

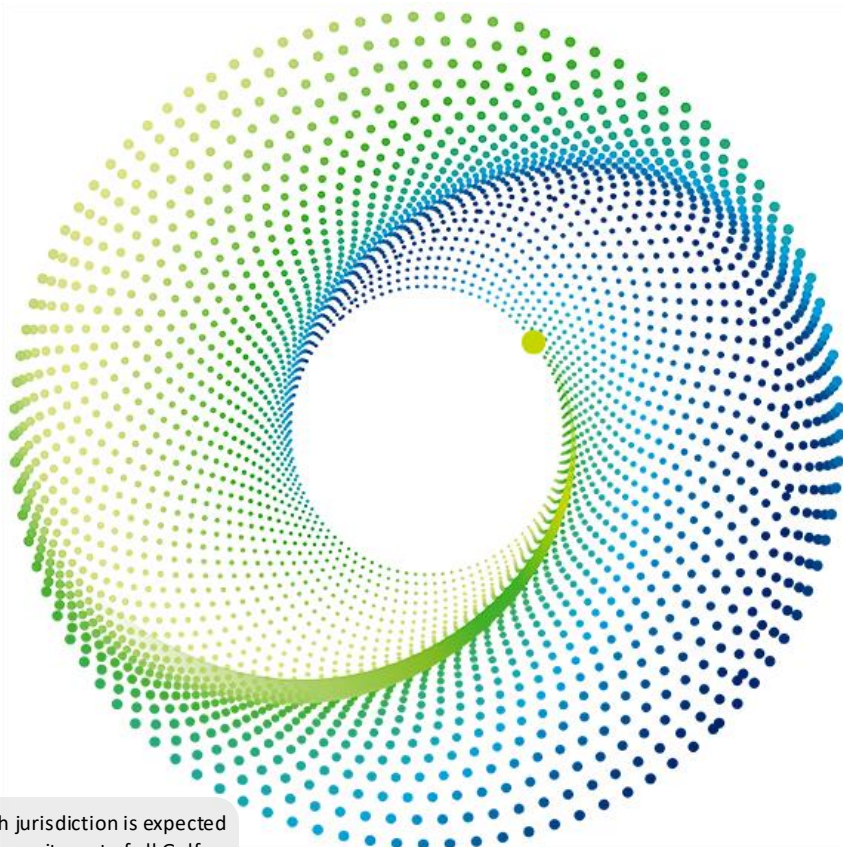
Tax Technology Consulting and Support

Strategic technology advisor for your Pillar Two journey in the Middle East

Pillar Two's global minimum tax rules are transforming the international tax landscape. As part of the OECD's two-pillar approach to tax reform, Pillar Two ensures that large multinational enterprises (MNEs) with annual revenue over €750 million in at least two of the four fiscal years immediately preceding the tested fiscal year, pay an effective tax rate of at least 15% on their profits in each jurisdiction they operate in.

From a Middle East perspective, the adoption of Pillar Two rules by each jurisdiction is expected to vary and will evolve over the next few months. However, given the commitment of all Gulf Cooperation Council (GCC) countries to adopt these rules, it is time for MNEs with a HQ in the Middle East to act now and prepare a roadmap with steps to ensure future readiness.

The new legislative framework introduces complex rules and calculations for determining effective tax rates and top-up taxes across jurisdictions. These requirements create significant challenges for large MNEs, including collecting, consolidating, and reporting financial and tax data from various regions. Real-time monitoring of tax positions and transactions has become crucial, necessitating proactive responses to any changes. Additionally, keeping up with dynamic tax regulations across jurisdictions adds to the complexity.

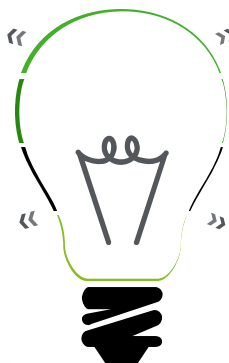


Frequently raised issues by tax leaders

Can I use my existing tax systems to meet new requirements? Should I make any changes to my digital tax strategy?

Given the multiplicity of data sources, how can I ensure the most effective consolidation of information?

Given the newly introduced requirements, do I need to adjust my tax operating model and revisit my tax processes?



How can I manage compliance requirements across multiple jurisdictions and ensure the timely fulfillment of filing obligations going forward?

How can I obtain analytics that enable me to make decisions based on the real-time tax position of the entire group?

How can I ensure smooth data collection within tight timeframes, given a large number of participants and track the progress effectively?

Considering the rapidly changing regulatory environment, how can I ensure that I stay up to date with all legislative updates?

How Deloitte can help

To comply with Pillar Two requirements, robust data management and effective tax reporting tools are crucial for success. Leveraging technology and empowering teams allow organizations to smoothly handle administrative burdens and meet their reporting and compliance obligations.

Deloitte's Tax Technology Consulting and Support (TTC) team is well-positioned to provide comprehensive support in selecting and implementing Pillar Two solutions. We also assist in designing future processes and developing new tax procedures, complete with proper documentation.



Impact Assessment and Strategy development

Our team helps determine the impact of Pillar Two legislation and develop a strategic approach for technology, process and data enhancements. We will assist in assessing the impact, developing a strategic roadmap and identifying key steps associated with the enhancement of existing systems or considering additional solutions specifically for Pillar Two compliance.



Vendor selection

With our knowledge of available solutions and extensive experience in their implementation, we support companies by providing comparisons, overviews of solutions capabilities and proposing options for integrating these solutions into the existing IT landscape in the most efficient way.



Pillar Two processes and governance

Our tax governance documentation providing clear guidance on the overall Pillar Two process for all legal entities within the organization team offers support in designing target processes that cover all critical aspects, such as data preparation, modelling and filing procedures. This is complemented by the development of comprehensive tax governance documentation providing clear guidance on the overall Pillar Two process for all legal entities within the organization.



Implementation support

Our dedicated Tax Technology & Consulting team is ready to offer full-cycle implementation support starting from the design phase and continuing through to post-go-live support. Our goal is to ensure a smooth rollout and sustained success of your new tax technology solutions.

Get in touch

Deloitte has an experienced team based across the Middle East who work as part of our extensive global network of 2,200 tax professionals worldwide. Our Deloitte tax professionals can help you identify, design, implement, and maintain the tax systems you need to help your tax processes, governance, and risk management keep pace in a digital world.

Our Middle East specialists can help develop, enhance, and transform your approach to dealing with the challenges of multi-jurisdictional tax operations so your business is compliant and prepared for the future world of tax in the Middle East and beyond. For further information, please refer to our website.



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