

Driving Transparency and Accountability: Saudi Arabia's Expanding Reach in Enforcement and Disclosure



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Introduction

Saudi Arabia's anti-corruption agenda continues to be at the forefront of its broader economic and governance transformation under Vision 2030. Over the past several years, transparency has played a crucial role in strengthening institutional frameworks, enforcing accountability and discouraging misconduct. At the heart of this agenda has been the Oversight and Anti-Corruption Authority ('Nazaha', which in Arabic means 'integrity'), mandated to promote accountability and transparency, while combating corruption.

This update report first provides a data-led snapshot of Nazaha's reported activity in 2025, including inspection intensity, investigative throughput, and the sectoral hotspots that continue to feature most prominently in corruption reporting alongside selected case examples. (Section 2)

The report then broadens the lens to the wider architecture of economic-crime controls that is developing in parallel to anti-corruption enforcement. It outlines how the Saudi Central Bank's (SAMA) counter-fraud framework is raising expectations for banks through more formalised governance, prevention-oriented controls, and stronger intelligence-led monitoring. (Section 3)

It examines the 2025 Ultimate Beneficial Ownership (UBO) disclosure regime and its implications for traceability, Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT)/Counter Proliferation Financing (CPF) alignment, and the ability of authorities to pierce complex ownership structures that can obscure conflicts of interest or conceal illicit proceeds. (Section 3)

It considers the Capital Market Authority's (CMA) evolving disclosure and market-surveillance posture, particularly in the context of market liberalisation and expanding foreign investment. (Section 3)

And, finally, it gives an Outlook for 2026 that addresses what this means for foreign investors. (Section 4)

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Data on Nazaha's Reported Activities (2025 update)

Overview

In 2025, Nazaha continued to publish statistics on oversight visits, investigations, and arrests through monthly updates on its official website¹ and X account.²

Throughout 2025, Nazaha conducted 32,389 inspection raids, significantly intensifying scrutiny in areas considered high-risk for corruption. As a result of these operations, Nazaha brought 4,873 criminal and administrative cases, including investigations involving officials across multiple government departments, leading to 1,504 arrests. The trend of enforcement actions in 2025 mirrors previous years and shows a more focused approach.

Sectors such as Interior, Health, Education, and Municipalities & Housing continue to account for the highest volumes of corruption cases and remain closely monitored by Nazaha.

In 2025, enforcement efforts placed particular emphasis on activities connected to Hajj, reflecting both the scale³ and sensitivity of pilgrimage-related operations. More than 1.5 million Muslims perform the pilgrimage annually, representing a multi-billion-dollar economic driver for Saudi Arabia, acting as a critical

pillar of non-oil-related GDP and driving extensive infrastructure investment in Mecca and Medina.⁴

By Sector

New sector entries: In 2025, Nazaha introduced five new reporting sectors: King Fahd Causeway Authority; Saudi Ports Authority; Public Prosecution; Hajj & Umrah and Industry & Mineral Resources.

Hajj & Umrah: The introduction of Hajj & Umrah as a standalone reporting sector in 2025 is notable in Nazaha's sectoral risk assessment. Pilgrimage-related activities often involve complex procurement chains, seasonal contracting and licensing. Nazaha has recognised that the scale and concentration of financial and administrative activity in this sector heightens cases of bribery and abuse of authority.

High-frequency sectors: The Interior, Health, Education, and Municipalities & Housing sectors consistently appear as the primary areas for corruption reports over the past three years. These sectors involve high volumes of public-facing transactions, making them more vulnerable to misconduct due to scale, decentralisation, and operational complexity.

1 <https://www.nazaha.gov.sa/>

2 https://x.com/nazaha_en?lang=en

3 <https://secretariat-intl.com/insights/mid-year-2025-update-nazahas-progress-in-the-fight-against-corruption/>

4 Id.

Defence: While defence only reported cases in 5 months in 2024, this increased to ten months in 2025, returning to levels observed in 2022 & 2023. This highlights Nazaha’s willingness to extend its oversight and address heightened issues in sensitive institutional environments.

Decline in some sectors: Justice reported fewer months of investigations in 2025, four in comparison to eight and nine in previous years. Zakat, Tax & Customs continued to report fewer investigation months (four), continuing a downward trend compared to 2022 and 2023.

Emerging sectors: Human Resources & Social Development recorded a notable increase in reports in 2025, suggesting increased vigilance or possible new sources of corruption. Similarly, Nazaha itself reported a small but noticeable growth in internal reporting.

Number of Cases by Sector and Year

	Y2022	Y2023	Y2024	Y2025
Interior	11	12	12	12
Municipalities & Housing	12	12	11	12
Health	12	12	10	11
Defence	9	11	4	10
Education	9	11	9	10
National Guard	4	6	6	6
Human Resources & Social Development	1	1	2	5
Justice	9	9	8	4
Zakat, tax & customs	1	8	5	4
Oversight and Anti-Corruption Authority	0	1	0	2
Environment, water & Agriculture	0	2	2	1
Commerce	1	0	1	1
Transport and Logistic Services	2	0	1	1
King Fahd Causeway Authority (new)	0	0	0	1
Saudi Ports Authority (new)	0	0	0	1
Public Prosecution (new)	0	0	0	1
Hajj and Umrah (new)	0	0	0	1
Culture	0	0	1	0
General Authority for Statistics	0	0	1	0
General Authority of Civil Aviation	1	0	0	0
Foreign Affairs	1	2	0	0
Islamic Affairs	0	1	0	0
Dawah and Guidance	0	1	0	0
Energy	0	1	0	0

Oversight Visits, Investigations and Arrests

The number of oversight visits increased from 28,430 in 2024 to 32,389 in 2025, following a period of decline in earlier years. This increase in the volume of inspection activity relative to the previous year is also accompanied by the additional 14,697 oversight visits conducted at the Holy Sites during the 2025 Hajj season. While not included in the statistics presented below, these visits were covered in Secretariat’s *Mid-year 2025 Update: Nazaha’s Progress in the Fight Against Corruption*,⁵ and provide further context for the overall scale of oversight activity during the year.

The reported number of investigations increased from 4,000 in 2024 to 4,873 in 2025, broadly in line with the rise in oversight visits during the same period. This change indicates that a higher volume of oversight

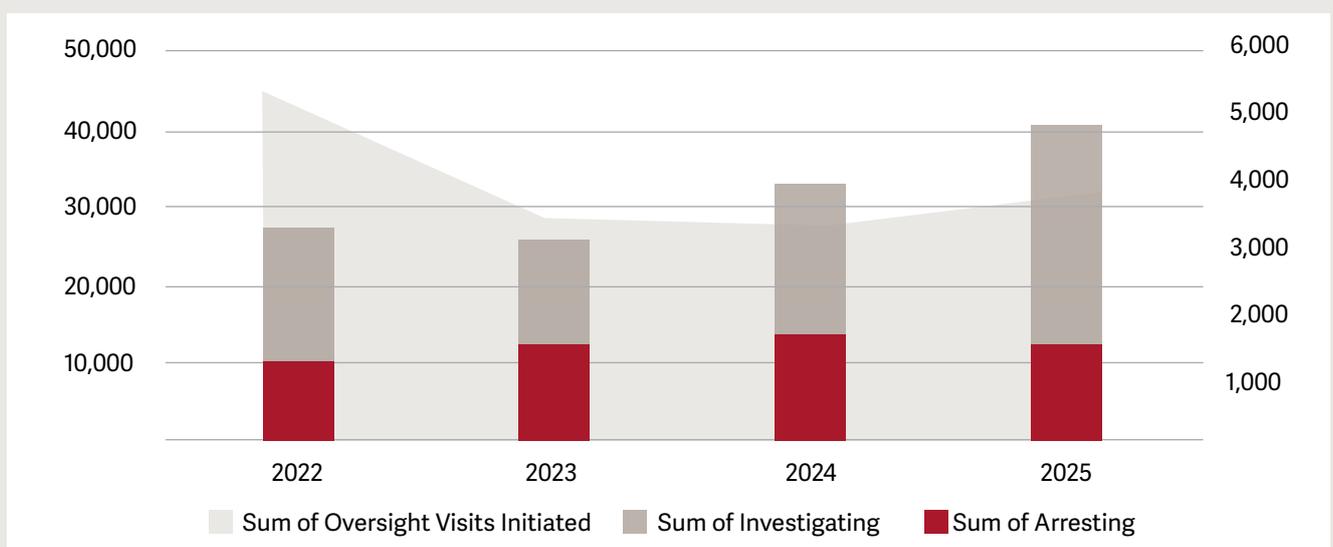
activity translated into investigations in 2025 compared with the previous year, potentially reflecting an increase in available resources or improvements in operational efficiency.

By contrast, arrests decreased from 1,708 in 2024 to 1,504 in 2025, following the peak recorded in 2024. This divergence between investigative activity and arrests may reflect differences in case progression, timing between investigations and enforcement actions, or the expansion of investigative activity into new or more complex sectors mentioned in the previous section. In this context, a reduction in arrests alongside increased investigations may be consistent with a period of adjustment as investigative approaches continue to develop.

Taken together, the year-on-year comparison shows increased oversight visits and investigative activity in 2025, alongside a decline in arrests, providing a clear snapshot of recent enforcement activity in Saudi Arabia.

Sum of Oversight Visits, Investigations and Arrests

	Oversight Visits	Investigations	Arrests
2022	44,871	3,308	1,255
2023	28,933	3,124	1,511
2024	28,430	4,000	1,708
2025	32,389	4,873	1,504
Grand Total	134,623	15,305	5,978



5 <https://secretariat-intl.com/insights/mid-year-2025-update-nazahas-progress-in-the-fight-against-corruption/>

Select Case Studies

Ministry Contract Bribery



A Ministry of Industry and Mineral Resources employee was detained for accepting SAR 1.6 million in bribes to unlawfully issue a quarry license benefiting a private company, alongside the detention of a resident investor involved in the transaction.⁶

Customs Facilitation and Import Fraud



Two employees were arrested, in coordination with the Zakat, Tax and Customs Authority, for receiving SAR 400,000 in bribes from a customs broker to illegally facilitate the importation of trucks into the Kingdom. The customs broker was also arrested.⁹

Public Funds Disbursement Facilitation



A municipal employee was arrested for receiving SAR 30,000 (out of a promised SAR 240,000) in exchange for facilitating the unlawful disbursement of more than SAR 8.3 million in financial dues to a commercial entity.⁷

Misappropriation of Government Assets



A non-commissioned police officer and a municipal employee were arrested for receiving SAR 110,000 from the owners of three commercial entities in exchange for unlawfully enabling them to obtain metals from demolished government buildings, which were later sold for approximately SAR 4.7 million.¹⁰

Municipal Tender Manipulation



A municipal employee was arrested after being caught receiving SAR 195,000 in exchange for illegally awarding a public tender to a commercial entity, highlighting risks associated with procurement and contracting processes at the municipal level.⁸

Unexplained Wealth and Licensing Abuse



The Head of the Services and Licensing Department at a regional municipality was arrested for illegally canceling violations against commercial entities. Authorities identified more than SAR 7.1 million in his bank accounts, the source of which could not be legitimately justified.¹¹

6 [Saudi anti-corruption authority makes scores of arrests for bribery offenses | Arab News](#)

7 <https://www.nazaha.gov.sa/News/Details?q=EYs9ZnE5BAfseS7X23X7+g==>

8 Id.

9 <https://www.nazaha.gov.sa/News/Details?q=rjCeqNMmmVpGLzeuYUtdA==>

10 Id.

11 Id.

3

Wider Architecture of Economic-crime Controls

Alongside high-profile anti-corruption measures, Saudi Arabia has been strengthening a broader architecture of economic-crime controls that is increasingly relevant to international business and foreign direct investors. This architecture spans sector-specific regulatory requirements, corporate transparency measures, and market integrity safeguards, with Saudi Central Bank (SAMA) and other authorities playing a prominent role. These efforts combine anti-corruption initiatives with AML/CFT/CPF standards through regulatory tools and inter-agency coordination and align with international standards and expectations.

Counter-Fraud Framework

Saudi Central Bank (SAMA) launched its Counter-Fraud Framework (CFF) in October 2022 as part of a broader push to strengthen resilience across the financial sector and shift fraud management from reactive loss-handling to prevention, early detection, and structured response. The CFF set out a maturity-based approach and positioned counter-fraud as a governance issue - not merely an operational concern - by linking capability expectations to senior ownership, clear policies and controls, and measurable effectiveness.¹²

Implementation began with the banking sector. Banks were directed to assess their existing counter-fraud arrangements against the new framework, put in place a Board-approved roadmap, and move toward a minimum “structured and formalised” maturity baseline. This early phase signalled that SAMA expected banks to embed fraud risk into governance structures, executive oversight, and day-to-day controls, rather than treating fraud as an after-the-fact incident response function. The CFF also anticipated ongoing supervisory scrutiny and internal assurance over time, reinforcing that counter-fraud capability would be treated as part of prudential and conduct expectations.

This shift from guidance to embedded practice has been reinforced through supervision. For example, the IMF’s 2024 Financial Sector Assessment Programme noted that SAMA has applied financial penalties in cases of non-compliance, underscoring that counter-fraud expectations are treated as a supervisory priority rather than a purely voluntary best practice.¹³

¹² https://www.sama.gov.sa/en-US/RulesInstructions/CyberSecurity/Counter_Fraud_Framework.pdf

¹³ [Saudi Arabia: Financial Sector Assessment Program-Detailed Assessment of Observance-Basel Core Principles for Effective Banking Supervision in: IMF Staff Country Reports Volume 2024 Issue 282 \(2024\)](#)

A significant development followed in April 2025, when SAMA issued a circular adopting the Counter-Fraud Fundamental Requirements. This circular is particularly important for the 2026 outlook because it extends and formalises the counter-fraud baseline beyond banks, setting a clear compliance runway for additional categories of regulated firms, specifically finance companies and payment services providers, under SAMA's perimeter. The circular requires these entities to conduct a formal gap assessment against the Fundamental Requirements, develop a remediation roadmap approved by their Board of Directors, and submit both to SAMA by the end of July 2025, followed by quarterly progress reporting from end-Q3 2025 until full compliance is achieved.¹⁴

The compliance "anchor date" is 13 April 2026. By that date, firms in scope of the April 2025 circular must be fully compliant with the Fundamental Requirements, and the circular specifies that these requirements replace the earlier Anti-Fraud Rules for Finance Companies from that point forward. In practical terms, this means the supervisory benchmark for finance companies and payments providers becomes the new, more structured Fundamental Requirements baseline by April 2026. Continuing assurance expectations will apply, including a detailed compliance report issued by Internal Audit (with the option to use external experts) by end-Q2 2026.¹⁵

In April 2025, SAMA issued updated Counter-Fraud Fundamental Requirements via a circular,¹⁶ expanding on its 2022 CFF's Maturity Level 3 mandate. This update expanded the requirements beyond banks to include financial companies, payment systems and payment service providers. Other new rules require fraud defenses to be tested regularly to watch for threats like phishing scams.

On the tech front, SAMA's framework requires modern tools such as behavioral biometrics, device fingerprinting, Artificial Intelligence (AI), and Machine Learning (ML) analytics to spot and stop fraud as it happens.¹⁷ Separately, in December 2025, Saudi Arabia's Digital Government Authority issued Anti-Digital Fraud guidelines, in which it states "it is essential to apply machine learning models and advanced modelling techniques." The guidelines are aimed at government entities and give a framework for incident logging, investigation process and controls.¹⁸

Beneficial Ownership Transparency

In 2025, Saudi Arabia introduced a comprehensive framework for UBO disclosure, significantly expanding the reach of corporate transparency requirements, in line with a broader international push to strengthen beneficial ownership transparency as a tool for combating financial crime and improving corporate accountability.

The framework was introduced in 2025 through Ministry of Commerce Decision No. 235 and subsequently replaced and refined in December 2025 through Resolution No. 99, which clarified the UBO rules and expressly framed beneficial ownership transparency as supporting international and domestic requirements related to anti-money laundering, combating the financing of terrorism, and counter-proliferation financing.¹⁹

14 <https://rulebook.sama.gov.sa/en/circular-re-counter-fraud-fundamental-requirements>

15 <https://rulebook.sama.gov.sa/en/circular-re-counter-fraud-fundamental-requirements>

16 [Circular Re. Counter-Fraud Fundamental Requirements | SAMA Rulebook](#) <https://rulebook.sama.gov.sa/en/circular-re-counter-fraud-fundamental-requirements>

17 https://www.sama.gov.sa/en-US/RulesInstructions/CyberSecurity/Counter_Fraud_Framework.pdf

18 [Anti-Digital Fraud Guideline-V1-2025](#)

19 [Minister of Commerce Issues Ministerial Resolution Approving the Beneficial Ownership Rules](#); [يقرر حلّ الديفنتس، ملّا دعّ اوق](#)

The framework's core elements mirror and adapt global standards, ensuring that beneficial owners and controllers can be practically identified through the following:

- **25% Ownership Threshold** (direct or indirect): A natural person qualifies as UBO with direct or indirect ownership of 25% or more of share capital or voting rights, capturing significant stakes regardless of layering.
- **Control Rights Test:** Where ownership falls below threshold, UBO status applies to those exercising de facto control via agreements, veto powers, or other influence mechanisms.
- **Senior Management Fallback:** If no individual meets ownership or control criteria, relevant senior executives are designated as UBOs to ensure traceability.
- **Mandatory Disclosure Timelines:** Companies must submit UBO details at incorporation, maintain an internal register, notify changes within 15 days, and confirm accuracy periodically, with administrative penalties of up to SAR 500,000 for non-compliance.

Taken together, these requirements move beneficial ownership disclosure beyond a one-off registration exercise, strengthening traceability within corporate structures and requiring a broader range of companies and individuals to be identified and kept up to date.

Evolution of Capital Market Participation

The CMA opened Saudi Arabia's capital market to all categories of foreign investors, effective 1 February 2026, eliminating the Qualified Foreign Investor (QFI) framework and the regulatory structure for swap agreements that previously limited non-resident investors to indirect exposure.²⁰ Foreign investors may now invest directly in listed shares without the need to meet prior qualification requirements.

Foreign participation continues to operate through licensed Saudi intermediaries, in line with established market practice, and remains subject to applicable foreign ownership limits at both the individual investor and issuer levels. This framework enables broader cross-border participation while maintaining regulatory oversight and supporting the application of AML and Know Your Customer (KYC) controls.²¹

Greater foreign participation typically elevates expectations around disclosure quality, supervisory oversight, market surveillance, and regulatory predictability. A more diverse foreign investor base increases demand for timely disclosures, verifiable financial information, and consistent governance practices, reinforcing accountability expectations across listed companies and market intermediaries. These expectations are underpinned by the application of established market conduct rules, including prohibitions on manipulation and deceptive practices under Article 49 of the Capital Market Law, alongside enhanced supervisory scrutiny as market participation broadens.

Parallel to developments in enforcement and corporate transparency, Saudi Arabia's CMA framework is therefore evolving in ways that broaden the system-wide reach of accountability standards.

20 [Saudi Arabia: CMA Fully Opens Capital Market to Foreign Investors](#)

21 [Saudi Arabia abolishes qualified foreign investor restrictions, allowing full foreign investor access](#)

4

Outlook for 2026

Overall, 2026 is expected to be less about new headline reforms and more about consistent implementation of measures already underway: broader capital-market access for non-resident foreign investors, continued maturation of beneficial ownership transparency, and strengthening of counter-fraud and financial-crime controls across the financial ecosystem. These themes align with the Kingdom's wider economic diversification agenda and support a predictable, rules-based investment environment.

Together these efforts are fostering a shift towards a "compliance as culture" mindset, where transparency and accountability are treated as enabling infrastructure for long-term investment and growth.

Key Themes Likely to Shape 2026

For an international audience, five themes are likely to be most relevant in 2026:

- Market openness meets higher expectations. The opening of the capital market to all categories of foreign investors is a strong signal of continued liberalisation; in parallel, it typically raises expectations around disclosure discipline, governance consistency and conduct standards for market participants.

- Beneficial ownership transparency becomes routine. Counterparties increasingly expect ownership and control information to be accurate, current and capable of being evidenced through reliable records, particularly in higher-risk transactions or complex structures.
- Counter-fraud readiness becomes more operational. The counter-fraud framework (including its effectiveness date in 2026 for finance companies) is likely to drive more governance, monitoring and testing activity, especially in onboarding, payments and digital channels.
- Risk-based alignment with international standards continues. Regulatory expectations increasingly emphasise proportionality, allowing simplified measures where risk is lower while sharpening focus on higher-risk areas. This can reduce unnecessary friction for legitimate business while strengthening overall effectiveness.
- Perceptions indicators remain part of the investment narrative. A modest change in Corruption Perceptions Index (CPI) scoring should be interpreted cautiously (as a perception measure), but it reinforces why sustained implementation, transparency and consistent enforcement remain important to investor confidence.

What This Means for Foreign Direct Investors

For foreign direct investors, the 2026 trajectory is broadly constructive. Investors should expect integrity and transparency requirements to be applied more consistently and earlier in the transaction lifecycle, particularly where public-facing activity, procurement interfaces or regulated financial flows are involved.

Three implications are most likely to be felt in practice:

- Diligence and documentation will matter as much as intent. Ownership/control mapping, related-party visibility, and well-organised records are increasingly important to support onboarding, contracting and dispute resilience.
- Third-party and partner risk will remain in focus. Investors should continue to apply robust due diligence to agents, intermediaries and joint-venture partners, and align oversight with sector-specific risk.
- Controls in payments and finance functions will be more closely tested. Expect ongoing attention to fraud prevention and incident response governance, especially for businesses operating at scale or using digital customer journeys.

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