

Insights

NAVIGATING GEOPOLITICAL UNCERTAINTY IN THE GCC: A CORPORATE COMPLIANCE AND RISK MANAGEMENT TOOLKIT

Apr 08, 2026

SUMMARY

Geopolitical pressures across the Middle East are generating legal and regulatory exposure that many businesses have yet to fully map. Sanctions realignments, conflict-driven capital flows and supply chain fragility are converging rapidly and the consequences of inaction are significant. This briefing flags eight areas where we are seeing acute client exposure. It is not a compliance guide. It is a prompt to ask the right questions.

RISK AREAS

Contracts: Force majeure, MAC and termination clauses that were never seriously tested are now in play. Whether existing contractual language is adequate – and what the new UAE Civil Transactions Law framework changes for you – depends entirely on your specific agreements and sector.

Employment: Workforce restructuring in the GCC carries legal and visa consequences that differ sharply from Western jurisdictions. The hospitality and retail sectors face particular exposure and the margin for procedural error is narrow.

Sanctions: OFAC, HMT and EU sanctions designations are shifting. Secondary sanctions risk – the prospect of losing US market access for transacting with designated parties – is real and underappreciated by many GCC-facing businesses. When did you last re-screen your counterparty list?

Financial Crime: Conflict-linked capital flows and real estate transactions are under heightened regulatory scrutiny. Beneficial ownership transparency and source of funds verification are no longer box-ticking exercises – enforcement is active and expectations have risen materially.

Supply Chain: Strait of Hormuz risk is not theoretical. Trade compliance obligations – including export licensing, dual-use classifications and re-export controls – create exposure that sits well beyond procurement teams. The intersection with sanctions is where liability concentrates.

Cybersecurity: State-sponsored threat activity targeting GCC businesses is escalating. Data localisation obligations and breach notification timelines create simultaneous regulatory exposure across multiple frameworks and most incident response plans have not been stress-tested against a geopolitically motivated attack.

Insurance: War and terrorism exclusions are standard. Business interruption coverage may not respond in the way you expect. Notification obligations are unforgiving. The time to identify gaps in your programme is before an event occurs, not after.

Governance, ABC and ESG: The UK Bribery Act and FCPA do not pause during a crisis and third-party intermediary risk tends to increase precisely when businesses are under pressure to move quickly. ESG and human rights due diligence obligations run in parallel and are attracting greater scrutiny, not less.

NEXT STEPS

The risks above do not exist in isolation – they interact and the intersection points are where exposure concentrates. We recommend:

Starting a conversation: about which of these areas is most material to your business, sector and jurisdictional footprint – the answers are rarely obvious without analysis.

Resisting the assumption: that existing compliance frameworks built for a more stable environment are adequate for current conditions.

Engaging early: in our experience, the businesses that avoid regulatory and contractual liability in periods of volatility are those that seek advice before events crystallise, not after.

CONTACT US

Our UAE and Saudi teams are available to advise on any of the issues raised in this alert. We can assist with contract reviews, sanctions and AML compliance assessments, employment law advice, real estate transaction due diligence and regulatory risk management across the UAE, Saudi Arabia and the wider GCC.

Please contact your usual adviser at our firm or reach out directly to our team.

This alert is for informational purposes only and does not constitute legal advice. Specific advice should be sought before taking or refraining from any action.

RELATED CAPABILITIES

- Employment & Labor
- White Collar
- Securities & Corporate Governance
- Data Privacy & Security
- Insurance & Reinsurance

MEET THE TEAM



Oliver Hallsworth

Counsel, Abu Dhabi

oliver.hallsworth@bcplaw.com

[+971 2 652 0331](tel:+97126520331)



Samuel E. Eversman

Partner, Al Khobar / Riyadh

sam.eversman@bcplaw.com

[+966 53 437 4777](tel:+966534374777)



Flora Haidar

Senior Associate, Dubai

flora.haidar@bcplaw.com

[+971 4 511 9708](tel:+97145119708)

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be "Attorney Advertising" under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP's principal office and Kathrine Dixon (kathrine.dixon@bclplaw.com) as the responsible attorney.