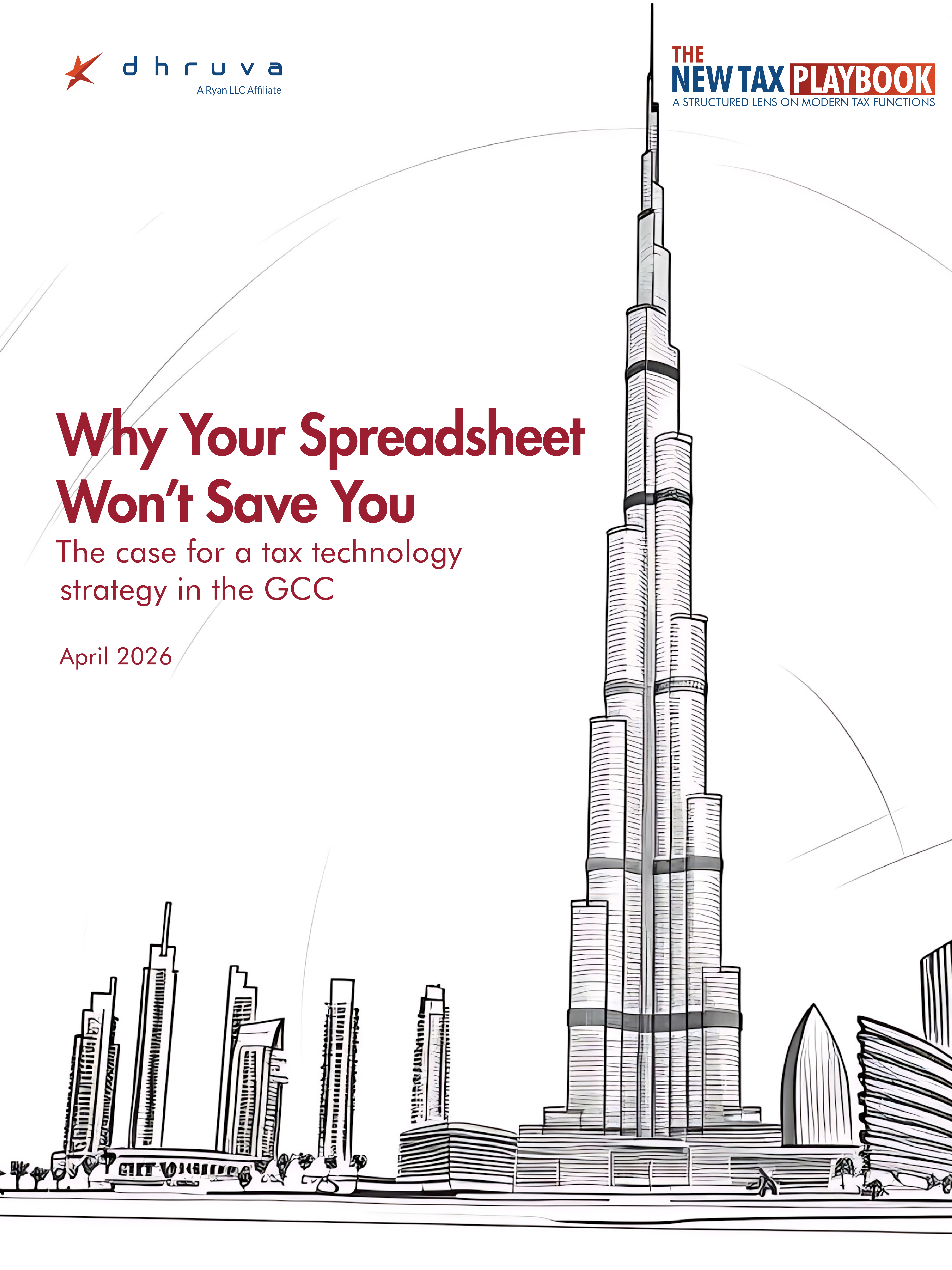


# Why Your Spreadsheet Won't Save You

The case for a tax technology  
strategy in the GCC

April 2026



# HERE IS A QUESTION WE HAVE STARTED ASKING TAX HEADS AND CFOS ACROSS THE GULF:

If your most experienced tax person resigned tomorrow, what would happen to your next filing?

In most cases, the honest answer is somewhere between “it would be very difficult” and “we would be in serious trouble.” Not because the team is incompetent, quite the opposite. But because the entire compliance process lives inside one person’s head, supported by a patchwork of spreadsheets that only that person fully understands.

This is not a criticism. It is a description of reality for the vast majority of tax functions in the Gulf Cooperation Council (GCC) today. And until recently, it worked well enough.

It does not work anymore.

## WHY NOW AND WHY THIS TIME IS DIFFERENT

The GCC's tax landscape has transformed more in the past three years than in the previous three decades. Consider what a typical multinational operating out of the United Arab Emirates (UAE) now faces: Value-Added Tax (VAT) across multiple Emirates and free zones, each with its own nuances; a 9% corporate tax regime that did not exist before June 2023; Transfer Pricing documentation requirements aligned with Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) standards; a 15% Domestic Minimum Top-Up Tax (DMTT) for qualifying multinationals, effective from January 2025; and an e-Invoicing mandate that begins its pilot in July 2026 and will give the Federal Tax Authority (FTA) near real-time visibility into every business-to-business (B2B) transaction your company processes.

Each of these obligations, individually, is manageable. Collectively, they represent a step-change in the volume, complexity, and frequency of what a GCC tax function must deliver. The problem is that most tax teams are still operating with the tools, processes, and headcount that were designed for a fundamentally simpler world.

But here is what makes this moment genuinely different from previous regulatory changes. When VAT was introduced in 2018, companies had a single new obligation to manage. They hired a VAT specialist, built a spreadsheet, and got through it. When corporate tax arrived in 2023, the same approach applied, hire another specialist and build another spreadsheet. The human-and-spreadsheet model could absorb one new obligation at a time.

What it cannot absorb is five obligations converging simultaneously, each with its own data requirements, filing deadlines, penalty regimes, and audit exposure. The FTA is

becoming more sophisticated in how it uses data and cross-referencing VAT returns with Corporate Income Tax (CIT) filings, preparing for real-time transaction visibility through e-Invoicing, and conducting increasingly targeted audits. The margin for manual error that existed two years ago no longer exists. And the consequences of getting it wrong have escalated from manageable penalties to material financial and reputational risk.

This is not a gradual evolution. It is a structural break. And the tax functions that recognise it early will be the ones that come through strongest.

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*The spreadsheet was never designed to be the backbone of a tax function. It became one by default because there was nothing else to do. Now there is.*

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## THE SPREADSHEET TRAP

Let us be clear: there is nothing inherently wrong with spreadsheets. Excel is a brilliant tool for analysis, modelling, and ad hoc calculations. The problem arises when a spreadsheet stops being a tool and starts being the system.

In conversations with tax teams across the UAE and wider GCC, the same patterns emerge repeatedly. The VAT return is prepared by extracting data from the enterprise resource planning (ERP) system into Excel, manually adjusting transactions, reclassifying entries, and producing a return that takes two to three weeks to finalise. The corporate tax computation is built in a separate workbook, with manual links to the trial balance that break every time the chart of accounts changes. Transfer Pricing documentation is assembled from data requests sent to multiple entities, each responding in different formats and timescales.

Every one of these processes works. But every one of them carries risk that is invisible until something goes wrong: a formula error that overstates input VAT; a copy-paste mistake that misclassifies a transaction; and a version control issue that means last quarter's return was filed from the wrong file. These are not hypothetical risks. They are things we see in practice, regularly, across organisations of all sizes.

"It works most of the time" was an acceptable standard when the stakes were lower. It is not acceptable when the FTA is conducting sophisticated, data-driven audits and when penalties for errors are material.

## WHAT WE MEAN BY A TAX TECHNOLOGY STRATEGY

When we talk about a tax technology strategy, we are not talking about buying software. We are talking about something much more fundamental: a structured plan for how your tax function uses technology to achieve its objectives.

That might sound obvious, but in our experience, very few GCC organisations have one. They have tax compliance processes. They have ERP systems. They may even have specialist tools for VAT filing or document management. But they do not have a deliberate, thought-through strategy that connects the dots between what the tax function needs to deliver, what data is required, and how technology can close the gap between where they are and where they need to be.

A tax technology strategy starts with three questions. First, what does your tax function need to deliver over the next two to three years? Not just this quarter's return, but the full scope of compliance, reporting, risk management, and advisory work. Second, what data do you need to deliver it, and where does that data live? Third, what is the gap between your current state and your required state, and what is the most practical way to close it?

The answers to these questions form the foundation of a roadmap. Not a wish list of technology purchases but a prioritised sequence of improvements that delivers value at each stage.

## WHAT THE REST OF THE WORLD HAS LEARNED

The GCC is not the first region to go through this. Across Europe, Asia-Pacific, and the Americas, tax functions have been on this journey for the past decade driven by the same forces that are now arriving in the Gulf: increasing regulatory complexity, real-time reporting requirements, and tax authorities that are becoming digital-first.

The lessons from these markets are remarkably consistent, and they are directly relevant to where the GCC stands today.

The first lesson is that the companies that moved early gained a disproportionate advantage. They did not wait for the regulations to force their hand. They recognised that the direction of travel was clear more obligations, more data, more scrutiny, and they invested in building the foundations before the deadline pressure hit. When new requirements arrived, they had the data infrastructure, the process discipline, and the team capability to absorb them. The companies that waited found themselves in a perpetual cycle of reactive compliance, always one step behind, always scrambling.

The second lesson is that the biggest obstacle is almost never the technology. It is the decision to start. The technology exists. The tools are proven. The implementation approaches are well established. What holds organisations back is the inertia of the status quo, the belief that the current approach is “good enough,” the difficulty of securing budget for something that doesn’t feel urgent until it is, and the understandable reluctance to change processes that, imperfect as they are, have been working.

The third lesson is that the value compounds over time. An automated VAT determination process doesn’t just reduce return preparation time. It also reduces audit exposure, frees

team capacity for higher-value work, and produces cleaner data that feeds into CIT calculations and e-Invoicing. Each improvement creates the platform for the next one. Organisations that made early investments in tax data quality found that subsequent projects, Transfer Pricing automation, real-time dashboards, and Pillar Two compliance were faster, cheaper, and more effective because the foundation was already in place.

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*The biggest lesson from global tax transformation is this: the companies that succeed are not the ones with the biggest budgets. They are the ones that made the decision to start.*

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## FOUR THINGS EVERY TAX HEAD SHOULD UNDERSTAND

**Based on our experience working with organisations globally on this journey, there are four principles that consistently separate the tax functions that make progress from those that stay stuck.**

### **First, start with what you have.**

The most common misconception about tax technology is that it requires a large upfront investment in new systems. In reality, most organisations are significantly underutilising the technology they already own. Your ERP system whether it is SAP, Oracle, Microsoft Dynamics, or another platform almost certainly has tax-relevant functionality that has never been configured. Before buying anything new, understand what your existing tools can do. You may be surprised.

### **Second, fix the data before you fix the technology.**

Every tax compliance problem is, at its root, a data problem. The return is late because the data extraction took too long. The computation is wrong because the transaction was misclassified at source. The audit response is painful because the supporting data lives in 12 different spreadsheets. Fix the data, its quality, its accessibility, its structure, and you fix the foundation that everything else depends on.

### **Third, deliver in phases and capture quick wins early.**

A tax technology strategy is not a three-year transformation programme with a big-bang go-live. It is a series of targeted improvements, each delivering measurable value, that build on each other over time. Start with the biggest pain point perhaps its VAT return preparation, CIT data extraction, or Withholding Tax (WHT) Treaty analysis, and deliver a visible improvement within weeks, not months. Early wins build the credibility and momentum needed for larger initiatives.

#### **Fourth, technology is the enabler, not the answer.**

The most effective tax technology implementations we have been involved in globally were never led by the technology. They were led by a clear understanding of the problem: what is taking too long, what is creating risk, and what is preventing the tax function from adding strategic value to the business. Start with the problem, work backwards to the solution, and you will always end up with something that is practical, affordable, and impactful.

## THE VALUE A STRATEGY CREATES

It is worth being explicit about what is on the other side of this journey because the conversation about tax technology can feel like it is entirely about compliance risk and regulatory pressure. It is not. The companies that have invested in a tax technology strategy have not just reduced their risk they have fundamentally changed the role and value of their tax function.

When compliance is automated and reliable, the tax head stops being the person who produces returns and starts being the person who advises the CFO on the group's effective tax rate, the tax implications of a potential acquisition, or the optimisation of the group's free zone structure. When the data is clean and accessible, the tax function can produce real-time dashboards that show tax exposure across the group, not two weeks after the quarter closes, but in real time. When processes are documented and systematic rather than person-dependent, the function can scale absorbing new entities, new jurisdictions, and new obligations without adding headcount.

This is the shift from cost centre to value creator. It is the shift from reactive compliance to proactive governance. And it is the shift that the most ambitious tax heads in the GCC are already making.

## A SIMPLE FRAMEWORK TO GET STARTED

For organisations that are new to this, we recommend a straightforward four-stage approach: Assess, Advise, Transform, Enhance.

Assess means understanding your current state: what processes exist, what data is available, what tools are in use, and where the gaps and risks are. This is typically a two- to four-week exercise, and importantly, it does not require a significant time commitment from your team. Most of the analytical work, reviewing systems, mapping data flows, benchmarking against leading practice happens off-site. When we do need your team's time, it is focused and purposeful: targeted conversations with the people who know the processes best, not open-ended workshops. The output is clear: a prioritised picture of where you stand, what the quick wins are, and where the real value lies.

Advise means defining the target state and building the case to get there. This goes beyond tax. It means benchmarking your tax function against leading practice, identifying priorities and low-hanging fruit, and critically understanding what else is happening in the organisation. Most businesses are in the middle of other change programmes: ERP upgrades, finance transformation, and operating model redesigns. A smart tax technology strategy does not compete with these initiatives it plugs into them, leveraging planned investments to deliver tax value at marginal cost. This is also where you build the business case: clear return on investment arguments, stakeholder engagement, and a roadmap that excites decision-makers rather than overwhelming them. The goal is not just to get approval. It is to get genuine buy-in.

Transform means doing the work building, configuring, testing, and deploying the

solutions that close the gaps. This is always done in phases, with each phase delivering a usable, valuable output.

Enhance means continuous improvement monitoring performance, incorporating new requirements like the e-Invoicing mandate or DMTT reporting, sharing learnings, and scaling what works.

This is not a theoretical model. It is a practical framework that has been used to help tax functions of all sizes, across all industries, move from reactive compliance to proactive governance. And it always starts with a decision: to stop accepting the status quo and start building something better.

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## THREE QUESTIONS TO ASK YOURSELF THIS WEEK

We will close with a practical challenge. Whatever the size of your organisation, whatever the maturity of your tax function, there are three questions that will tell you whether you need a tax technology strategy:

1

Can you produce a complete, accurate tax return without any manual spreadsheet intervention?

2

Do you have a single, reliable source of truth for your tax data - one that doesn't require manual reconciliation with the general ledger?

3

If your most experienced team member left tomorrow, would the compliance process survive intact?

If you answered "no" to any of these, you do not have a technology problem. You have a strategy problem. And the good news is that solving it is more achievable, more affordable, and more impactful than most people expect.

This is the first article in our series, The New Tax Playbook. In the articles that follow, we will go deeper into each of the areas where technology can transform how a GCC tax function operates from the data problem sitting inside your ERP, to the operational reality of e-invoicing, to the hidden cost of manual withholding tax processing, and beyond.

The time to get started is now. Every organisation we work with is balancing competing priorities, and many are in the middle of other change or transformation programmes whether an operating model redesign, an ERP implementation, or a finance function upgrade. The tax function does not need to wait for those to finish. By working with a partner who has real, hands-on experience and the ability to translate between tax,

finance, and IT languages, you can position tax as a leader across the business and maximise the value you generate for your team and for the organisation more widely.

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*If you wait for a period of stability, it may never come and you may have missed the chance to build your optimal tax function, embed future flexibility and scalability, and get ahead of complexity before reporting and compliance requirements increase further. The window to build from a position of strength, rather than scrambling from a position of urgency, is open now. We welcome the conversation.*

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