failure, however, often lies in what happens after the initial enthusiasm. Effective AI adoption requires investment in skills, training, governance and ongoing improvement. It also requires leaders to view AI as a long-term capability rather than a short-term project.

Unlike traditional technology implementations, AI systems continue to evolve. Models require monitoring. Processes require refinement. Employees need support to develop confidence and capability. AI isn't something you implement and then forget about. It requires ongoing attention from the organisation. This commitment needs to be visible: employees are far more likely to embrace change when they see leadership actively supporting the transition and investing in the capabilities required to sustain it.

From experimentation to advantage

There is no shortage of opportunities for organisations to apply AI. Many are already realising benefits through document processing, reporting automation, knowledge management and customer service enhancements. Others are exploring more advanced capabilities in forecasting, predictive analytics and operational planning. The key is ensuring those initiatives sit within a wider strategic framework (see roadmap).

Getting the fundamentals right

The question is no longer whether businesses should adopt AI, but how they can do so effectively.

Success depends on understanding processes, improving data, strengthening governance and building organisational capability. The technology itself is only one part of the equation.

As AI becomes embedded across every aspect of business, success will depend less on who adopts it first and more on who adopts it best. The organisations most likely to realise long-term value are not necessarily those moving fastest, but those taking the time to build the right foundations.

A practical roadmap for AI success

1. **Understand the process**
   Identify where inefficiencies exist and where AI could generate measurable business value.
2. **Assess the data**
   Determine whether the information feeding AI systems is accurate, accessible and trusted.
3. **Build governance**
   Create clear oversight and accountability before deploying AI at scale.
4. **Start small**
   Prioritise high-value use cases that can demonstrate early wins.
5. **Think long term**
   Treat AI as an ongoing business capability, not a one-off technology project.





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Critical minerals, infrastructure and the next phase of growth in Peru

Peru's natural resources have long played a central role in its economy. But growing global demand for critical minerals, alongside investment in infrastructure, energy and technology, is creating a broader conversation about where the country's next phase of growth could come from.

Peru remains one of Latin America's most resource-rich and commercially significant markets. Its appeal rests on abundant mineral reserves, a diversified export base, a strategic Pacific location, competitive labour costs, a free-trade orientation and an investment environment that continues to evolve.

Peru is at an important inflection point because several long-term strengths are converging with new sources of demand and a renewed push to improve the investment environment. Global electrification, grid expansion and digital infrastructure are increasing demand for copper and other strategic minerals, while a sizeable mining project pipeline could support fresh investment across the economy. At the same time, efforts to modernise geoscientific data, streamline permitting and strengthen institutional capacity could make projects more predictable and transparent.

Critical minerals at the heart of global demand

Peru's copper, gold, silver, zinc and related supply chains remain central to global resource demand. That importance is particularly relevant as businesses and governments worldwide look to secure the materials needed for electrification, renewable energy infrastructure and other technologies associated with the transition to a lower-carbon economy.

Peru can capture more value by developing the capabilities that sit around extraction rather than focusing only on mineral output. This includes expanding local engineering, maintenance, environmental, legal and financial services; helping domestic suppliers meet international standards; and investing in technical skills, research, digital tools and automation.

Reliable power, water, transport and broadband infrastructure would allow mining regions to support clusters of specialised businesses, while incentives for processing, recycling and low-carbon production could deepen selected parts of the value chain where Peru is competitive. Clear procurement pathways, access to finance for smaller suppliers and partnerships between mining companies, universities and local communities would also help convert resource investment into more productive firms, skilled jobs and exportable expertise.

Infrastructure as an enabler of growth

The opportunity presented by natural resources cannot be separated from the infrastructure required to support them. Ports, roads, rail, energy transmission, water and urban infrastructure present opportunities for public-private partnerships.

The greatest gains are likely to come from infrastructure that connects productive regions to domestic and international markets. Priority areas include modern ports and airports; reliable road and rail corridors linking mining and agricultural centres to the coast; expanded electricity transmission and renewable generation; and better water, sanitation and irrigation systems. Broadband and digital infrastructure are also increasingly important for productivity, public services and the development of technology-enabled businesses.

Several developments could be especially significant over the next five to ten years. The continued expansion of the Port of Chancay, with better road, rail and logistics links to its hinterland, could strengthen Peru's role in Asia-facing trade. Improvements around Callao, Lima's transport network and strategic regional corridors could cut congestion and logistics costs, while planned investment in transmission, water, broadband and irrigation could support mining, agribusiness and more balanced regional growth.

Peru also has more than 20 trade agreements in force with 58 countries. Alongside a diversified export base, these links connect it to markets across Latin America and far beyond.

Growth beyond mining

While mining remains central to Peru's story, the more interesting question is how other sectors develop alongside it. Coastal agriculture, irrigation and export know-how support high-value crops. Mining demand, grid upgrades and decarbonisation create opportunities in power generation. Digitalisation, compliance, finance, legal and enterprise software are expanding with formalisation and investment.

These are not separate industries. Activity in mining and infrastructure drives demand for energy, technology, finance and professional expertise, while growth in agribusiness and exports makes its own demands on logistics and connectivity.

Supporting sustainable growth

Community engagement and environmental, social and governance (ESG) considerations are central to whether major projects in Peru proceed at all, not supplementary compliance matters. Mining, energy and infrastructure can affect land, water, livelihoods and culturally significant areas; weak engagement leads to mistrust, delay, conflict, financing difficulty and the loss of a project's social licence to operate.

Successful engagement starts early, before project design is fixed, and continues through construction, operations and closure. It means mapping stakeholders carefully, communicating in accessible and, where relevant, local languages, disclosing likely impacts and trade-offs, and keeping trusted channels open for grievances and follow-up. Communities, regulators, lenders and international customers now expect continuous dialogue, verifiable environmental performance and a clear local share in long-term benefits.

The next phase of Peru's growth

Peru's 2026–2027 outlook rests on a practical mix of strengths: abundant resources, macroeconomic resilience and an open foreign investment regime. The test is converting that potential into a sustained pipeline of executable projects: ports, corridors, transmission, renewables, water and digital connectivity that lower operating costs and bring more regions into formal domestic and export markets, backed by technical education, research and access to finance for local suppliers.

If it succeeds, Peru's position could evolve from major commodity exporter into a diversified, Pacific-facing platform for trade, logistics, energy and specialised services, with the ports of Chancay and Callao strengthening its role in Asia–South America supply chains. The prize is to keep its resource strengths while capturing far more of the value in the knowledge, services and infrastructure that surround them.



News in Brief

A landmark year for Russell Bedford

Russell Bedford International was shortlisted for Network of the Year at the International Accounting Awards 2026, recognising the network's strong business performance, international growth and brand development. The recognition follows a landmark period for Russell Bedford, which has surpassed US$1 billion in global fee income, with growth achieved across every region of the network.

Russell Bedford International welcomes new firms

Russell Bedford International has continued to strengthen its global presence, welcoming Russell Bedford FINCAP in Seychelles and TSG – Your Trusted Accountant in Maine, USA to the network. These new appointments further expand Russell Bedford's international reach and strengthen the network's ability to support businesses through trusted local expertise and global connections.

Connecting our global network

Over the past six months, Russell Bedford has brought members together at the EMEA with International Tax 2026 conference in Amsterdam and the Asia-Pacific Conference 2026 in Bali, Indonesia. This month, members from across the world will gather for the Annual Global Conference 2026 in Los Angeles, California, providing another opportunity to share ideas, strengthen relationships and explore the issues shaping the profession.

taking you further day 2026

The network looks forward to celebrating *taking you further* day 2026 on 2 December, bringing member firms around the world together to celebrate collaboration, connection and the values that unite Russell Bedford. The day will once again culminate in a global virtual party, showcasing activities and celebrations from across the network.

Russell Bedford Cares

As part of the Russell Bedford Cares programme, Russell Bedford International has made donations to relief efforts supporting communities affected by the recent disasters in Venezuela and Nepal. The donations form part of the network's ongoing commitment to supporting communities in times of urgent need.

Russell Bedford
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