

Global Business
Complexity Index 2026

Playing to win

Understanding the pressures shaping
a new era of cross-border business

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Foreword

Today's businesses are navigating more countries, more regulation and more uncertainty than ever before – often with less clarity than they should have. As rules fragment and compliance costs rise, complexity has become one of the most decisive forces in global strategy.

And for over a decade, the Global Business Complexity Index has provided a simple, objective view of the operating environment for international businesses. The index captures over 200 data points per jurisdiction and the 81 jurisdictions it covers represent over 90% of the world economy.

The scope of the index is the set of rules for running a company within a country – the accounting, legal and employment burden that a firm will face. That is narrower than the full set of factors that might cause a company to invest in a country, whether the international trade rules and tariffs or wider local considerations such as the market opportunity, infrastructure and rule of law. It nevertheless captures the real costs and risks to doing business in a country that need to be managed, as multinational organisations face daily decisions on where to put both their financial and human resources.

The index is intended to be a detailed, helpful guide on what to expect so that the risk of compliance breach is avoided, with the data made available as a public good. We also hope it encourages governments all over the world to seek to improve their ranking by dealing with any unnecessary bureaucracy that offers little societal gain and simply makes it harder for local and international businesses to operate in their jurisdiction.

There are some important trends in the direction of travel this year, many of which were prominent in last year's report and continue into 2026. First, many firms

are spreading themselves more widely, driven by the desire to diversify the US concentration risk highlighted in tariff policy and by the broadening economic opportunity reflected in many new trade deals, such as EU-Mercosur and EU-India. At the same time, the rule book in many countries is getting more onerous. This reflects both geopolitical fragmentation, which is producing increasingly disparate regulatory regimes, and a tendency for rules to be introduced at speed in response to political pressure, often without sufficient guidance or consistent enforcement.

While it goes beyond the scope of the index, the report also looks at how companies manage complexity. If their commercial path forces them to deal with more countries of growing complexity, companies can still act to reduce their internal complexity in how they manage things. We note very varied levels of complexity in how companies are set up for a given level of geographic coverage – their legal entity count and the often very fragmented way in which these are managed. With the high level of uncertainty that businesses now face – at time of writing, the twin challenges of an AI revolution and of world peace are both very much in play – structural simplification is also a source of greater flexibility and an opportunity to pivot as circumstances require.



Mark Weil
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Introduction

The Global Business Complexity Index (GBCI) and its accompanying commentary provides a clear, data-driven view of the challenges companies face when expanding and operating across borders. In a world where regulatory expectations shift quickly and operational pressures intensify across functions, understanding complexity is essential. Our yearly rankings translate the global landscape into a structured assessment of 81 jurisdictions, revealing the factors that make expansion either straightforward or demanding—showcasing the vital data that businesses need when negotiating a world of fine margins. Built on 292 indicators covering legislation, compliance, accounting and tax rules, human resources and payroll requirements, the GBCI offers a comprehensive ranking of the world's most and least complex business environments.

For organisations evaluating new markets or managing multijurisdictional operations, the GBCI serves as a definitive reference point. It highlights where complexity creates friction, where digitalisation is reducing barriers, and where regulatory change is having the greatest impact. As part of TMF Group's broader focus on helping global businesses expand with confidence, the GBCI transforms complexity into clarity—supporting leaders as they navigate new jurisdictions and build resilient international strategies. In an increasingly interconnected yet unpredictable world, the GBCI reinforces a core truth: while complexity is unavoidable, with the right knowledge, it can be understood, managed and overcome.

The 2026 rankings – in full

2026			2025	2024	2023	2022
1	—	Greece	1	1	2	6
2	↑	Mexico	3	4	4	4
3	↑	Brazil	6	7	3	1
4	↓	France	2	2	1	2
5	↓	Türkiye	4	6	6	7
6	↓	Colombia	5	3	5	5
7	↑	Bolivia, Plurinational State of	8	5	9	9
8	↓	Italy	7	8	8	8
9	↑	Argentina	11	12	10	12
10	↑	Peru	13	9	7	3
11	↓	Kazakhstan	9	10	23	24
12	—	Paraguay	12	13	19	19
13	↑	India	18	33	33	25
14	↑	Belgium	16	14	13	17
15	↓	Indonesia	14	16	11	11
16	↑	Ukraine	29	24	17	31
17	↓	China's Mainland	10	11	15	14
18	↑	United Arab Emirates	39	40	53	61
19	↓	Poland	15	18	12	10
20	—	Chile	20	21	14	15

2026			2025	2024	2023	2022
21	↓	Croatia	19	17	20	34
22	↓	Spain	17	15	41	39
23	↑	Russia	28	35	36	32
24	↑	Uruguay	27	26	35	27
25	↓	Portugal	21	25	38	37
26	↑	Ecuador	30	30	40	
27	↓	Venezuela, Bolivarian Republic of	22	22	22	21
28	↓	Malaysia	25	29	21	22
29	↓	Romania	24	20	24	33
30	↓	South Korea	23	19	16	16
31	↓	Philippines	26	34	31	30
32	↓	Slovakia	31	27	29	29
33	—	Slovenia	33	31	32	26
34	↓	Hungary	32	23	28	38
35	↓	Germany	34	36	25	20
36	—	Austria	36	32	34	23
37	↓	Serbia	35	41	42	41
38	↓	Egypt	37	28	30	
39	↑	Bulgaria	40	43	55	50
40	↓	Saudi Arabia	38	37	New	New

2026			2025	2024	2023	2022
41	↑	Vietnam	54	49	46	42
42	—	Panama	42	39	27	35
43	↑	El Salvador	46	50	44	44
44	—	Qatar	44	48	58	55
45	↑	Australia	47	58	60	65
46	↓	Guatemala	45	44	37	36
47	↑	Singapore	48	47	59	58
48	↑	Switzerland	52	56	62	60
49	↑	Luxembourg	59	64	66	57
50	↑	Taiwan ROC	51	52	54	43
51	↑	Thailand	56	54	52	49
52	↓	Nicaragua	50	53	26	18
53	↓	Sweden	41	42	39	13
54	↓	Japan	43	38	43	51
55	↓	Dominican Republic	53	46	18	28
56	↓	Finland	55	55	50	46
57	—	Lithuania	New	New	New	New
58	↓	Canada	49	45	48	52
59	↑	Ireland	61	67	57	54
60	↓	Israel	57	59	63	64
61	↑	Guernsey	67	65	61	66

2026			2025	2024	2023	2022
62	↑	Norway	65	66	67	69
63	↓	Costa Rica	58	51	45	45
64	↓	South Africa	60	57	51	48
65	↓	Honduras	66	60	47	47
66	—	Latvia	New	New	New	New
67	↓	Mauritius	62	61	64	62
68	↓	Cyprus	63	62	56	53
69	↓	United Kingdom	68	73	72	68
70	↓	United States of America	64	63	68	71
71	↑	Jamaica	73	70	49	59
72	↓	Curacao	71	78	76	76
73	↓	Malta	69	68	69	67
74	↓	British Virgin Islands	72	71	73	73
75	↓	Czech Republic	70	69	65	63
76	↓	New Zealand	77	75	71	70
77	↓	The Netherlands	74	74	75	56
78	↓	Hong Kong, SAR	76	76	74	74
79	↓	Jersey	75	72	70	72
80	↓	Denmark	78	77	77	75
81	↓	Cayman Islands	79	79	78	77

This year's **10 most complex** jurisdictions

Each year, we take a deeper dive into the jurisdictions that have ranked most complex, pinpointing the key factors at play and offering a clearer view of the rules of engagement on the ground.

Jurisdiction	2026 ranking	
Greece (0)	—	1
Mexico (+1)	↑	2
Brazil (+3)	↑	3
France (-2)	↓	4
Türkiye (-1)	↓	5
Colombia (-1)	↓	6
Bolivia (+1)	↑	7
Italy (-1)	↓	8
Argentina (+2)	↑	9
Peru (+3)	↑	10



– 1. Greece

Greece once again ranks as the world's most complex jurisdiction, fixed at the top of the GBCI for the third year running.

Doing business in Greece remains challenging, driven by frequent legislative changes and ongoing regulatory reforms across all three core service lines. New requirements such as the MyData e-reporting system for accounting and tax (A&T), digital platforms for HR and payroll (HRP), as well as unpredictable changes in the private wealth and family office (PWFO) sphere all add to overall uncertainty.

Businesses often face practical hurdles, as requirements frequently vary by officer and department location, especially those that involve bodies like the Unified Social Security Institution. Significant variability also persists in how the General Commercial Registry handles applications. Frequent and unpredictable changes force companies to constantly adapt, heightening operational risk for foreign firms.

Even so, efforts to align Greek accounting standards with IFRS, along with the consolidation of tax authorities in Attica, have created single points of contact and improved overall efficiency.

Recent steps aimed at attracting foreign investment, such as new mergers and acquisition laws and tax relief measures for non-domiciled individuals, also suggest a commitment to reform, even if complexity remains high. Still, overall business complexity in Greece remains among the highest globally, and companies need to maintain ongoing vigilance to ensure compliance.



↑ 2. Mexico

Mexico moves into 2nd place in the GBCI rankings, up from 3rd in 2025, reinforcing its reputation as one of the world's most challenging jurisdictions for foreign businesses.

Foreign companies face ongoing challenges marked by frequent regulatory changes and unpredictable administrative requirements. The tax authority's discretionary actions, constant changes to requirements, and unclear expectations around international reporting standards drive complexity and as a result, tasks like opening bank accounts and working with said tax authorities can mean both doubt and delay, making it difficult for businesses to plan with confidence.

Mexican authorities are moving business incorporation and corporate tasks toward digitalisation, but they still require physical presence or wet ink signatures for many procedures, meaning overall progress can be inconsistent. Over the years, lawmakers have repeatedly revised HRP outsourcing regulations, creating ongoing confusion regarding compliance and penalty avoidance. However, improved understanding and knowledge of legal changes are helping ease payroll service provision and offer businesses greater certainty.

Businesses in Mexico are gradually reshaping their services by improving processes with automation, while also adopting OECD principles and enhancing management offerings. Looking ahead, accounting and tax are likely to undergo the most change, with an increased government focus on tax collection. There are also real benefits to be had as governments introduce electronic accounting systems, but with tax authorities expected to regularly update regulations, multinationals must still remain vigilant.



↑ 3. Brazil

Brazil advances from 6th to 3rd in this year's GBCI rankings.

A multi-layered tax system and frequent regulatory changes across all service lines drive complexity in the jurisdiction, further compounded by heavy compliance demands and inconsistent rules at federal, state, and municipal levels. Businesses must rely on local expertise, particularly as regulatory hurdles often delay business setup, enrolments, and licensing.

Over the past year, lawmakers introduced tax reforms that have specifically impacted foreign businesses and are likely to implement further changes within accounting and tax, capital markets and funds across the next 12 months. Regulators have adjusted rules in tax and foreign exchange, which whilst simplifying processes, often also add new layers of complexity.

Persistent political and economic instability is an additional hurdle, and is expected to continue, prompting investors to apply extremely detailed analysis and rigorous risk mitigation before entering the Brazilian market. Despite these challenges, authorities and businesses continue to make progress by adopting technology, such as digital signatures and electronic filings, which gradually ease administrative pressures and expedite processes that were previously manual and time-consuming.



↓ 4. France

France moves from 2nd to 4th in the 2026 complexity rankings, exiting the top two for the first time in four years. While this signals modest progress, multinational businesses continue to face significant challenges within the jurisdiction.

Regulatory density, language requirements, heavy administrative burdens and strict ongoing compliance obligations create barriers to efficient market entry. These factors slow business set-up, especially for non-French speakers and firms that lack local representatives. While authorities have introduced mandatory e-invoicing and streamlined employee registrations to gradually improve processes, businesses continue to encounter disruptions and incur adaptation costs as they adjust to these evolving systems.

Lawmakers are reshaping the landscape through progressive VAT reductions and by introducing the OECD Pillar II global minimum tax, giving rise to both opportunities and new operational requirements. It is anticipated that audits and real-time reporting will intensify within accounting and tax over the next year, increasing the demand for specialist support.

Strict Know Your Customer (KYC) banking requirements slow the account opening process, while companies must also navigate complex payroll systems. French lawmakers have also imposed new transparency rules and broader labour laws, which increase compliance demands for HR teams. Despite these hurdles though, authorities have digitised and streamlined some aspects, such as new employee declarations to social security bodies, making these tasks simpler and more immediate.



↓ 5. Türkiye

Türkiye shifts from 4th place to 5th in the 2026 GBCI rankings, maintaining its position as a highly complex market.

Regulators frequently introduce new tax rules with little advance notice, prompting the need for businesses to adapt quickly. Over the past year, companies navigated uncertainties around inflation accounting, managed compliance with Pillar II and minimum corporate tax requirements, and responded to the new last quarter advance corporate income tax. Doing business in Türkiye means tackling mandatory Turkish language requirements for official processes, while authorities also obligate extensive amounts of hard copy paperwork and wet signatures.

Türkiye's cumulative and progressive income tax system continues to add challenges in HR and payroll, raising the administrative burden for both employers and employees. Meanwhile, strict KYC requirements at banks make opening a bank account time-consuming for businesses.

Nonetheless, Türkiye is taking steps toward simplification. Digital tools like electronic tax and social security submissions and e-invoices improve efficiency, although mostly for local specialists, as language and compliance issues persist. At the same time, higher foreign exchange rates have made labour more affordable for international investors, and reforms such as extended capital payment periods for LLCs and incentives for R&D and freezones, are making Türkiye a more attractive location in which to do business.



↓ 6. Colombia

Colombia ranks 6th in GBCI 2026, a slight improvement from 5th place in 2025. Remaining firmly in the top ten, this position underscores the persistent and significant challenges faced by foreign companies when operating in the country.

The landscape is a complicated one. Colombian regulators frequently update tax legislation, including VAT rules and policies targeting high net worth individuals, meaning foreign firms must adapt quickly. In addition to these changes, authorities require annual filings and detailed shareholder disclosures, increasing the ongoing demands of governance and entity management. Businesses also face complex labour laws, compulsory social security contributions and substantial severance payments.

However, digitalisation is streamlining tax reporting and company registration processes. Government officials are also rolling out targeted incentives for technology and renewable energy, investing in workforce development, and creating initiatives to draw high net worth investors.

Still, even with ongoing reforms aimed at lowering complexity and attracting foreign investors, businesses must still meet demanding compliance and reporting standards, particularly for tax and wealth management. An increase in minimum wage is set to affect HR and payroll in the coming year. With Congress and Presidential elections approaching in 2026, political uncertainty is also likely to intensify.



↑ 7. Bolivia

Bolivia now ranks 7th in market complexity, moving up from 8th, underlining continued complexity within the jurisdiction.

A new government brings hope for gradual improvements across the jurisdiction, but businesses continue to face bureaucratic hurdles and experience slow responses from local authorities. The ongoing shortage of US dollars is a key complication for businesses navigating accounting and tax matters, impacting financial operations and planning. Limited technological progress means businesses still rely on manual processes, and physical requirements create obstacles when incorporating companies.

Although the new government is introducing corrective measures to address the dollar shortage, businesses have yet to see tangible improvements. The limited adoption of virtual operations also continues to hamper efficiency, so companies must remain vigilant, invest in strong local compliance, and be prepared to navigate persistent procedural hurdles.

The pace of change will likely remain gradual as the new administration settles in, and businesses should expect all service lines to feel the effects. Overall, persistent complexity makes the Bolivian market less attractive, so businesses must continue to prepare for operational delays and limited flexibility.



↓ 8. Italy

Italy remains one of the most complex jurisdictions for foreign business, moving to 8th place (up from 7th) in this year's GBCI.

Constant legislative changes and high compliance demands make operations complex across all service lines. In accounting and tax, authorities regularly introduce new rules such as digital e-invoicing and enforce extensive anti-money laundering obligations and mandatory filings, especially under EU AMLD6/AMLR and Legislative Decree 231/2001. Dense, unpredictable bureaucracy requires businesses to secure notarial deeds, attend in-person appointments, and obtain Italian tax codes and VAT registrations.

Italian labour and payroll legislation also place heavy demands on employers, as evolving standards for remote work, mandatory collective agreements, and complex social security rules require constant attention. The new Labour Bill further increases complexity by requiring formal smart working agreements and stricter notifications.

Recent reforms are easing entry, such as digitalisation of filings, streamlined mergers and acquisitions, and cooperative tax frameworks. The 2025/26 Budget Laws introduce notable tax incentives, and binding fiscal rulings for large investors. Hiring incentives have also broadened, with the 2026 "Milleproroghe" extending payroll-tax credits for key groups, while expanded exemptions and quotas, (including nearly 165,000 foreign workers) make workforce growth and sector investment more accessible.

Looking ahead, employers in Italy should prepare for major changes in HR and payroll as AI, automation, and new EU rules reshape compliance. Authorities are also looking to introduce cloud-based fiscalisation in 2026, further transforming accounting and tax procedures.



↑ 9. Argentina

Argentina ranks 9th overall in this year's rankings, rising from 11th position in 2025. This move into the top 10 highlights the persistent challenges that foreign companies encounter within the jurisdiction.

The business environment remains demanding. Regulators continue to introduce unpredictable changes and are likely to increase regulatory compliance next year. Frequent legal updates force companies to review local processes constantly, raising operational risk and emphasising the need for local specialist expertise.

Following the elections, policymakers may ease regulatory requirements. Combined with a drop in inflation since 2025, these changes could attract new investment. If realised, both the reduction in inflation and any decrease in regulatory pressure would positively impact international businesses.

However, several core complexities persist. Foreign exchange restrictions complicate business operations. And even as the possibility of regulatory easing increases, regulatory instability continues to challenge companies doing business in Argentina. Unpredictable changes in local regulations and persistent currency controls remain significant obstacles for firms navigating the market.



↑ 10. Peru

Peru returns to the top ten in 2026, rising from 13th place in 2025 to become the 10th most complex jurisdiction.

Ongoing digitalisation across all service lines to meet regulations drives much of Peru's complexity. As such, in Peru, digitalisation is a double-edged sword, bringing both challenges and efficiencies for foreign businesses operating in the jurisdiction.

On the one hand, as authorities roll out new digital requirements and processes, companies must remain agile and keep compliance systems up to date, which increases operational complexity.

Conversely, when businesses successfully adopt digital tools, they can streamline submissions, clarify obligations, and simplify interactions with authorities, which positively impacts all three core service lines.

This year's **10 least complex** jurisdictions

Each year, we also take a closer look at those jurisdictions that have emerged as the least complex in this year's rankings, highlighting the contributing reasons why, alongside the challenges that persist.

Jurisdiction	2026 ranking	
Curacao (-1)	↓	72
Malta (+2)	↑	73
British Virgin Islands (0)	—	74
Czech Republic (+3)	↑	75
New Zealand (-3)	↓	76
The Netherlands (+1)	↑	77
Hong Kong, SAR (0)	—	78
Jersey (+2)	↑	79
Denmark (0)	—	80
The Cayman Islands (0)	—	81



– 81. The Cayman Islands

The Cayman Islands ranks 81st in GBCI 2026, once again securing the lowest index position and maintaining its status as the least complex jurisdiction for another consecutive year.

While regulatory frameworks and compliance requirements are key drivers of operational complexity, they also create opportunities for businesses to strengthen their governance and processes. So, in the Cayman Islands, while frequent updates across service lines demand attention and specialist expertise, they also help ensure a more transparent and resilient business environment. Pricing comparisons with other major jurisdictions can present challenges, yet they also encourage organisations to optimise their operations and improve competitiveness. Importantly, this jurisdiction has also made significant progress in adopting new technologies in recent years, streamlining processes and reducing complexity for businesses. The business environment is further supported by collaborative efforts from the government and private sector to promote the jurisdiction on a global stage, enhancing its attractiveness for foreign investment.

Looking forward, regulatory changes such as new requirements under the Common Reporting Standard to appoint a local Principal Point of Contact, will continue to shape the landscape and add extra administrative steps for foreign entities.

While operational challenges exist surrounding regulation, the Cayman Islands remains a stable and responsive hub for international business, with ongoing innovation and strong global positioning ensuring it continues to attract investment.



– 80. Denmark

Denmark ranks 80th in GBCI 2026, remaining the second least complex jurisdiction and a highly attractive destination for international business.

Denmark is recognised for its stable regulatory environment, focus on innovation, and leadership in social equality, making it a standout global market.

The country's strong digital infrastructure removes technology barriers, supporting efficient and seamless operations. While opening a bank account can be challenging, especially without local financing, this is a manageable hurdle in an otherwise supportive market.

Danish regulators are continuing to modernise the landscape. The introduction of the Danish Book-keeping Act and the emphasis on payroll transparency, with the implementation of EU Directive 2023/970, raise standards, particularly within accounting and tax, as well as HR and payroll. Although compliance requirements are increasing, these changes drive transformation and help future-proof business practices. Companies operating in Denmark can turn these regulatory updates into strategic opportunities by embracing transparency and adapting to new requirements.

The EU's equal pay directive also specifically intensifies HRP compliance, requiring foreign businesses to enhance reporting and ensure gender pay equality. Overall, Denmark's progressive digital ecosystem and forward-thinking regulation continue to foster a competitive, inclusive business climate, making the country a preferred choice for global expansion.



↑ 79. Jersey

Jersey continues its upward climb in the top 10 least complex jurisdictions, now placing as the third least complex jurisdiction for foreign businesses, reaching 79th in this year's overall rankings.

Ongoing digitalisation, particularly in A&T, drives this simplification. Digital filing systems reduce manual work, improve compliance predictability, and speed up approvals. Service lines benefit from wider efficiency gains as enhanced online registry and reporting platforms streamline regulatory tasks.

Recent regulatory reforms have further simplified entry for investors through easier company incorporation and greater flexibility in fund structures. The updated Jersey Private Fund regime now offers quicker approvals and broader eligibility, while PWFO activities benefit from clear tax treatment and wider access to global capital.

Jersey's commitment to transparency means strict compliance standards remain. Businesses must coordinate multi-regime reporting, secure Control of Borrowing Order consent, meet tight filing deadlines, and maintain robust documentation. Alignment with international standards, stricter Anti-Money Laundering /Countering the Financing of Terrorism (AML/CFT) rules, and global tax reforms strengthens Jersey's reputation for transparency, but navigating these demands expert guidance and oversight.

The jurisdiction's ongoing focus on efficiency and transparency maintains its appeal as a low-complexity destination for foreign investors, even whilst robust compliance requirements add a necessary layer of challenge.



– 78. Hong Kong, SAR

Hong Kong, SAR remains one of the least complex jurisdictions in which to do business, ranking 78th in GBCI 2026. Digital transformation and streamlined payroll processes, combined with unique business identification and targeted incentives for small and medium-sized entities, technology, green finance, and family offices, reinforce Hong Kong's reputation as a business-friendly location. The city's competitive tax regime and robust support for multinationals further sustain its global appeal.

The jurisdiction's strong incentives include Inland Revenue tax concessions for FIHVs managed by single-family offices within Hong Kong, SAR. This policy offers tax certainty and encourages high net worth families to establish family offices within the country. Hong Kong, SAR also boasts rapid growth in fintech and artificial intelligence, while the planned inward re-domiciliation regime is expected to enhance operational efficiency and further support relocation.

However, businesses must balance these advantages against persistent operational hurdles. High operating costs, complex banking procedures, and political and legal uncertainties continue to challenge firms. In response, authorities have prioritised compliance and risk management, implementing regimes such as the Foreign-Sourced Income Exemption, stricter anti-money laundering controls, and revised employee payment requirements. Ongoing integration with the Greater Bay Area is also adding new cross-border complexity.

Even so, legislative changes are on the horizon to reduce payroll challenges. From 2030, statutory and public holidays will be aligned to simplify payroll administration. And starting May 2025, employers must split historical and current Long Service Payment and Severance Payment and update their processes to comply with new Mandatory Provident Fund (MPF) rules.



↑ 77. The Netherlands

The Netherlands improved upon its placing this year, moving from 74th to 77th in the overall rankings, reinforcing its standing as one of the world's least complex jurisdictions in which to do business. This status is primarily driven by reduced complexity in both the A&T and HRP service lines.

Still, banking remains a challenge within the jurisdiction, with international companies encountering lengthy KYC and AML procedures that slow down both account opening and maintenance.

Following the general election at the end of 2025, the Netherlands also has new leadership, though it may be too early to judge the impact that that will have on accounting and tax policy. So far, 2026 has mainly seen policy changes aimed at aligning with EU directives, rather than major domestic reforms.

The government has amended its Pillar II Minimum Tax Act to comply with the EU-wide minimum tax rate of 15%. This change brings the Netherlands in line with other EU countries, though the practical impact for multinationals is still emerging, with Pillar II expected to affect EU-headquartered groups with annual revenues above €750 million.



↓ 76. New Zealand

New Zealand's business environment has become slightly more complex for foreign investors, dropping from third to sixth place among the world's least complex jurisdictions, placing 76th in the 2026 rankings.

Changing regulations and new compliance obligations are creating challenges across a range of service lines. ESG expectations now reach exporters of all sizes, while businesses must also manage compliance around registration, investment screening, and AML compliance, with the 2025 "Phase Three" reforms requiring enhanced due diligence and stricter monitoring. Employers are also facing greater difficulty hiring migrant workers due to government enforcement of tougher visa requirements and higher accreditation and wage standards.

At the same time, New Zealand is actively making moves to attract foreign investment. By launching Invest New Zealand in 2025, the government provides focused support for investors in areas such as fintech, infrastructure, and research and development. Meanwhile, the updated Overseas Investment Act allows for quicker approval of low-risk investments. Digital tools help investors complete company registration and reporting more efficiently. The lack of stamp duty and capital gains tax, as well as the new 20% deduction for eligible capital assets make New Zealand an appealing choice for international businesses. AML/CFT compliance is also simplified, removing address verification and extended reporting timelines, lowering administrative burdens and associated costs.

Foreign-owned businesses do still need to navigate director residency requirements, assess tax obligations, and conduct detailed ownership checks. As such, understanding cultural nuances and managing geographic remoteness remain important for operating successfully in the market.

Looking ahead, new investment tax rules and OECD Pillar II will drive significant changes for multinationals, while regulatory updates and the growth of digital platforms will further shape entry and compliance, requiring businesses to adapt continuously.



↑ 75. Czech Republic

The Czech Republic moves from 70th to 75th in this year's rankings. This consistent progress elevates the jurisdiction to the seventh least complex, up from tenth place last year.

Recent updates to accounting legislation, higher audit thresholds and a pro-EU investment stance have helped streamline processes, making the market increasingly attractive. Over the past year, the government has also actively promoted foreign direct investment through a strong pro-EU policy and targeted tax incentives.

However, employing staff remains complicated, with labour laws and new EU equal pay regulations continuing to impose significant administrative demands. Changes are expected to continue next year and to drive much of the evolution in the business landscape, offering both opportunities and hurdles for international operators.

New regulatory measures, such as EU equal pay standards and the Cybersecurity Act, are shaping the local compliance environment, pushing companies to adapt quickly. Alongside these legislative shifts, technology is having a significant effect with electronic reporting now standard. The upcoming introduction of e-invoicing is expected to further modernise how companies fulfil their obligations.



– 74. British Virgin Islands

The British Virgin Islands (BVI) provides a straightforward environment for foreign businesses. This year, the BVI places 74th in the overall rankings and maintains eighth-place position amongst the 10 least complex jurisdictions. This is thanks in part to the fact that both the GEM and HRP service lines have reduced in complexity since 2025.

Increased legislation drives most of the complexity in the jurisdiction. However, recent improvements, such as advancements in digital assets legislation, have enhanced the jurisdiction's foreign investment appeal over the last twelve months. Technological advancement is also enabling procedures to better align with regulatory requirements, supporting both transparency and efficiency.

Overall, BVI's combination of legislative updates and a supportive regulatory environment helps protect and encourage investment, while keeping operational complexity manageable. The jurisdiction's common law framework remains a major draw for clients, providing legal familiarity and predictability.

 ↑ 73. Malta

Malta places at 73rd in this year's rankings, a significant shift from 69th in 2025 and now standing among the ten least complex jurisdictions.

As in previous years, businesses' main challenge is navigating Malta's regulatory landscape. Local rules remain complex, however, the Companies Act, which follows the UK model, anchors the regulatory framework, provides predictability, and supports efficient business setup and operation.

Accounting processes in the jurisdiction are also considered straightforward. While all companies, including dormant ones, must file annual financial statements, alignment with International Financial Reporting Standards (IFRS) reduces complexity for businesses operating in Malta. In the past year, evolving EU tax policies have required international businesses to review their positions and plan for changes. And although Malta has secured a deferral on Pillar II until 2029, taxation remains the area where the most change is anticipated.

Employment of staff remains uncomplicated, and economic conditions continue to support reliable operations. As such, Malta remains a stable base for international business. While future tax changes are on the horizon, the current environment continues to support both confidence and growth.

 ↓ 72. Curacao

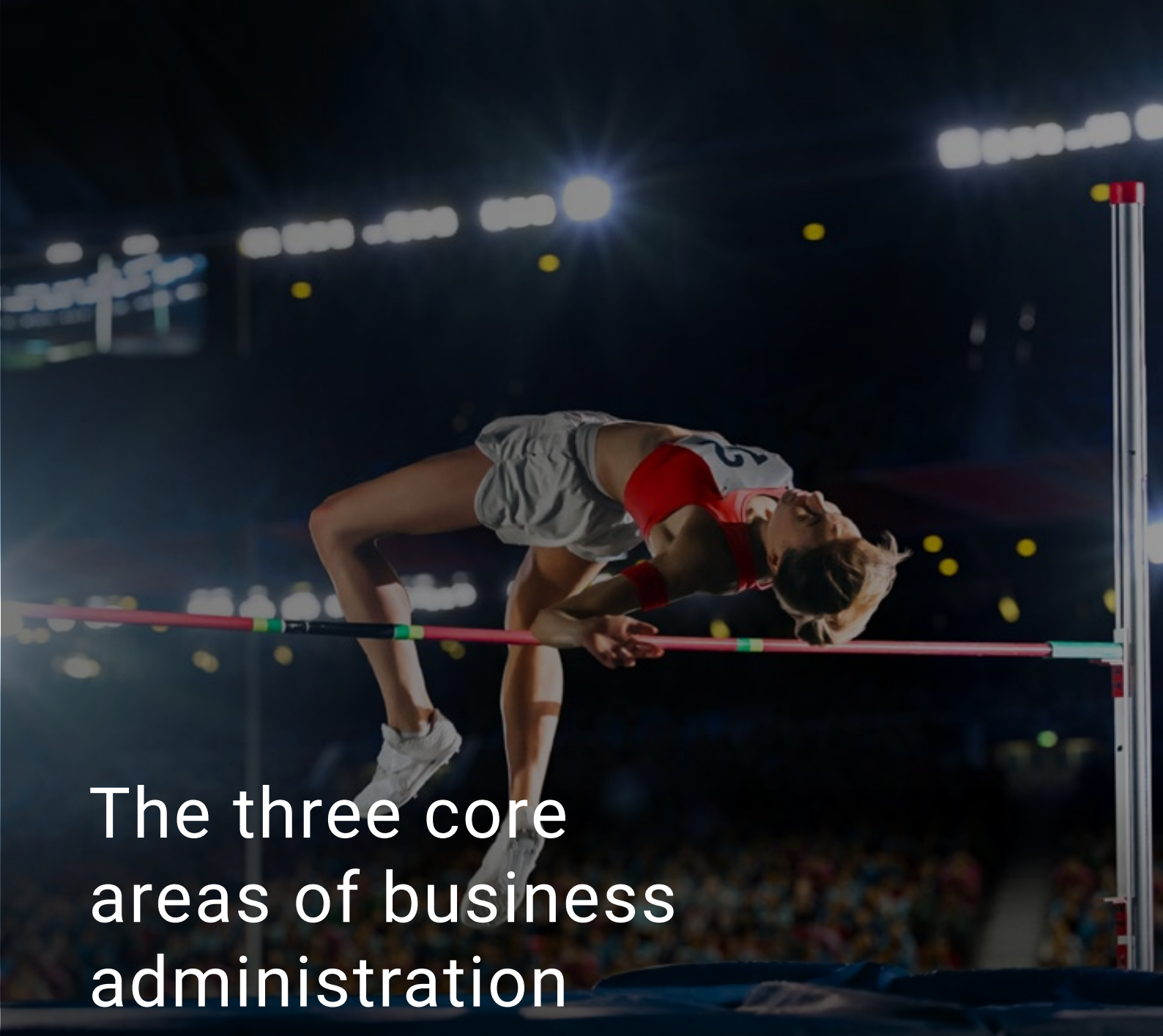
Curacao drops one place in the top ten rankings, now holding the position as the tenth least complex jurisdiction and ranking 72nd overall.

In 2026, regulators introduced multiple changes within the jurisdiction, adding complexity to operations. These amendments were designed to bring local rules in line with international standards, so the new requirements do not create unique barriers for foreign businesses and are not expected to place a significant burden, when compared to other markets.

High income and utility costs can create hurdles when hiring talent within Curacao, although businesses may find some relief from relatively affordable rental costs. Most companies find the setup process straightforward, but securing permits can require lengthy government engagement, and daily operational demands often depend on the specific sector.

Officials have also continued to amend regulations over the past year, to help Curacao stay competitive and appealing to foreign investors. It is often advisable for foreign businesses to appoint a local representative to help steer through compliance and local requirements.

Meanwhile, the workforce in Curacao stands out for its strong skills and multilingual capabilities, enabling smoother market entry and business operations. And while advances in technology are not expected to bring about significant change, the accessibility of specialist local services remains a key advantage.

A high jumper in mid-air over a bar at night. The athlete is wearing a red and white singlet and white shorts, with the number 51 on their back. They are in a classic Fosbury Flop position, arching over the bar. The background shows a stadium at night with bright lights and a blurred crowd.

The three core areas of business administration

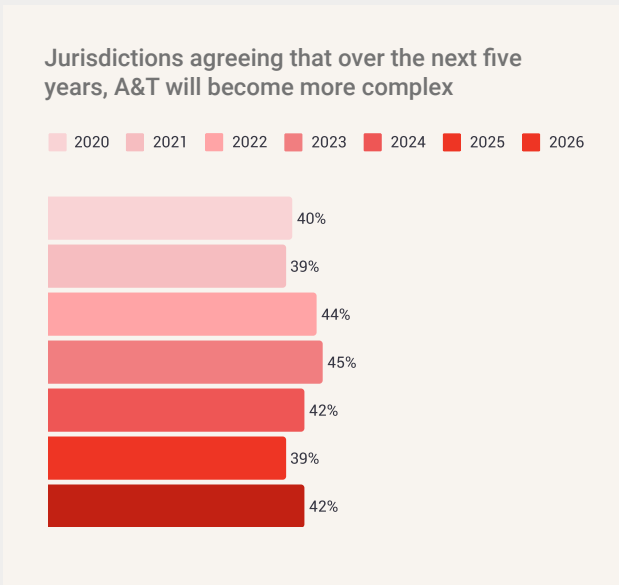
The GBCI rankings and corresponding survey data highlight significant shifts across three central service lines and the general sentiment of nations from all over the globe. By spotlighting these crucial areas of business administration, our commentary offers context into how complicated and unpredictable business environments can be, as well as the factors that all business should consider, wherever they operate.

01

Accounting and tax

Complexity expectations rebound as transparency drives short-term challenges

Operational complexity remains a defining feature of the global A&T landscape. This year’s survey has revealed that 42% of jurisdictions expect A&T processes to become more complex over the next five years, an increase on 2025’s 39%. A push for greater transparency continues to reshape expectations all over the world, with jurisdictions introducing reforms at different speeds and with varying degrees of clarity.



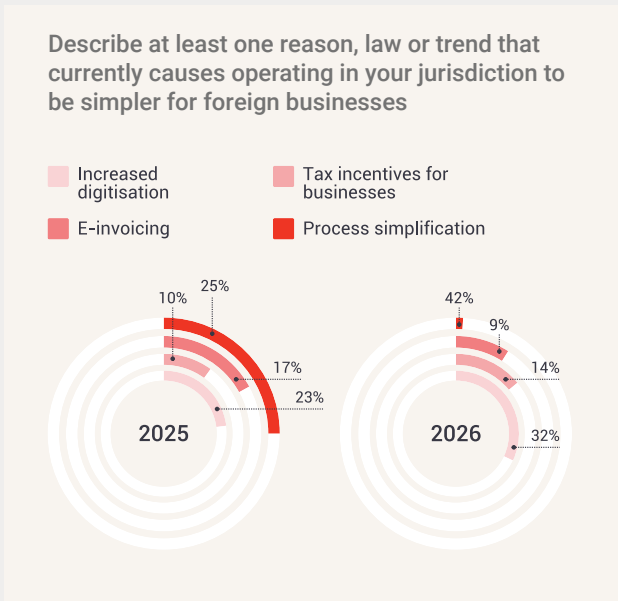
While advances in digital reporting and automation are designed to simplify administration, the need to adapt to local rules, technology platforms and regulatory deadlines often increases short-term complexity for international businesses. As a result, organisations are investing in specialist expertise and more flexible operating models to manage compliance effectively across multiple jurisdictions.

“The drive for greater transparency is evident across jurisdictions, albeit at varying speeds. While this trend may add operational complexity in the short-term, over time it is expected to facilitate greater alignment and ultimately make it easier for businesses to operate internationally.” – TMF A&T expert

Nonetheless, the evolving A&T landscape extends well beyond digitalisation alone. Many businesses are finding that traditional Business Process Outsourcing (BPO) models no longer meet the demand for customised, high-quality support. As regulatory requirements intensify and client expectations rise,

there is growing demand for tailored solutions that reflect local compliance requirements and market realities. As such, in 2026, effective A&T support requires a combination of global transparency initiatives, deep local expertise and the ability to adapt continuously to regulatory change.

Even so, the positives of digitalisation are continuing to be felt across the globe. The proportion of jurisdictions citing increased digitalisation as a reason for simpler operations has risen sharply, from 23% in 2025, to 32% in 2026. This upward trajectory highlights the growing role of technology-driven solutions in streamlining processes for foreign businesses. Advances in digital platforms, automation, and online reporting are removing barriers, reducing manual effort, and enabling faster, more predictable compliance. As more jurisdictions embrace digitalisation, foreign companies are finding it easier to navigate local requirements and integrate into new markets, provided they can align systems and data effectively.



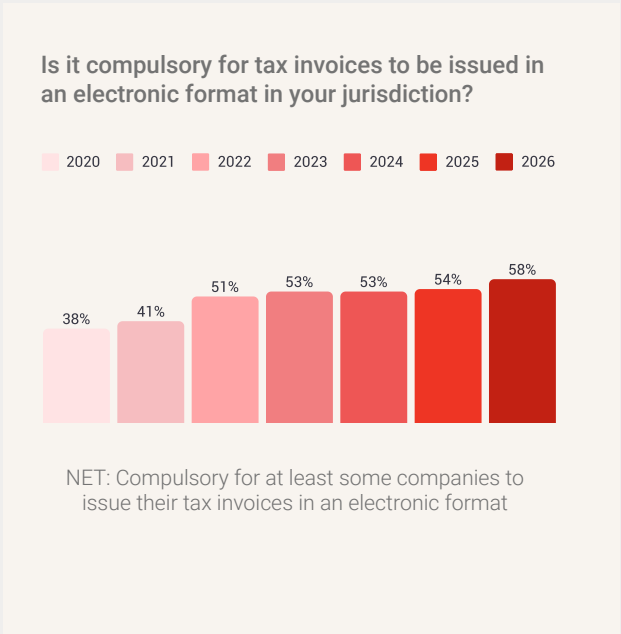
Jurisdictions that invest in regulatory clarity, digitalisation, and practical guidance are making it easier for foreign businesses to operate, while also strengthening their attractiveness to international investors. This approach helps smooth market entry for inbound businesses, even though complexity often remains during implementation and ongoing compliance. The rising number of jurisdictions reporting digitisation in 2026 as a simplifying factor demonstrates that these improvements are delivering tangible benefits for international firms.

Tax incentives are also increasingly viewed as a simplifying factor, rising to 14% in 2026. By contrast, e-invoicing and process simplification are less frequently cited, likely because these have become standard practice in many jurisdictions. This shift reflects a maturing regulatory environment where fundamental reforms are now expected, rather than exceptional.

“The biggest challenges that clients are looking to solve are regulatory fragmentation, rapid legislative change, different directions in different jurisdictions, and the overall digitalisation agenda.” – TMF A&T expert

The growing demand for digitalised tax reporting is both increasing complexity and enhancing efficiency

The shift towards digitalised tax reporting continues to accelerate in 2026, reshaping how businesses manage tax compliance globally. In 2026, 58% of jurisdictions require at least some companies to issue tax invoices in an electronic format, up from 54% last year and a substantial increase compared to 38% in 2020. This increase reflects governments’ growing demand for real-time visibility and accurate data, compelling businesses to invest in new technologies and update their reporting processes.

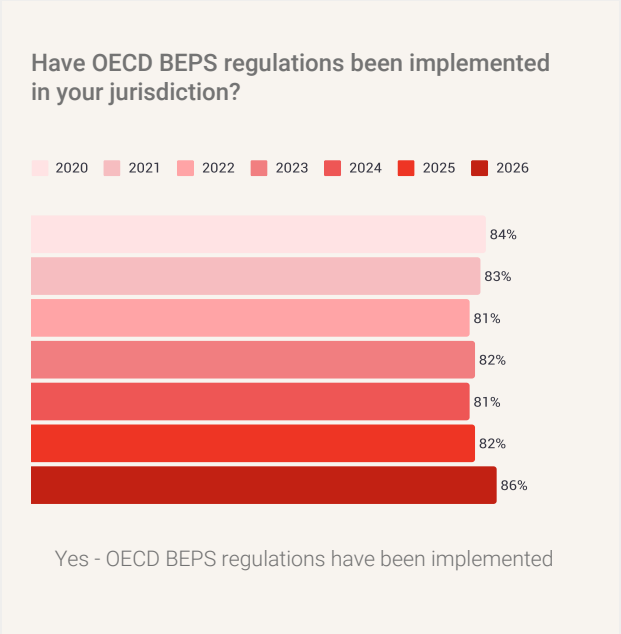


While the move to compulsory e-invoicing can create challenges during implementation, it is also driving more streamlined and efficient operations over time. As more jurisdictions adopt electronic invoicing requirements, initial complexity is increasingly offset by greater consistency, reduced paperwork, and faster compliance cycles. For cross-border businesses, this means adapting to new systems, while also benefiting from a more integrated and transparent reporting environment.

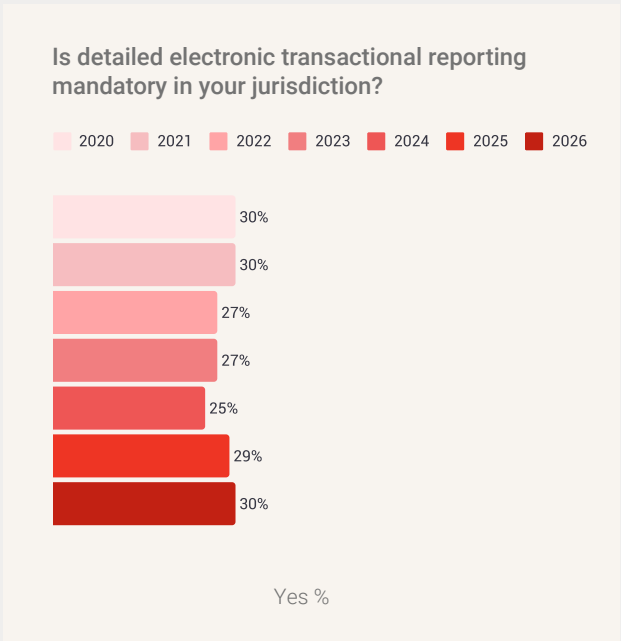
“Once we digitalise with electronic invoicing, it becomes easier to gain insights into your business, streamline collections, and enhance interactions, with both vendors and clients. That’s the clear advantage. But the effort of implementing these systems can indeed be a challenging process.” – TMF A&T expert

Upcoming global minimum tax regulations require businesses to adapt

In 2026, 86% of jurisdictions report that they have implemented OECD BEPS regulations, this marking the highest level observed in recent years and reflecting a continued move towards global tax alignment. At the same time, 30% of jurisdictions now require detailed electronic transactional reporting, such as Standard Audit File for Tax (SAF-T). This moderate but stable level suggests that while digital reporting mandates remain in place, most recent change is around the introduction of new global minimum tax rules.



The evolving BEPS framework, particularly with the implementation of Pillar II, places fresh demands on multinational organisations. The introduction of a 15% global minimum corporate tax rate means businesses need to stay prepared for new reporting and compliance routines.



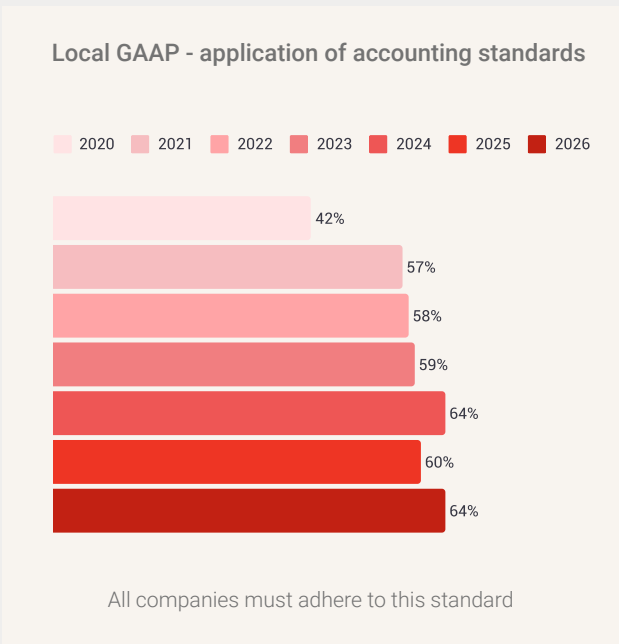
The challenge is not only meeting the upcoming initial deadlines, but also keeping up with regular, recurring filings to local authorities. In this environment, organisations are increasingly turning to expert support to manage new requirements efficiently and reduce the compliance burden.

“Firstly, Pillar II reporting deadlines are at the end of June 2026. Preparing for compliance, ensuring results are consistently reported and filed with local authorities on a recurring basis, truly represents an operational challenge. This is precisely where TMF Group sees both the need and the opportunity for collaboration, enabling us to ease the compliance burden for our clients as they adapt to these demanding new regulations in the market.” – TMF A&T expert

More jurisdictions now mandate local GAAP for all companies, reinforcing local complexity in global accounting compliance

In 2026, the regulatory environment for multinationals remains regionally fragmented. The proportion of jurisdictions requiring all companies to adhere to local Generally Accepted Accounting Principles (GAAP)

standards has risen again to 64%, returning to the peak seen in 2024 and underlining the continued strength of regional accounting preferences. Latin America continues to lead the way, with particularly stringent requirements, including Brazil's complex system of overlapping taxes and Colombia's frequent legislative changes. Even in jurisdictions like the Cayman Islands, traditionally viewed as less complex, careful navigation of local accounting and reporting rules remains essential.

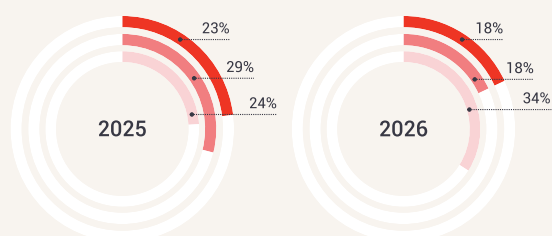


Efforts to attract direct foreign investment have waned, with only 23% of jurisdictions reporting active initiatives in 2026, compared to 39% in 2025. However, the use of targeted tax incentives has increased - 34% of jurisdictions now offer reduced tax rates to attract international firms, up from 24% in 2025. Other incentives, including tax exemptions and investments in digitalisation, are also less common than a year ago.

“The main challenges facing businesses are managing regulatory fragmentation, rapid change and digitalisation. You need efficient technology to meet requirements quickly, otherwise, stricter regulations create massive amounts of extra work. Automating processes and focusing on exceptions, rather than every transaction, helps manage risks effectively.” – TMF A&T expert

Within A&T, what has been done over the past 12 months to attract foreign direct investment in your jurisdiction?

- Providing tax incentives/lower tax rates
- Providing tax exemptions/tax benefits
- Investment into digitalisation



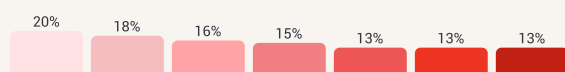
As such, as the landscape shifts towards firmer local standards and more selective investment incentives, multinationals must focus on understanding local requirements and adapting their compliance strategies within each jurisdiction, rather than relying on harmonisation or broad-based incentives.

Technology adoption is streamlining business setup and operations

In 2026, technological advances are having a clear impact on how companies set up and operate across jurisdictions. Automation and system efficiency are now cited by 16% of the jurisdictions surveyed as key benefits, while 15% point to faster setup and processing.

Can you describe the impact of technological advances on setting up and operating in your jurisdiction?

- Electronic reporting and filings
- Automation and system efficiency
- E-invoicing implementation
- Digital identity and e-signature
- Digitalisation of government processes
- Faster setup and processing
- Reduced administrative burden



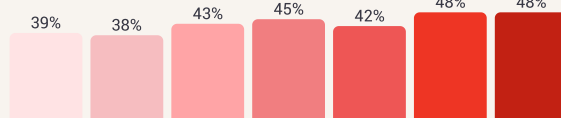
These developments show that electronic reporting and prescribed software are not only reducing administrative burdens but also accelerating workflows, helping businesses start and run operations more smoothly.

Certified accountant requirements remain high in 2026

The obligation for companies to have annual financial statements prepared or signed by a certified accountant has stayed consistent, with 48% of jurisdictions enforcing this standard in both 2025 and 2026.

Do the annual financial statements need to be prepared/signed by a certified accountant in your jurisdiction?

- 2020
- 2021
- 2022
- 2023
- 2024
- 2025
- 2026



Yes - annual financial statements need to be prepared/signed by a certified accountant

However, this represents a significant rise compared to earlier years, where the requirement ranged from 38% to 45%. The sustained high level underscores a broad move toward stricter professional accountability and reinforces the importance of qualified expertise within financial reporting.

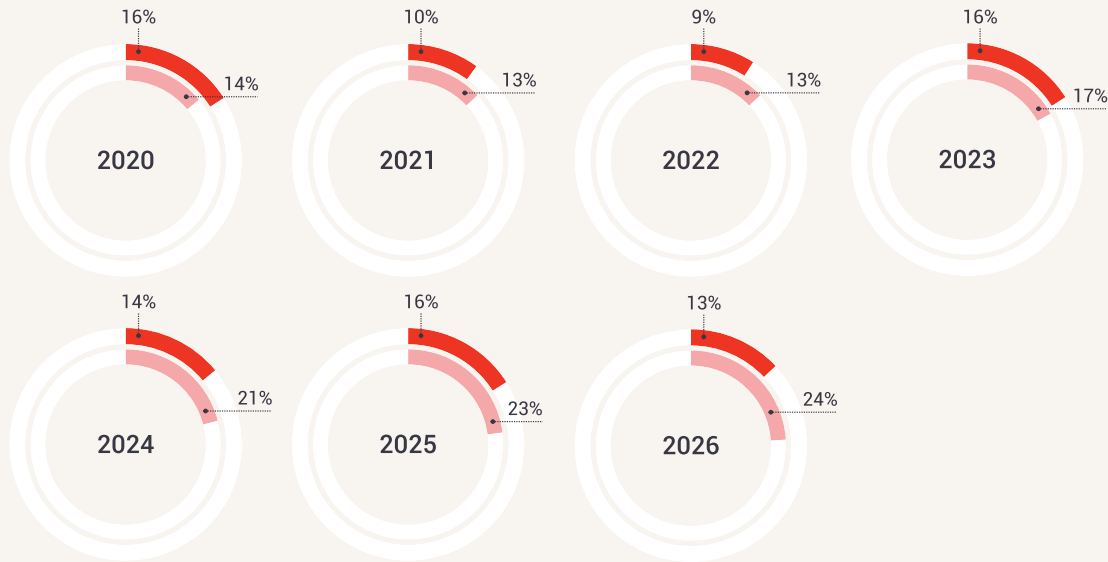
Strict penalties on the rise as technology tightens tax compliance

The 2026 environment also shows how advanced digital and efficiency tools are driving higher expectations for accuracy in tax reporting. As technology embeds itself deeper into accounting and tax operations, businesses are required to meet stricter standards and have less room for error.

"With new digital tools, tax reporting is becoming much more precise. Businesses now have to be more accurate than ever, and the penalties for mistakes are getting tougher. What used to be a small problem can now mean losing your licence or even facing jail. It's vital for organisations to have strong systems and expert help to get their filings right." – TMF A&T expert

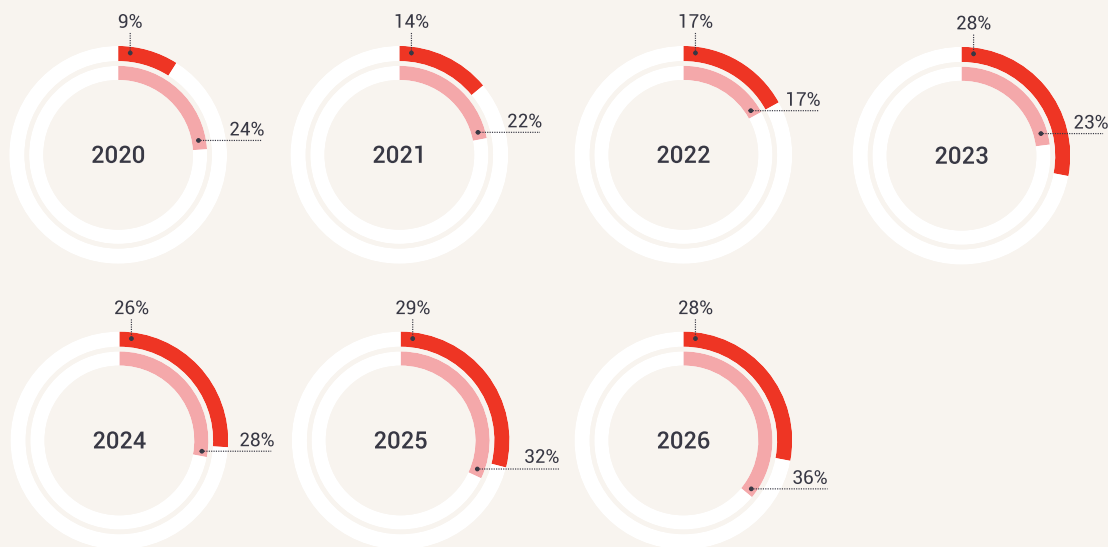
Consequences of missed deadlines for tax filings

■ Imprisonment ■ Prevention from doing further business



Consequences of inaccurate calculations for tax filings

■ Licence suspension ■ Imprisonment



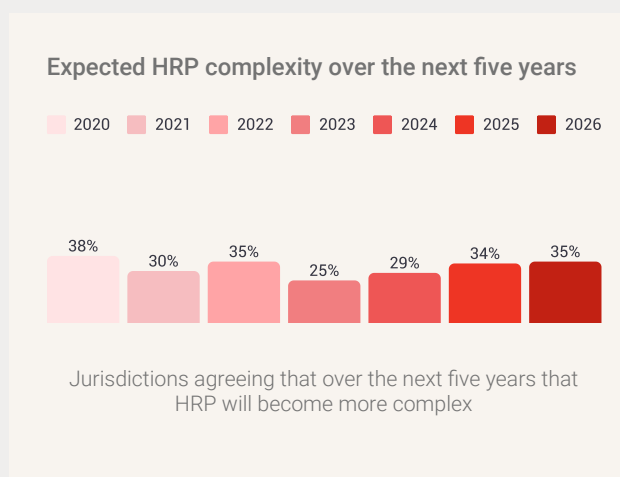
Penalties for non-compliance are becoming more severe. This year, 24% of jurisdictions now prevent further business as a consequence of missed tax filing deadlines, representing a continuing upward trend. While imprisonment for missed deadlines has decreased to 13%, consequences for inaccurate tax calculations have intensified. 28% of jurisdictions impose licence suspension and the rate of imprisonment has climbed to 36%, the highest recorded so far. These findings show that regulation is adapting to the new technological landscape and that organisations must combine efficiency with accuracy to avoid significant business risks.

02

Human resources and payroll

Jurisdictions predict greater complexity in the next five years

This year's GBCI data has revealed that over a third of jurisdictions expect HR and payroll complexity to increase in 2026. This expectation has risen every year since 2023 and now matches levels last seen in 2022. Only 16% anticipate simplification, making skilled navigation of HRP rules essential for successful businesses.



HR and payroll remains inherently complex, with risk of significant consequences if managed poorly. On a global scale, the main challenges identified stem from frequent local and international regulatory changes, evolving labour laws, and the need to ensure accurate payroll across differing jurisdictions. Calculations are further complicated by local taxes, social security, and jurisdiction-specific benefits.

New legislation, such as the EU Pay Transparency Directive (EU Directive 2023/970) - which imposes new obligations on employers to ensure transparent remuneration systems and aims to tackle gender-based pay inequality across the EU - together with additional reporting requirements, continues to drive complexity. Geopolitical tensions and rapid technological change also mean organisations must constantly adapt, managing leaner operations or altering supply chains, which introduces further internal challenges.

As a result of this complexity, businesses face an ongoing need for local knowledge, robust processes, and technological support to stay compliant, efficient, and agile in the face of continual change.

Geopolitical volatility is driving firms to restructure, consolidate, and seek specialised support

Rising geopolitical and economic instability is making cross-border business more difficult. Increased protectionism, tariffs, and changing regulations are reversing many of the gains achieved through globalisation. Businesses are adapting by outsourcing (69%), reducing headcount (59%), closing offices or locations (55%) and initiating hiring freezes (51%).



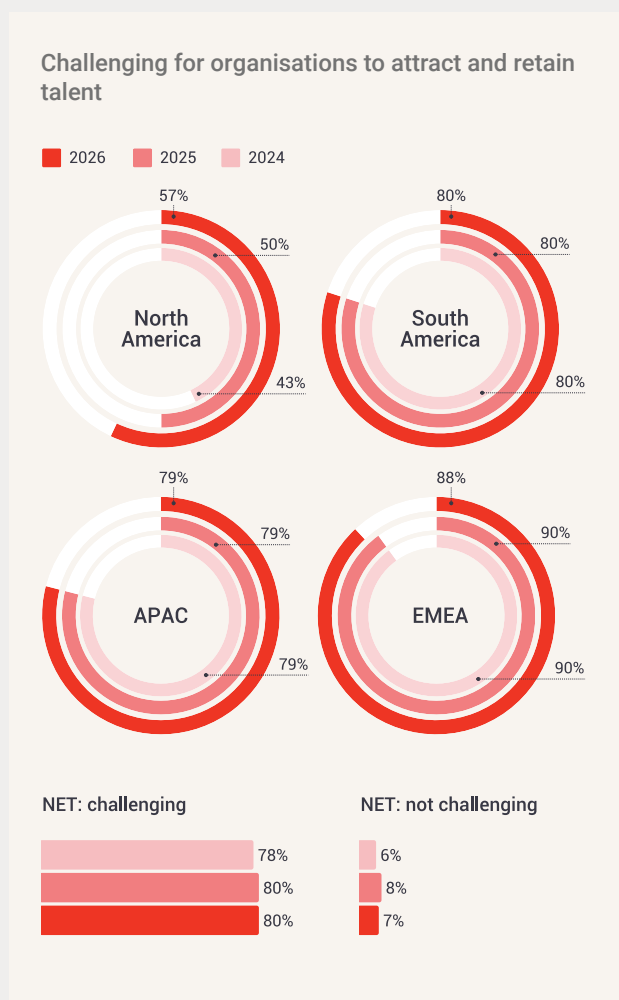
"HRP complexity in Indonesia is expected to edge up, driven by evolving labour rules, more frequent online payroll reporting and social-security adjustments like Badan Penyelenggara Jaminan Sosial (BPJS), even as digitisation continues." – TMF Indonesia expert

Operating in multiple jurisdictions now requires more specialised local knowledge and support. Geopolitical pressures continue to prompt organisations to rethink supply chains and talent strategies. For example, in the Asia-Pacific region, many companies are moving operations from China's Mainland to countries such as Vietnam, seeking more accessible skilled workers and improved operating conditions.

"With more protectionism and more tariffs around the world, it is resulting in organisations having to move their supply chains and their manufacturing. It is becoming more complicated and more difficult to do business internationally." – TMF HRP expert

Skill shortages are reshaping talent strategies globally

A shortage of skilled workers is affecting most regions, with 80% of jurisdictions reporting difficulty in attracting and retaining talent. However, the impact is not uniform. For example, in North America, the perceived challenge is less pronounced than in Europe and parts of Asia Pacific, where competition for talent is more intense and wage pressure is high. However, North America is also the region with the highest increase in the perceived level of challenge, signalling that talent shortages are becoming a significantly greater concern even if current pressures are not as severe as in other regions.



Markets such as Poland, which have traditionally attracted multinationals seeking labour arbitrage, have matured and now face strong competition and frequent employee movement. These shifts, combined with high attrition in some sectors, mean even established talent hubs are no longer as attractive as they once were.

Demographic factors further shape the landscape. While Western Europe is experiencing a shrinking young workforce and evolving job preferences, India and some emerging markets still offer a broad pool of young, educated professionals. As a result, businesses can no longer rely simply on hiring locally when entering new markets and must adapt their talent strategies to each region's market maturity and workforce trends.

"Demographic shifts are reshaping talent pools. Western Europe faces a shrinking younger workforce, and emerging generations often pursue new roles outside traditional skill sets." – TMF HRP expert

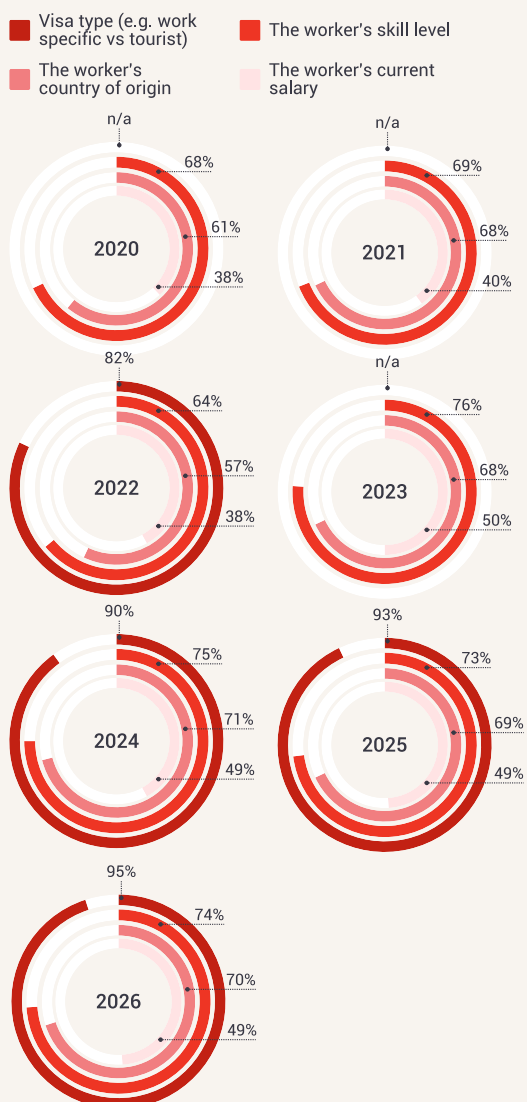
Talent shortages persist, and organisations increasingly respond by relocating existing employees when adapting operations, whether driven by geopolitical pressures or business expansion into new markets. This trend includes short-term, medium-term, and long-term relocations. While this approach maintains access to critical skills, it adds to HRP complexity. The relocation process can also become more challenging in certain jurisdictions due to post-pandemic immigration rules and protectionist policies.

Notably, Gen Z and Gen Alpha are also altering the talent landscape, often pursuing new roles outside traditional skill sets, and bringing fresh expectations about workplace flexibility, development opportunities, and purpose. Businesses that adapt to these shifting priorities will be better positioned to attract and retain talent in an increasingly competitive market.

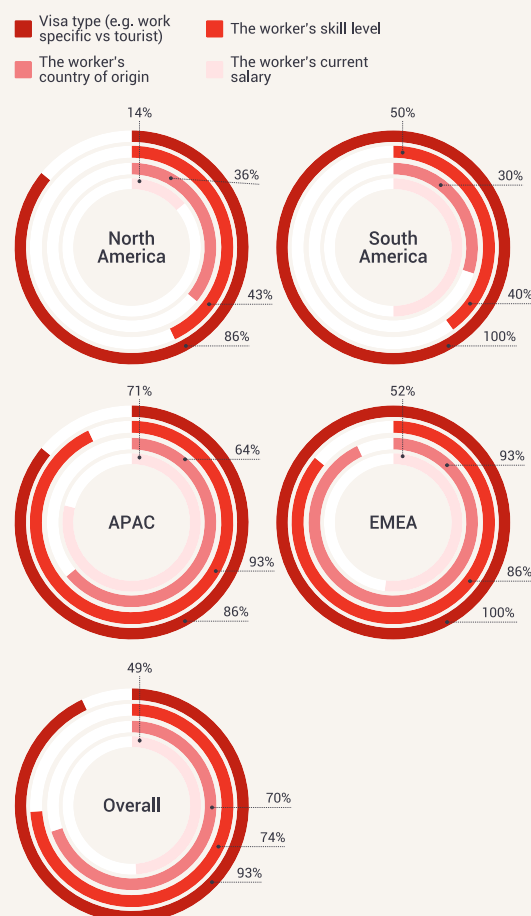
Hiring overseas workers is shaped by strict and regionally varied requirements

Visa type is now the dominant factor affecting decisions around hiring overseas workers, increasing sharply in significance over recent years. Skill level and country of origin also strongly influence hiring outcomes, while salary tends to play a secondary role across most markets. Even so, regional differences are pronounced. While requirements for visas are especially stringent in Asia Pacific, EMEA, and South America, North America places somewhat less emphasis on this criterion. Qualifications and country of origin are most important in EMEA and APAC, while salary typically remains a lower priority outside Asia Pacific.

Factors impacting hiring overseas workers (global)



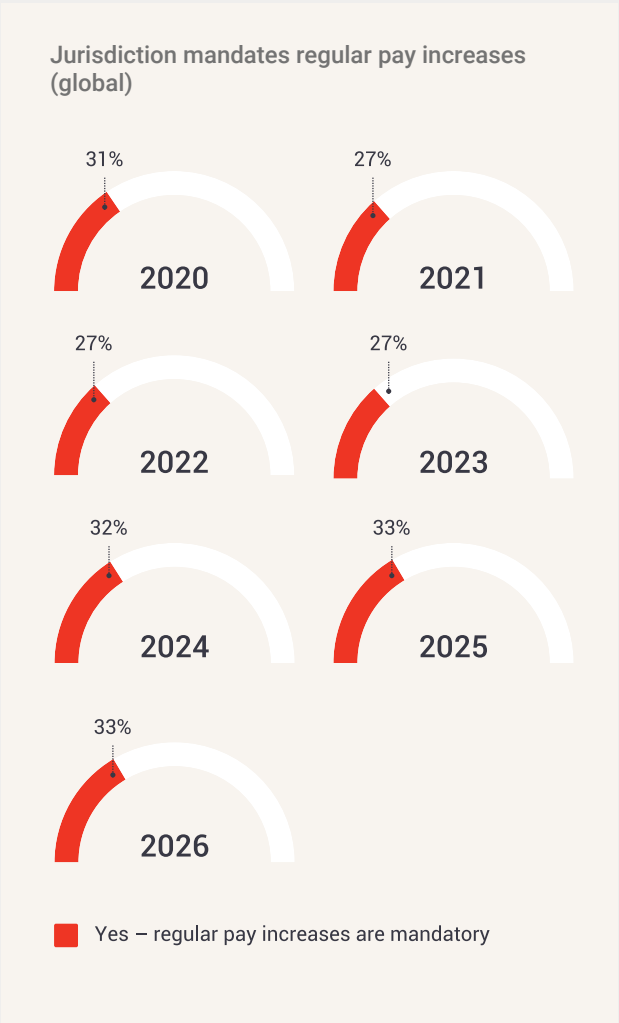
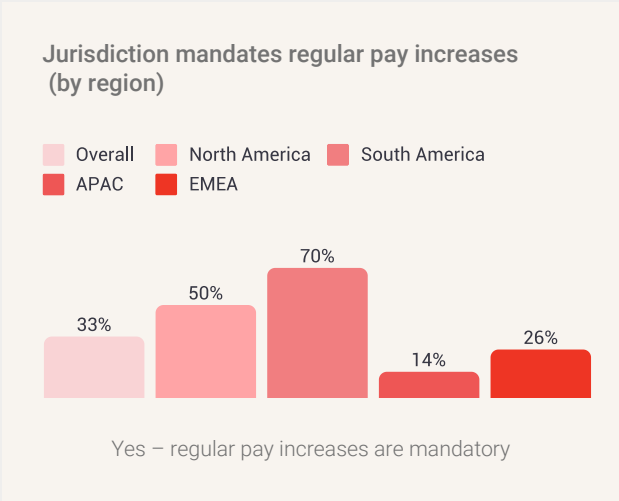
Factors impacting hiring overseas workers (by region)



With a persistent shortage of skilled workers in many jurisdictions, employers can no longer rely on local recruitment alone when entering new markets. This is driving a greater need for international mobility, as businesses increasingly relocate key talent to fill critical roles. In turn, this adds new layers of complexity for HR and payroll teams, who must manage cross-border compliance, adapt to fast-changing regulations, and ensure operational consistency as workforces become more international.

Cross-jurisdictional differences in mandatory pay and benefits are creating complexity for global businesses

Employers continue to face significant challenges in navigating differences in pay increase mandates and benefits from one jurisdiction to another. In 2026, 33% of jurisdictions require regular pay increases, the same as in 2025. However, regional variation is substantial. South America stands out with 70% while North America is at 50%, with APAC and EMEA at 14% and 26% respectively.



Legal requirements for employee benefits also vary considerably. Nearly all jurisdictions mandate a minimum wage and paid vacation, with figures at 94% and 100% respectively. Other benefits show diverse patterns. Pension fund contributions are required by 67% of jurisdictions, health insurance by 59%, and shared maternity or paternity leave by only 44%. Meanwhile childcare assistance and housing or social care contributions remain limited, with fewer than a quarter of jurisdictions mandating these benefits.

Benefits legally required to permanent employees

2020 2021 2022 2023 2024 2025 2026

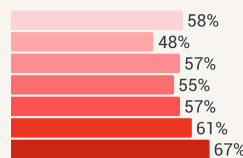
Minimum wage/minimum hourly rate



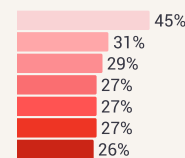
Paid sick days



Pension fund



Personal leave



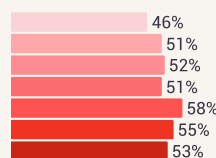
Paid vacation/time off



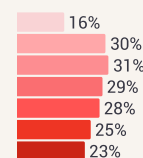
Overtime pay



Compassionate leave



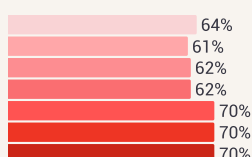
Childcare assistance



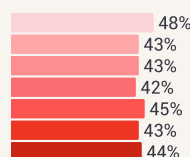
Paid maternity leave



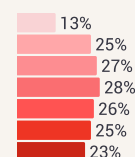
Paid paternity leave



Shared maternity/paternity leave



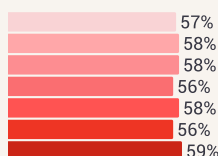
Housing/social care contributions



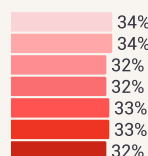
Severance/redundancy pay



Health insurance



Paying a 13-month salary or bonus



With these differences, global employers need to tailor HR and payroll practices for each location, increasing administrative complexity and compliance risk as requirements change. The lack of alignment means consistent global employee benefit strategies remain a persistent challenge.

Salary payment models are expected to change, reflecting the needs of a changing workforce

The concept of earned wage access - which allows employees to draw down their salary as it is earned rather than waiting until the end of the month - remains an emerging trend in HR and payroll. Although there has

been some interest, particularly among Gen Z workers who expect greater financial flexibility, there is yet to be widespread adoption. Current workforce expectations, budgetary concerns and the increase in temporary work arrangements continue to drive interest globally. Nevertheless, the shift from the traditional monthly pay cycle to on-demand salary access is expected to become more common within the next four to six years, as business models and employee demands continue to evolve.

Digital services and IT consulting are at the forefront of AI-driven transformation

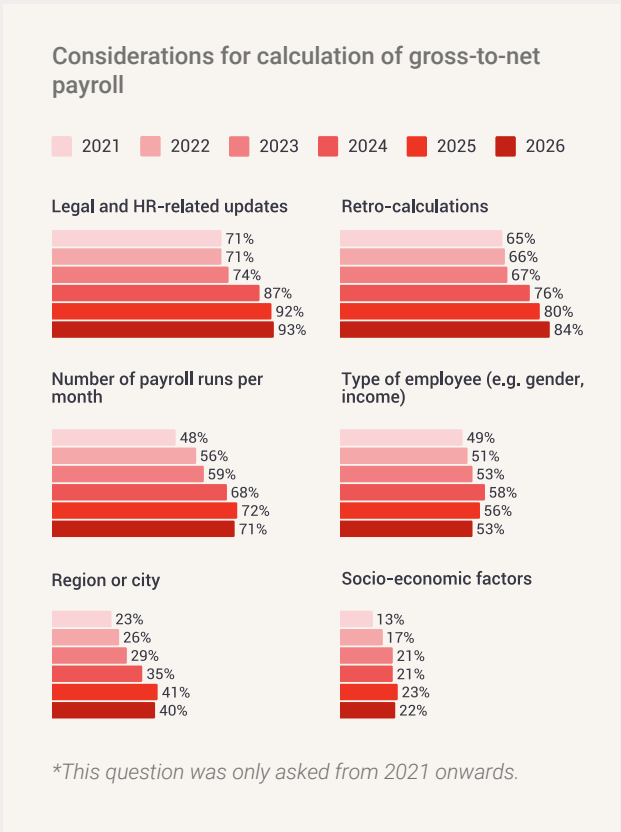
While the broader impact of artificial intelligence (AI) is still in its early stages, there are already clear signs that it is starting to reshape some organisational operations. Unsurprisingly, jurisdictions like Italy, which have a high concentration of organisations that are technology-led, (IT consulting, fintech, cybersecurity etc) are seeing the most immediate changes. But specific regulation around AI is expected to be applicable in several jurisdictions in the coming years, with implementation of the EU AI Act currently ongoing. While there are arguments both for and against use of AI, the technology undoubtedly presents both opportunities and challenges, as jobs and responsibilities adapt to new ways of working and as businesses seek the right balance between people and technology in meeting their needs.

making thoughtful decisions, introducing new tools and processes at a pace that keeps them competitive, but without compromising their people-first approach. This measured strategy allows businesses to harness AI for greater efficiency while safeguarding the qualities that make their workforce a key differentiator.

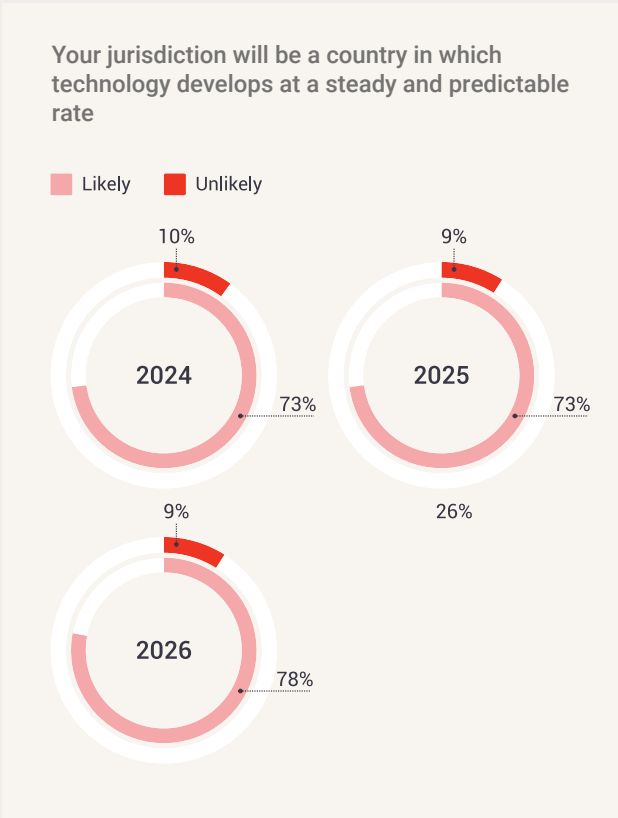
“What does AI really mean in practice? The pace of change has really accelerated over the past two or three years. You used to plan for two or three years to implement new policies, procedures, technologies. Now, that acceleration provides a real opportunity—we’re being quite considered in terms of what we can do with AI, with people, and with the business.”– TMF HRP expert

Businesses are seeking efficiency and accuracy through technology

In 2026, 78% of jurisdictions expect technology to advance at a consistent and predictable rate, up from 73% in previous years. Only 9% anticipate unpredictability, reflecting broad confidence that technological progress will continue without major disruptions.

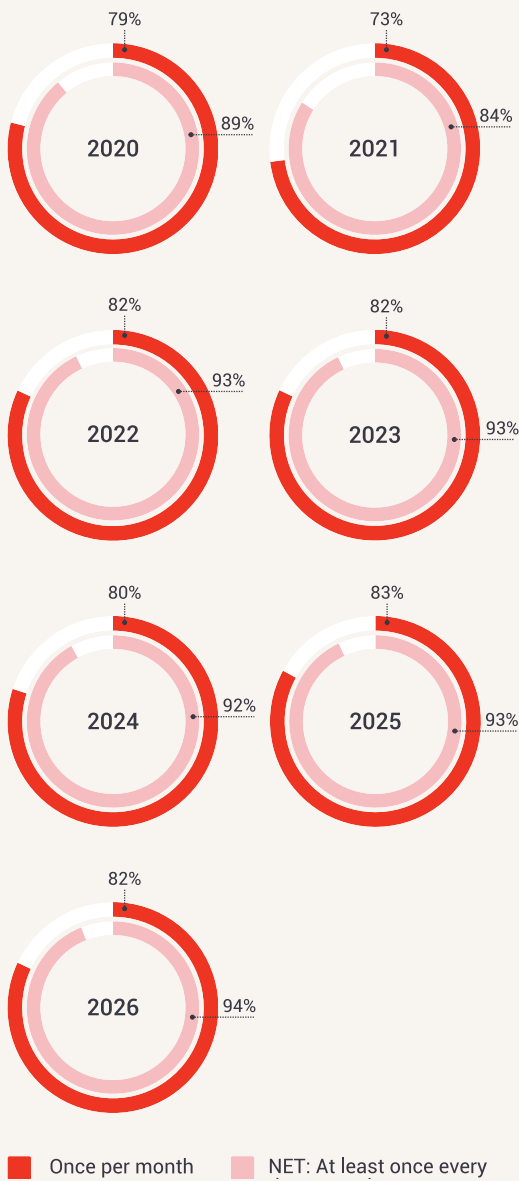


The rapid progression of AI is compelling organisations to carefully balance innovation with the preservation of their core strengths, with leaders more broadly recognising that not every advancement will deliver sustainable value. Organisations are now focused on

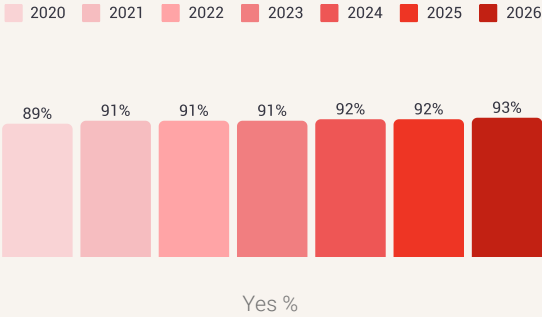


The use of technology is also being driven by jurisdictional requirements for electronic payroll data reporting, which has been steadily increasing from 89% in 2020 to 93% in 2026. The frequency of reporting has also increased, with 94% of jurisdictions requiring it at least every three months. For businesses operating in multiple jurisdictions, any improved efficiencies in these regular processes through new technology will bring compounded benefits.

Frequency of reporting payroll data



Organisations are required to report payroll data to the government electronically in your jurisdiction



The pace of such technological change has accelerated significantly in recent years. This requires organisations to be proactive in keeping up to date with new developments. Previously, organisations would have a medium-term plan for new policies, procedures and technology, with short-term challenges around implementation making way for longer term benefits. However, as the technology landscape now evolves so quickly, the approach for implementing change is both much more challenging and more reactive, as new technology becomes available. In addition, with accuracy and reliability a core requirement of HRP process, businesses are also cautious to adopt and implement new solutions. This means that businesses are seeking reassurance and peer validation before making significant investments in tech, as these decisions can fundamentally change business operations.

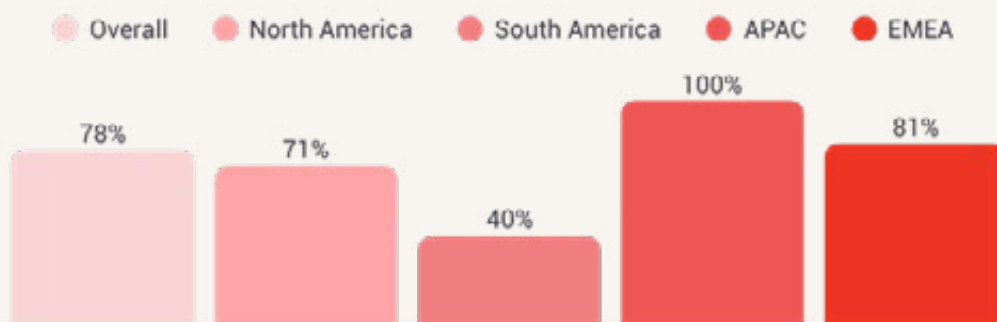
“There’s a strong appetite for technology that simplifies complex and data-heavy HR and payroll tasks, but businesses need reassurance around the bets they’re placing if they’re going to make some investments or fundamentally change how they’re operating.” – TMF HRP expert

Technology drives simplification in most jurisdictions

In 2026, 78% of jurisdictions report that technology is reducing complexity, highlighting its positive impact on administrative processes and compliance. The effect is most pronounced in APAC (86%) and EMEA (81%), while South America (60%) and North America (71%) show lower rates of agreement.

Nonetheless, this trajectory is a clear indicator of the role that digital tools and automation continue to play in streamlining business operations across the world.

This is a jurisdiction in which technology is reducing complexity



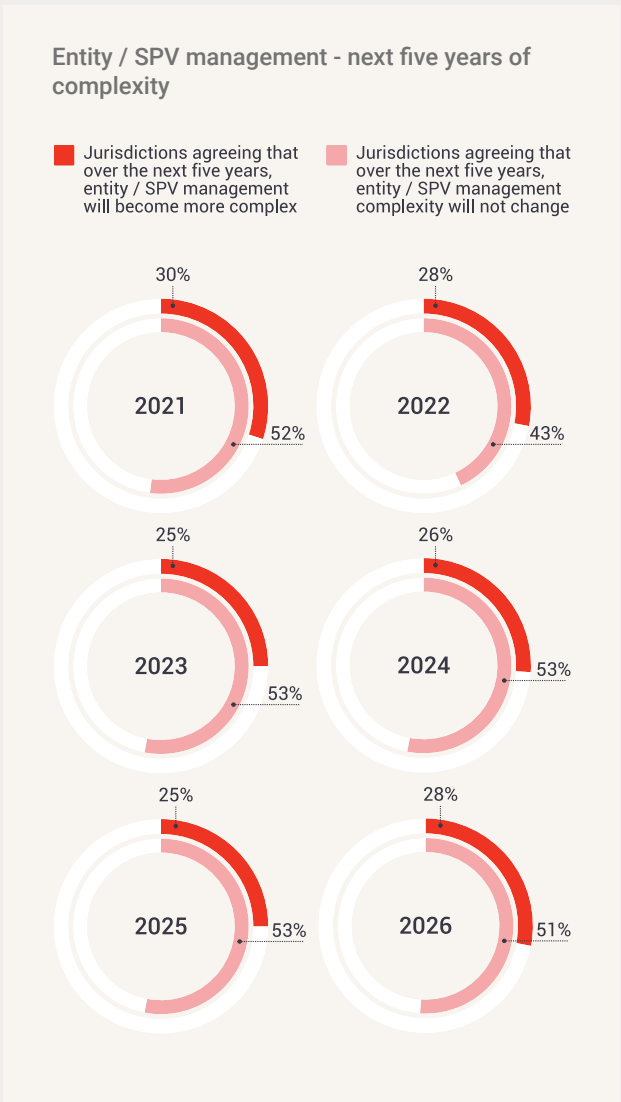
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03

Global entity management

Jurisdiction expectation of future complexity remains at similar levels

Setting up and operating entities across borders continues to be a significant undertaking for businesses, with ongoing exposure to shifting rules, regional requirements, and intricate procedures. These complexities create a backdrop of uncertainty for those managing international structures.

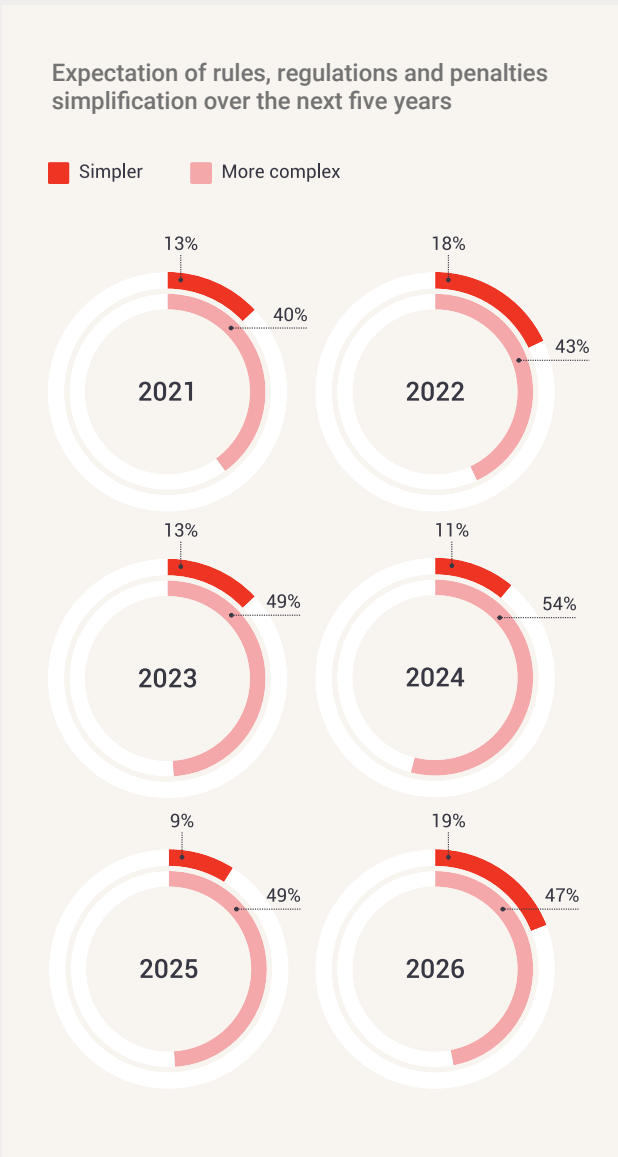


And according to those surveyed in 2026, 28% of jurisdictions expect entity management to become more complex over the next five years. At the same time, just over half (51%) believe complexity will remain unchanged. This stability in outlook is consistent with the previous three years, suggesting that while headline expectations are steady, the persistent intricacies of cross-border management mean businesses cannot assume an easier path ahead.

“There’s a lot of good things happening in terms of simplification. The EU directives want to harmonise where they can. UBO reporting is a good example where we’re seeing good noise around that wanting to happen, but it’s not yet landed. So businesses are still dealing with a lot of complexity on the ground.” – TMF GEM expert

Regulatory uncertainty persists as complexity expectations ease

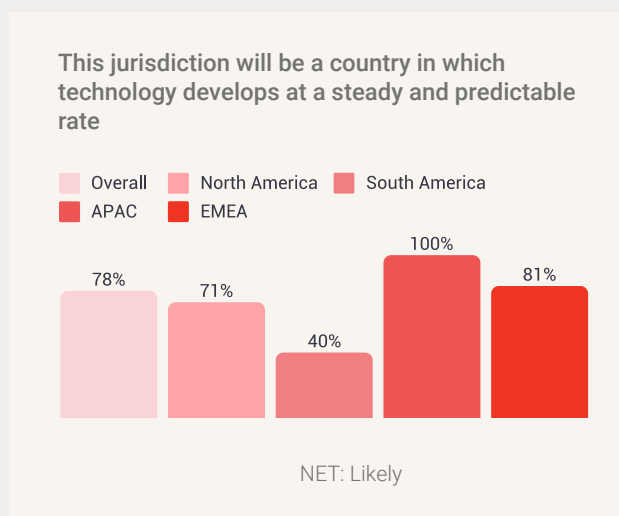
Frequent legislative changes continue to create uncertainty and operational risk for companies, making it difficult to plan long-term and ensure ongoing compliance. When it comes to entity management, navigating regular rule adjustments and complex procedural requirements brings with it both extra costs and challenges.



47% of jurisdictions surveyed also expect rules, regulations, and penalties to become more complex over the next five years, a slight decrease from the previous year. Meanwhile, the share of respondents anticipating simplification has doubled to 19%, though it remains a minority view. These early signs suggest a shift in sentiment, but a plurality still foresee increasing complexity. Organisations should stay alert and prepared for ongoing compliance demands, ensuring they have strong strategies in place to manage regulatory change.

Technological advancements are enabling easier business operations

The impact of technology in reducing business complexity has grown steadily over the past year. In 2026, 78% of jurisdictions report that technology is developing at a steady and predictable rate, an increase from 73% in 2025.



The proportion of jurisdictions expecting technology to develop steadily and predictably has also risen from 73% to 78%. This reflects expanding confidence in digital solutions and their ability to streamline processes, improve compliance, and enhance ease of doing business in many markets.

“We can’t ignore the impact of technology and AI, both on our clients and obviously how we deliver services. Those businesses that can be nimble will be able to take the advantage.” – TMF GEM expert

Regional differences remain though, with the APAC region leading at 100% of jurisdictions expecting

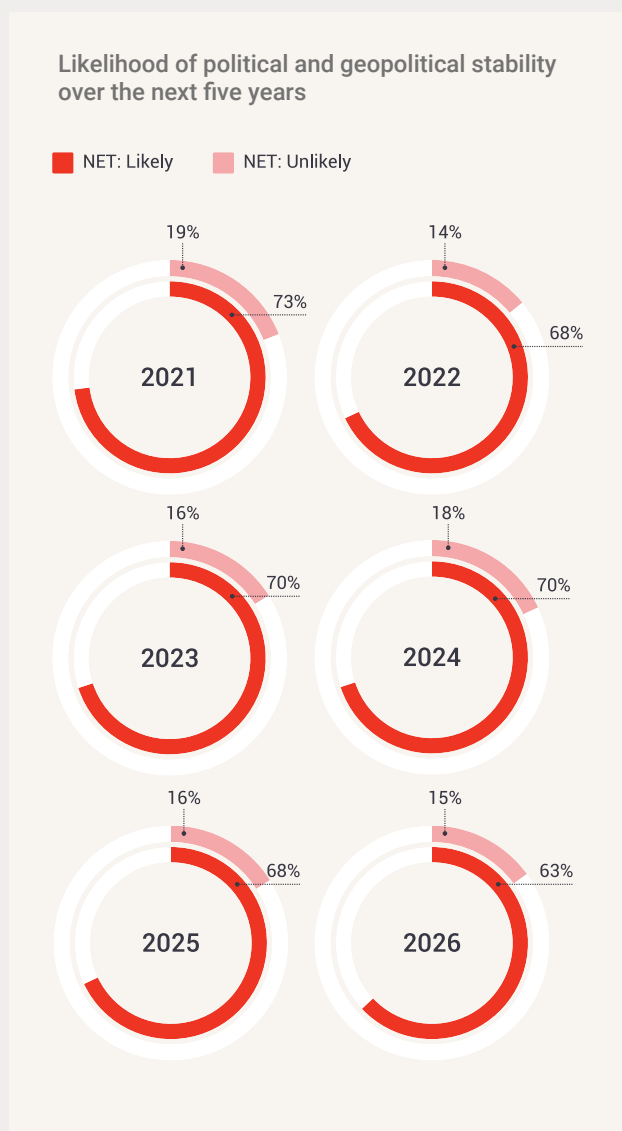
steady and predictable technological development in 2026. EMEA also shows high confidence, with 81% now citing steady technological progress, and North America reporting a 71% optimism about steady tech advances. In contrast, South America lags behind, with only 40% expecting technology to advance in a steady and predictable way. These figures highlight that while digitalisation continues to make global operations smoother, its benefits are distributed unevenly.

“The EU is very complex with lots of different rules. The same can be said of APAC, but we’re also not really seeing that same desire to harmonise there.” – TMF GEM expert

Geopolitical instability and frequent policy changes are impacting GEM complexity

Unsurprisingly, political and geopolitical instability continue to impact the management of global entities. 63% of jurisdictions surveyed in 2026 expect stable conditions over the next five years, down from 68% last year. While a majority still foresee stability, the trend shows growing uncertainty and declining confidence in medium-term outlooks. As such, recent government changes and policy shifts – across many jurisdictions - are making the business environment more unpredictable.

The frequency of those policy changes is having a similar effect. Constant adaptation to evolving laws, regulations, and administrative requirements demands significant resources and adds operational risk. These conditions make long-term planning more difficult and often introduce unexpected costs.



Nonetheless, it is notable that China's Mainland stands apart in its outlook. Rather than becoming risk-averse, Chinese businesses continue to demonstrate a readiness to explore new opportunities and expand internationally across a wide range of sectors. This appetite for growth suggests that, even amid political and regulatory challenges, some markets remain dynamic and globally ambitious.

"Despite the political instability, Chinese businesses can be more outwardly facing. Healthcare, retail, fintech, aggrotech - they have all scaled businesses in China's Mainland and are now very hungry to move that forward. Despite all the complexity and the headwinds, businesses are still very inquisitive and those trade corridors will continue to grow." – TMF GEM expert

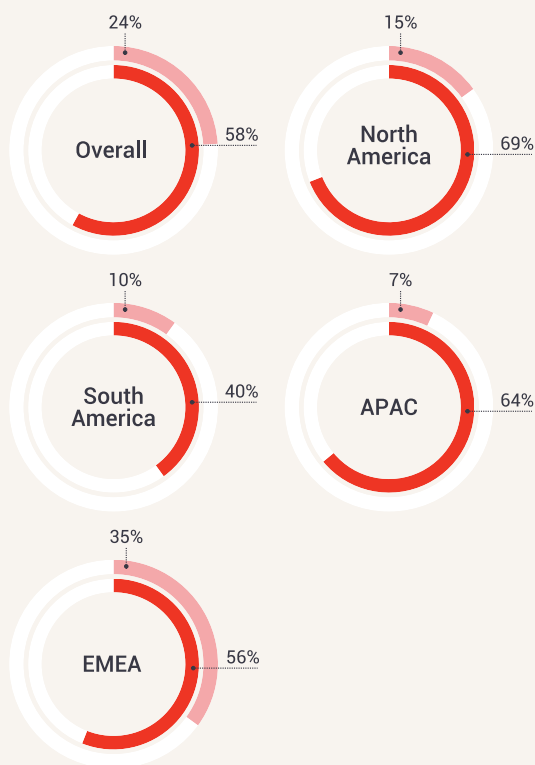
On a more macro level though, the expectation is that greater complexity will persist, with only a small share of jurisdictions anticipating any simplification in rules and procedures in the years ahead. This ongoing environment of instability and frequent change requires companies to be exceptionally agile in their compliance and entity management strategies. In this landscape, businesses must remain vigilant, closely monitor regulatory developments, and maintain flexible approaches to ensure continued compliance and minimise disruption.

Led by EMEA, anticipation of legislative change is up, while APAC expects fewer changes

In 2026, 24% of jurisdictions overall expect significant legislative change over the next five years, which is virtually unchanged from last year and suggests a stable global outlook for regulatory reform. North America and South America remain consistent. EMEA stands out though, with 35% now considering significant legislative change unlikely, up from 29% in 2025, whereas APAC has seen a sharp decline, with only 7% considering change unlikely to happen compared to 21% last year.

Jurisdiction will not change its legislation significantly over the next five years

■ NET: Likely ■ NET: Unlikely

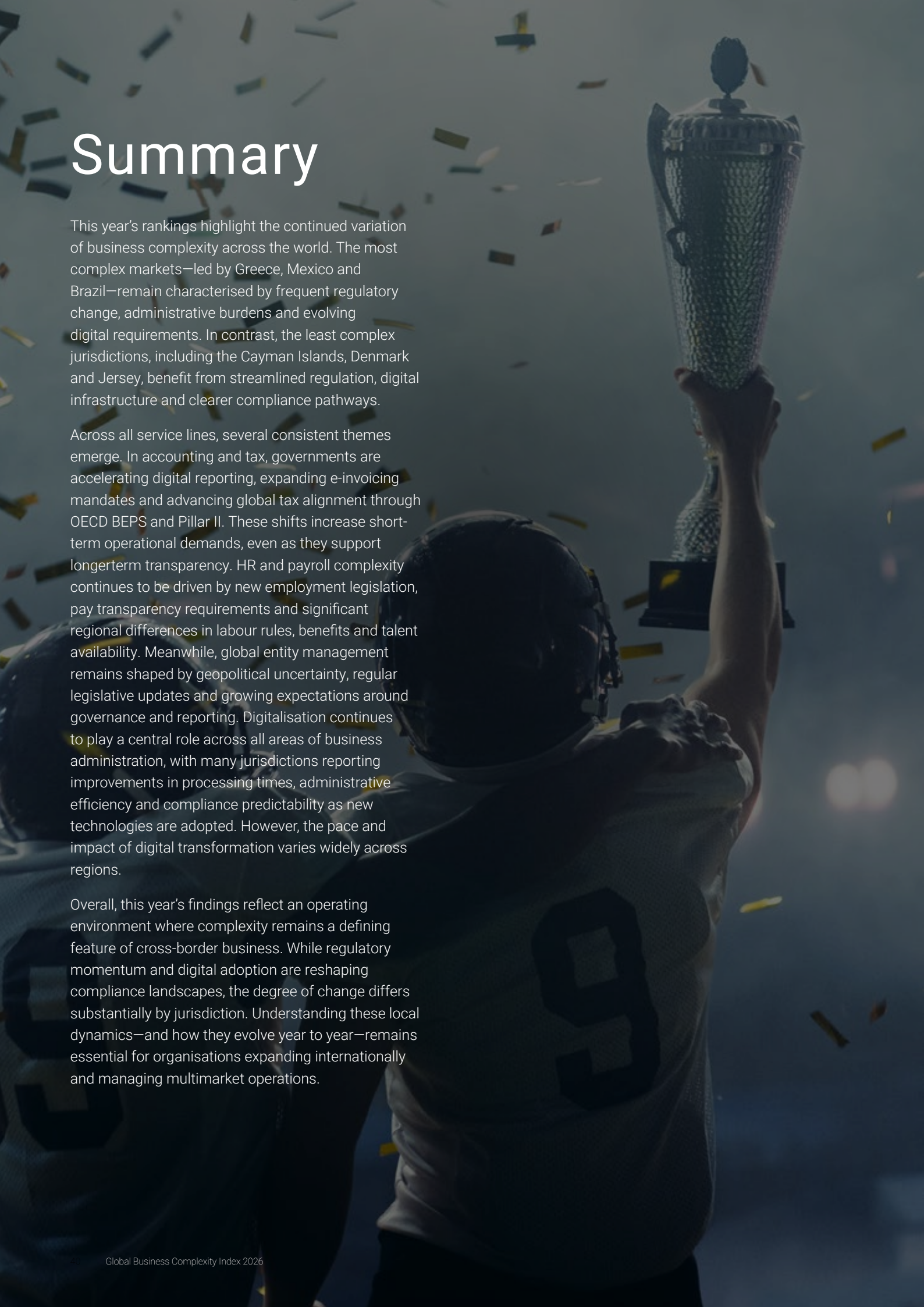


But year-on-year data highlights diverging regional trends. The perceived likelihood of legislative upheaval has grown most in EMEA, suggesting businesses there face a higher risk of new compliance demands. In contrast, APAC's decline signals improved regulatory stability, potentially providing a calmer operating outlook for companies engaged in this region.

Jurisdictions anticipating more frequent legislative changes are also those most likely to expect increased regulatory complexity. As transparency requirements and compliance expectations rise, particularly in regions anticipating active legislative agendas, businesses must prioritise adaptability in governance and compliance functions to remain resilient in the face of change.

"For the EU, there's a doubling down of them trying to own their place in the global economy. I think that's going to be really interesting to watch and maybe in 10 years' time we'll look back and say, this was the turning point of harmonisation." – TMF GEM expert

Summary



This year's rankings highlight the continued variation of business complexity across the world. The most complex markets—led by Greece, Mexico and Brazil—remain characterised by frequent regulatory change, administrative burdens and evolving digital requirements. In contrast, the least complex jurisdictions, including the Cayman Islands, Denmark and Jersey, benefit from streamlined regulation, digital infrastructure and clearer compliance pathways.

Across all service lines, several consistent themes emerge. In accounting and tax, governments are accelerating digital reporting, expanding e-invoicing mandates and advancing global tax alignment through OECD BEPS and Pillar II. These shifts increase short-term operational demands, even as they support longer-term transparency. HR and payroll complexity continues to be driven by new employment legislation, pay transparency requirements and significant regional differences in labour rules, benefits and talent availability. Meanwhile, global entity management remains shaped by geopolitical uncertainty, regular legislative updates and growing expectations around governance and reporting. Digitalisation continues to play a central role across all areas of business administration, with many jurisdictions reporting improvements in processing times, administrative efficiency and compliance predictability as new technologies are adopted. However, the pace and impact of digital transformation varies widely across regions.

Overall, this year's findings reflect an operating environment where complexity remains a defining feature of cross-border business. While regulatory momentum and digital adoption are reshaping compliance landscapes, the degree of change differs substantially by jurisdiction. Understanding these local dynamics—and how they evolve year to year—remains essential for organisations expanding internationally and managing multimarket operations.

Methodology

The Global Business Complexity Index was created by TMF Group, the experts on global and local business complexity, and Savanta, a specialist market research agency. Combining subject-specific knowledge with a solid grounding in data and analysis, the GBCI 2026 is built on robust multi-method research. The index is generated from an in-depth survey of TMF Group's in-market experts in 81 jurisdictions, and the data is also compared to the survey results used in last year's GBCI report.

The survey covers three areas of business operations:

- Accounting and tax
- Global entity management
- Human resources and payroll

The data for each jurisdiction was statistically weighted and combined to produce an overall complexity score, as well as a score in each of the above three areas.

Visuals are based on survey results across 2020, 2021, 2022, 2023, 2024, 2025 and 2026. 'Don't know' answers have been excluded from the analysis and graphs.

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