

Tax Process Improvement and Governance in the Middle East

Building an efficient and effective tax function through transformation

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Tax law and compliance requirements are constantly changing in the Middle East (ME) such as the introduction of Corporate Tax in the United Arab Emirates, new e-invoicing requirements across the region, as well as increasing pressures from tax authorities to become more tax transparent and sustainable. Tax departments should be highly adaptable so that it continues to run smoothly and effectively.

This means constantly evolving tax processes, resource models and governance to speed operations and support process improvement by having a strong strategic direction to conduct the key tax and reporting activities with an established supporting infrastructure.

Figure 1 showcases the main areas of a tax department which should be considered from a tax strategy and operations perspective.

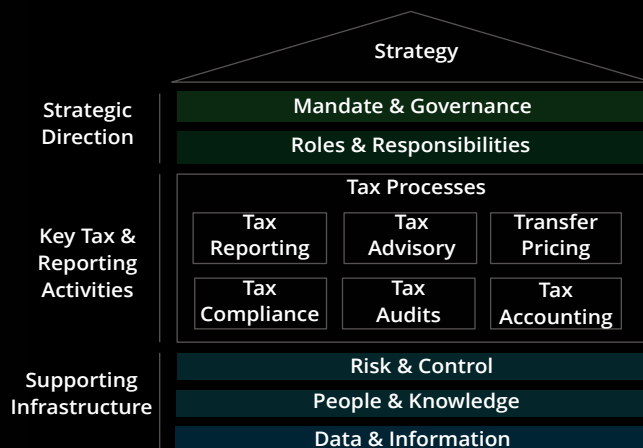





Figure 1


Challenges Faced by Tax Departments

Tax stakeholders i.e., CFOs, Group Tax/Finance managers, within businesses are facing increasing pressures to do more with less and therefore should operate more efficiently while ensuring the tax operations are resilient to the following types of pressures:

 Complying with more, new, and complex ME and global tax regulatory requirements which are more digitally driven.

 Requirement to continuously reduce the cost of the tax department, and simultaneously to add more significant value to the organization due to increasing internal enterprise expectations.

 Manage tax risks proactively and embed controls within the tax processes and finance systems with the aim to reduce the number of tax audits and enquiries.

 Contribute to large finance and other business wide transformation projects ensuring that tax has adequate input.

Benefits of considering tax governance and processes for organizations

Establishing a robust Tax Governance Framework, including your Tax Operating Model, Tax Function and Tax Governance Documentation, will provide clients the following significant benefits:

Efficiency and cost reduction

- Reduce operational costs
- Minimize time consuming tasks
- Focus on work that matters and more value adding activities

Reduced risks

- Manage tax risks and implement controls
- Reduce human intervention
- Ensure accuracy of data
- Documented processes and procedures for Federal Tax Authority health checks/audits

Continuity of the business

- Document Tax procedures and processes for consistency
- Anticipating upcoming focus on governance such as Environmental, social, and governance

Deloitte's areas of expertise

We have developed standardized methodologies to help tax departments to tackle some of these short and long term challenges. In addition, we have a large database of expertise and resources who can help guide tax departments and benchmark with peers in the ME region and globally. The below diagram outlines the areas in which we have proven capabilities and expertise:



Let's connect

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For further information, please refer to our [website](#).



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