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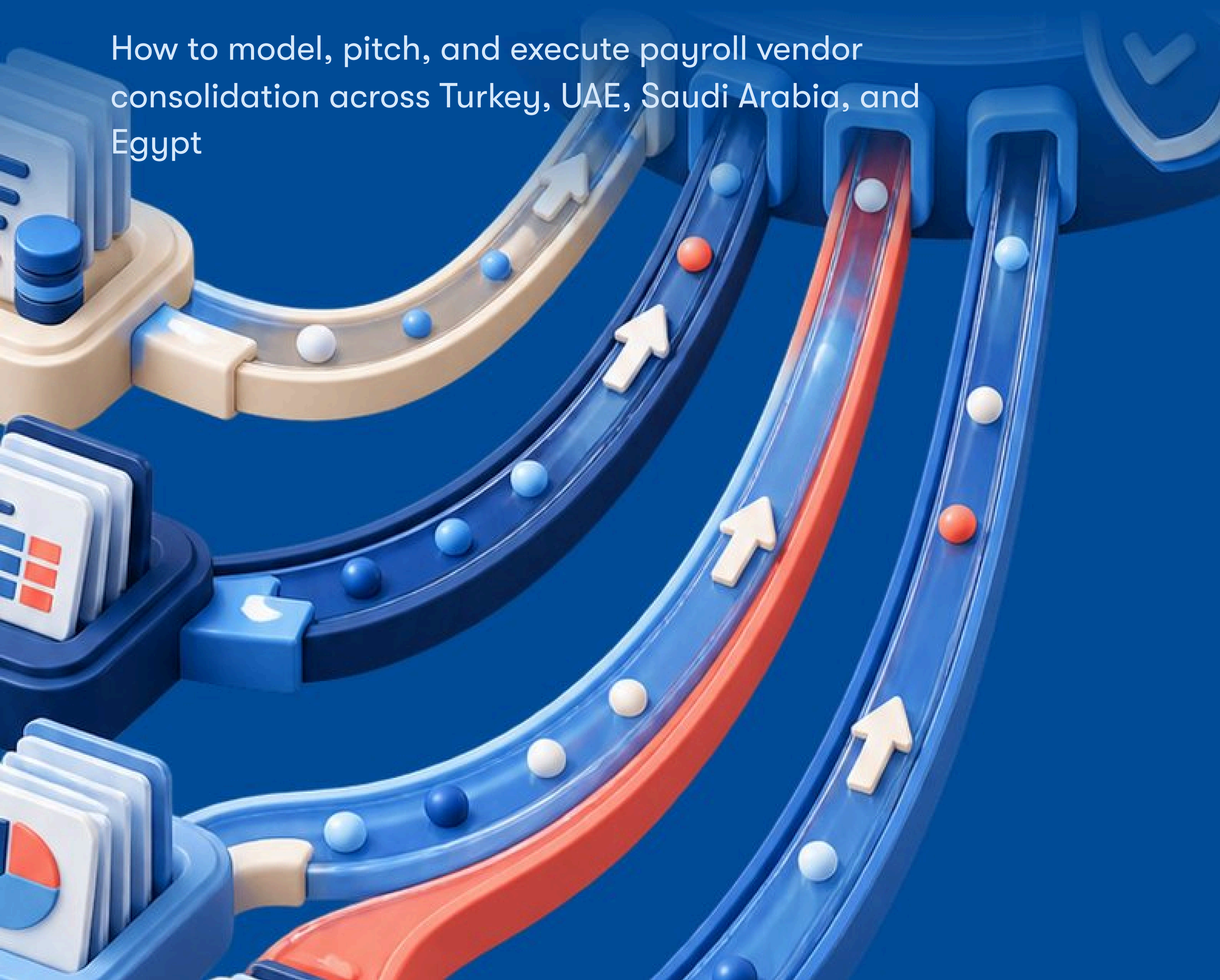
CFO CONSOLIDATION GUIDE · TR & MENA · 2026

# From 5 Vendors to One: A CFO's Consolidation Business Case for TR & MENA

How to model, pitch, and execute payroll vendor consolidation across Turkey, UAE, Saudi Arabia, and Egypt



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# In This Guide

How to model, pitch, and execute payroll vendor consolidation across Turkey, UAE, Saudi Arabia, and Egypt



## What You'll Learn

- Calculate the real cost of managing 4 or more payroll vendors in the TR & MENA corridor
- Build a CFO-grade business case for consolidation using independent, non-vendor-commissioned data
- Understand three payroll-relevant 2026 shifts across Turkey, UAE, and Saudi Arabia, and why they make consolidation urgent this year
- Sequence a phased migration from fragmented vendors to a single regional provider with clear accountability

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| 1.5M | 25+ | 500+ |
|---|---|---|
| 1.5M payroll calculations per year | 25+ years in Turkey since 1999 | 500+ active client engagements |

| ISO 27001 | 2× |
|---|---|
| ISO 27001 + ISAE 3402 certified | GPA Best In-Country Payroll Provider, twice |

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01

# The Fragmentation Tax: What Four Vendors Actually Cost

Your Turkey payroll runs on one vendor. UAE on a second.

# The Fragmentation Baseline

Three surveys converge on the same finding. EY's 2021 Global Payroll Survey, with 181 respondents, found an average of five payroll providers. Fifty-five percent believed some consolidation would help, and respondents wanted an average of four providers within two years. Organizations using six or more providers were more than twice as likely to report management and global reporting difficulties.

Deloitte's 2025 Payroll Benchmarking Survey found that 70% of countries in its respondent set used a managed-services model. It also found that local specialized providers remain prevalent where regulation is complex or country knowledge is difficult to maintain in-house. UKG and KPMG's 2026 survey of 319 senior leaders found that 74% use more than two payroll vendors, while only 25% rate vendor management as effective.

| SOURCE | KEY STAT | YEAR | SAMPLE |
|---|---|---|---|
| EY Global Payroll Survey | Average of 5 providers, with a target to reduce to 4 | 2021 | n=181 companies |
| Deloitte Payroll Benchmarking Survey | 70% of countries represented used managed services | 2025 | 14 respondents to delivery-model question |
| UKG/KPMG "Payroll at the Tipping Point" | 74% use more than 2 vendors | 2026 | n=319 VP/C-suite leaders |

Most companies already know they have too many payroll vendors. What the CFO needs is a number: what is this fragmentation actually costing, beyond the vendor invoices?

## The TR & MENA Complexity Premium

Turkey creates a fragmentation penalty that few EMEA markets replicate. The annual minimum wage decision, SGK ceiling changes, incentive updates, and occasional in-year legislative changes can each require a full payroll recalculation. Your Turkey payroll vendor must update gross-to-net logic, SGK declarations, incentive brackets, and ERP parameters by the effective date. If it does not, every payslip in the first affected cycle can carry the error forward.

Layer in the UAE, Saudi Arabia, and Egypt. UAE's Wages Protection System has its own reporting calendar and administrative controls. Saudi Arabia requires wage-protection documentation through Mudad and stages GOSI contribution changes for workers covered by the new system. Egypt's Social Insurance has its own registration and contribution framework. None of these calendars align with each other or with Turkey's annual parameter cycle.

The result is a payroll calendar with at least five distinct compliance events per quarter across four countries, spread across four separate vendor relationships. Each has its own escalation path, its own account manager, and its own error-correction process.

**KEY FINDING**

UKG/KPMG (2026): 38% of surveyed organizations report $1 million to $5 million in known annual payroll leakage. The report estimates that inefficiencies, poor data quality, and errors can consume 2% to 4% of labor spend.

## The Hidden Cost Inventory

Visible vendor fees are one line item. The fragmentation tax has four additional lines that Finance teams rarely quantify before a consolidation project.

**Coordination overhead** is the most common undercount. If your payroll team or regional HR leads spend an average of two to four hours per week per country coordinating with each vendor, that is 8 to 16 hours of internal labor per week just in vendor management. At a blended cost of $60 to $100 per hour for a Finance or HR operations professional, this is $25,000 to $83,000 per year in pure coordination cost, before a single payslip is calculated.

**Error remediation** follows from fragmentation. Track each correction, the internal and vendor hours required, any bank or filing fees, and the downstream accounting work. UKG/KPMG found that 62% of respondents monitor error rates, but only 35% measure first-time-right payroll. That gap is a warning: an unmeasured remediation cost is still a cost.

**Audit preparation** with four vendors means four separate data trails, four formats, and four reconciliation processes. Measure the extra Finance and internal-audit hours spent normalizing those files instead of applying an unsupported fixed percentage.

**Regulatory update management** is the least visible cost and the one that 2026 has made acute. Law No. 7566 in Turkey, the UAE's upgraded WPS infrastructure and Emirati salary rule, and the Saudi GOSI rate increase all required operational updates within the same planning cycle. Each update is a separate project when you have separate vendors.

**WORKED EXAMPLE**

Company profile: 250 employees, 4 countries (Turkey: 120, UAE: 70, Saudi Arabia: 40, Egypt: 20)

| COST CATEGORY | ANNUAL ESTIMATE | BASIS |
|---|---|---|
| Vendor coordination overhead | $52,000 | 4 hrs/week × 4 countries × $62.50/hr × 52 weeks |
| Error remediation | $18,000 | 240 correction and reconciliation hours × $75/hr |
| Audit preparation premium | $12,000 | 160 additional normalization hours × $75/hr |
| Regulatory update projects | $24,000 | Est. 2-3 update projects/year × $8,000/project |
| **Total hidden fragmentation tax** | **$106,000** | Illustrative (excludes visible vendor fees) |

Note: This is an illustrative cost model using conservative assumptions. Your actual numbers depend on internal labor rates, vendor SLA performance, and error rate variance.

**SECTION TAKEAWAYS**

1. Independent data from Deloitte, EY, and UKG/KPMG all confirm that multi-vendor payroll is the statistical norm, not the exception
2. Turkey's annual minimum wage and SGK parameter cycle can force a full payroll reconfiguration on a fixed effective date
3. The real fragmentation tax includes four cost categories that most Finance teams do not model: coordination, errors, audit prep, and regulatory updates

The 2026 regulatory calendar made the fragmentation tax visible in a way it was not in prior years.

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# What Changed for 2026: Three Regulatory Shifts, One Payroll Calendar

Turkey, the UAE, and Saudi Arabia each introduced a payroll-relevant change for the 2026 operating year.

# Turkey: Law No. 7566 (January 1, 2026)

Published in Official Gazette No. 33112 on December 19, 2025, Law No. 7566 amended the Social Security and General Health Insurance Law (Law No. 5510) in three material ways.

First, the SGK earnings ceiling increased from 7.5 times to 9 times the minimum wage. With the January 2026 minimum wage set at TRY 33,030 gross per month, the new ceiling is TRY 297,270 per month. The 2025 ceiling was TRY 195,041 per month (7.5 times the 2025 minimum wage of TRY 26,005.50). The ceiling therefore rose by roughly 52 percent year over year, driven by the minimum wage reset and the multiplier change together, and it affects premium calculations for every employee whose gross salary exceeded the prior TRY 195,041 ceiling.

Second, the employer invalidity, old-age, and death insurance premium rate increased from 11% to 12%. The official 2026 employer cost table shows a 21.75% SGK employer share before discounts, plus 2% employer unemployment insurance, for a 23.75% total employer contribution before discounts.

Third, the Treasury-backed premium incentive for non-manufacturing employers was reduced from four percentage points to two. Including employer unemployment insurance, a qualifying non-manufacturing employer moves from an 18.75% total contribution in 2025 to 21.75% in 2026. Manufacturing employers retain the five-point incentive through December 31, 2026, holding their total at 18.75%.

| PARAMETER | BEFORE LAW 7566 | AFTER LAW 7566 (JAN 1, 2026) |
|---|---|---|
| SGK earnings ceiling | TRY 195,041/month (7.5x 2025 min. wage of TRY 26,005.50) | TRY 297,270/month (9x 2026 min. wage of TRY 33,030) |
| Employer invalidity/old-age/death rate | 11% | 12% |
| SGK employer share (before discounts) | 20.75% | 21.75% |
| Employer unemployment insurance | 2% | 2% |
| Total employer contribution (before discounts) | 22.75% | 23.75% |
| Treasury incentive: non-manufacturing | 4 percentage points | 2 percentage points |
| Total after non-manufacturing incentive | 18.75% | 21.75% |
| Effective rate: manufacturing (through Dec 2026) | No change | 18.75% (5-point incentive retained) |

*All figures above per Official Gazette No. 33112, December 19, 2025 (resmigazete.gov.tr).*

**RISK**

Every January 1 in Turkey is a payroll re-parametrization event. Law 7566 added an SGK rate change on top of the standard minimum wage update. A vendor that has not updated its system by January 1 will produce incorrect payslips for the first cycle. The official 2026 minimum wage and SGK earnings limits apply from January 1 through December 31, 2026.

## UAE: Upgraded WPS and Emirati Salary Rule

The Ministry of Human Resources and Emiratisation upgraded the UAE Wages Protection System in December 2025 with direct electronic integration between MoHRE systems and participating financial institutions. Ministerial Resolution No. 340 of 2026 then replaced Ministerial Resolution No. 598 of 2022 with effect from June 1, 2026. The compliance threshold rose from 80% to 85% of total wages due, applied at both establishment and individual level, which effectively caps lawful deductions at 15% of the monthly wage for WPS purposes. The 15-day grace period that existed under Resolution 598 was removed; enforcement now begins on day 2 after the due date.

The Emirati minimum salary of AED 6,000 per month took effect January 1, 2026, with a deadline of June 30, 2026 for updating employment contracts that did not already meet this threshold.

| REQUIREMENT | CURRENT 2026 POSITION | PAYROLL CONTROL |
|---|---|---|
| WPS transfer criteria | 85% of total wages due, at establishment and individual level (Resolution No. 340/2026, in force June 1, 2026) | Reconcile eligible employees and registered wages each cycle; keep deductions within 15% |
| Late-payment monitoring | MoHRE notifications from day 2 after the due date; no grace period | Escalate exceptions before permit restrictions |
| Work permit restriction | New work permits frozen on day 5; fines and Third Category reclassification on day 11 | Maintain an exception log and documented remediation path |
| Severe escalation | Labour dispute registration on day 16 (25+ workers); asset attachment and Public Prosecution referral on day 21 (50+ workers) | Board-level escalation trigger before day 16 |
| System infrastructure | Real-time direct data integration launched Dec 2025 | Validate provider and financial-institution connectivity |
| Emirati minimum salary | Not applicable | AED 6,000/month (from Jan 1, 2026) |
| Contract update deadline | N/A | June 30, 2026 |

Under Resolution No. 340/2026, MoHRE's enforcement clock starts on day 2 after the wage due date with electronic notification of the establishment. On day 5, new work permits are suspended. On day 11, administrative fines apply and the establishment is reclassified into the Third Category. On day 16, establishments with 25 or more workers are referred for labour dispute registration. On day 21, establishments with 50 or more workers face asset attachment and referral to the Public Prosecution. The 15-day grace period that existed under Resolution No. 598/2022 no longer applies, so a vendor must detect and remediate exceptions within the first 48 hours rather than at the end of the month.

## Saudi Arabia: GOSI Rate Increase (July 1, 2026)

The General Organization for Social Insurance (GOSI) increased the combined contribution rate for workers with no contribution history before July 3, 2024, from 22.5% to 23.5%, effective July 1, 2026. The employer contribution moves to 12.75%. The employee contribution moves to 10.75%. The staged schedule reaches 25.5% combined in July 2028, including pensions, occupational hazards, and SANED.

The GOSI ceiling remains SAR 45,000 per month, applied to basic salary plus housing allowance only.

| PARAMETER | BEFORE JULY 2026 | AFTER JULY 2026 (FOR POST-JULY 2024 HIRES) |
|---|---|---|
| Combined GOSI rate | 22.5% | 23.5% |
| Employer portion | 12.25% | 12.75% |
| Employee portion | 10.25% | 10.75% |
| Earnings ceiling | SAR 45,000/month | SAR 45,000/month (unchanged) |
| July 2028 trajectory | N/A | 25.5% combined (scheduled) |

*All figures above per GOSI official communications (gosi.gov.sa).*

Saudi wage-protection compliance also requires establishments to document wage payments through Mudad. Because platform deadlines and enforcement can depend on the establishment's status and current HRSD rules, the payroll provider should supply a written filing calendar, exception workflow, and evidence archive for every cycle.

**WORKED EXAMPLE**

A 200-person company: 100 employees in Turkey, 60 in UAE, 40 in Saudi Arabia.

January 2026 (Turkey): Law 7566 takes effect. Payroll vendor must update SGK ceiling, employer rate, and incentive parameters. Timeline: must be live on January 1.

January to June 2026 (UAE): Vendor must operate against the upgraded WPS infrastructure and audit Emirati salary contracts. The AED 6,000 minimum applies from January 1, with legacy contract adjustments due by June 30.

July 2026 (Saudi Arabia): GOSI rates increase for workers covered by the new system. The vendor must distinguish employees with contribution history before July 3, 2024 from entrants with no prior contribution history. The 23.5% new-system rate must be live on July 1.

With three vendors, this is three separate projects with three separate timelines and three separate points of failure within a six-month window.

**SECTION TAKEAWAYS**

1. Three major payroll-relevant shifts across TR, UAE, and KSA affect the 2026 operating calendar
2. Each change requires distinct parameter updates with non-overlapping deadlines
3. The Saudi GOSI trajectory to 25.5% combined by July 2028 requires multi-year workforce cost modeling, not a one-time update

The 2026 divergence creates a concrete financial argument for consolidation that goes beyond operational convenience.

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# Building the CFO Business Case: A Three-Part Financial Model

The CFO sign-off on a consolidation project requires three things: a clean current-state cost model, recurring savings with defensible numbers, and bounded downside risk.

# Part 1: Current-State Cost Inventory

Start by building a complete cost inventory. Visible vendor fees are rarely the biggest line.

**Visible vendor fees** are the starting point. For each country vendor, capture: monthly per-employee fee, annual contract total, and any out-of-scope charges (regulatory update projects, additional filing services, one-off compliance reviews). Many multi-vendor contracts include per-cycle charges for regulatory change implementations, making the annual cost higher than the base contract suggests.

**Coordination overhead** is the internal labor cost of managing vendor relationships. Assign realistic hours per week per country: account manager calls, data input for off-cycle corrections, cycle-close reconciliation, and regulatory update briefings. Multiply by your internal blended labor cost for Finance or HR operations.

**Error remediation** should use your own incident register. Count corrections, internal and vendor hours, payment or filing fees, and accounting rework. If Finance does not track first-time-right payroll, start now. UKG/KPMG found that only 35% of surveyed organizations measure it.

**Regulatory update projects** are the most frequently underestimated category. The 2026 triple-hit from Section 2 demonstrates that each regulatory change becomes a billable project with a fragmented vendor model. Capture actual invoices from the past two years for this line.

**Audit preparation premium** is the additional time your internal audit or Finance team spends reconciling four separate data trails. Estimate it from actual hours spent normalizing files, resolving mapping differences, and answering country-specific follow-ups.

| COST CATEGORY | HOW TO ESTIMATE | ANNUAL INPUT |
|---|---|---|
| Vendor fees (all countries) | Sum all contracts + out-of-scope charges | $___ |
| Coordination overhead | Hrs/week × countries × 52 × internal labor rate | $___ |
| Error remediation | Corrections × total hours per correction × blended labor rate, plus direct fees | $___ |
| Regulatory update projects | Actual invoices past 2 years, annualized | $___ |
| Audit preparation premium | Additional hours × labor rate, annualized | $___ |
| **Total current-state cost** | | **$___** |

## Part 2: Consolidated-State Projection

The consolidated-state projection models what changes when you move from four vendors to one GMFA with country-specific LOEs and SLAs.

**Visible cost shift:** A single GMFA with Datassist replaces four separate vendor contracts with one monthly invoice per country consolidated under one relationship. The fee structure is per-employee per month, covering all statutory filings, regulatory updates, and reporting. No per-regulation project charges.

**Coordination cost reduction:** A named regional advisor who manages all four countries replaces four separate account manager relationships. Monthly check-ins, cycle-close oversight, and regulatory update briefings happen through one channel.

**Error rate improvement:** A consolidated model reduces handoffs and file transformations, but the provider should prove the result. Require a defined first-time-right metric, a baseline, and monthly reporting. UKG/KPMG found that only 35% of surveyed organizations measure this outcome.

**Regulatory update inclusion:** Law 7566 parameter updates, WPS control changes, and GOSI rate adjustments are part of ongoing service delivery under a GMFA, not separately billed projects.

**Setup investment:** Consolidation requires upfront work in data migration, system configuration, and stakeholder alignment. This is a front-loaded cost that is recovered through recurring savings. The timeline depends on the number of countries, the quality of incumbent vendor data, and each country's regulatory requirements. Egypt typically has the longest setup lead time due to Social Insurance registry integration.

| PARAMETER | CURRENT STATE (4 VENDORS) | CONSOLIDATED STATE (1 GMFA) |
|---|---|---|
| Monthly invoices | 4 (one per country) | 1 consolidated invoice |
| Regulatory update projects | Separately billed per change | Included in ongoing service |
| Escalation paths | 4 (one per vendor) | 1 named regional advisor |
| Audit trail format | 4 formats, manual reconciliation | Single format, integrated reporting |
| Minimum wage reset handling | 4 separate update requests | Automatic parameter update |

**EXPERT TAKE**

"The companies that delay consolidation typically cite complexity as the reason. When we map their current vendor relationships, the complexity is almost always coming from the fragmentation itself, not from payroll. The January 2026 Law 7566 update is a clear example: a company managing Turkey through a fragmented stack told their CFO the update 'took three weeks to implement.' Our team had it live on January 1. That three-week gap is the fragmentation tax."

## Part 3: Payback Period and Ongoing Value

The payback period comes down to three inputs: how large the current-state cost is, how much the setup investment runs, and what the recurring savings rate turns out to be.

The ROI evidence holds up under scrutiny:

- EY (2021) shows an average of five providers and a clear preference for consolidation. Deloitte (2025) shows managed services dominating multi-country delivery and local specialists remaining important in complex markets
- UKG/KPMG (2026) finds that 38% of surveyed organizations report $1 million to $5 million in known annual leakage
- Vendor-commissioned research (Forrester TEI study, commissioned by Deel) cites 67% ROI over three years with a payback period of 18 to 24 months. The commission relationship warrants noting, but the directional finding is consistent with the independent data

For TR & MENA specifically, two factors accelerate payback relative to global averages:

First, Turkey's annual minimum wage and SGK parameter cycle creates a recurring regulatory update cost that consolidation absorbs. Any additional in-year legislative change that a fragmented vendor handles as a separate project becomes a standard service delivery event in a GMFA model.

Second, the 2026 Saudi GOSI trajectory means payroll cost modeling requires multi-year assumptions, not point-in-time calculations. A consolidated vendor handles this as part of ongoing service. Fragmented vendors typically bill it as a separate annual review.

| SCENARIO | ESTIMATED ANNUAL SAVINGS | SETUP INVESTMENT | INDICATIVE PAYBACK |
|---|---|---|---|
| Conservative | 20% of current-state total cost | Moderate | Longer timeline |
| Moderate | 35% of current-state total cost | Moderate | Medium timeline |
| Optimistic | 50% of current-state total cost | Moderate | Shorter timeline |

Note: Datassist does not provide hard payback timelines, as they depend on each client's current vendor structure, headcount mix, and migration complexity. The model above is a framework for your internal analysis.

**SECTION TAKEAWAYS**

1. The current-state cost inventory must include five categories. Visible vendor fees are typically the smallest component
2. Consolidated-state savings are recurring. Setup investment is one-time and front-loaded
3. Turkey's annual parameter cycle and Saudi GOSI trajectory accelerate payback relative to global averages, because they create recurring update projects in a fragmented model that become standard service in a consolidated one

04

# Country-by-Country: What Your Payroll Vendor Needs to Handle in TR & MENA

Every country in the TR & MENA corridor has its own payroll compliance calendar, and none of them align.

# Turkey

Turkey's payroll compliance framework is shaped by the intersection of SGK (Social Security Institution) obligations, Turkish Labor Law No. 4857, and the Ministry of Revenue's digital reporting requirements.

**SGK premium management** requires accurate application of the post-Law 7566 rates: 23.75% combined employer burden before incentives, with the 2-point non-manufacturing incentive bringing the effective rate to 21.75% for most foreign-headquartered company subsidiaries. The earnings ceiling at TRY 297,270 per month affects high-earning employees directly.

**Minimum wage compliance** is an annual parameter event unless a separate in-year decision is issued. The official 2026 minimum wage is TRY 33,030 gross and applies from January 1 through December 31. Every gross-to-net calculation for minimum wage earners must reflect the effective figure from day one.

**E-payroll and e-ledger** requirements mean that Turkey's Revenue Administration (GİB) receives digital declarations on a mandatory basis. These are separate from SGK declarations and require their own filing calendar.

**Severance pay** under Turkish Labor Law is statutory and calculated on the basis of gross salary at the time of termination, not at the start of employment. Accurate accrual tracking across the employment period is an operational requirement, not an optional report.

| COMPLIANCE AREA | FREQUENCY | KEY REQUIREMENT | REFERENCE |
|---|---|---|---|
| SGK premium declaration | Monthly | Accurate rate application post-Law 7566 | sgk.gov.tr |
| Minimum wage update | Annual, plus any exceptional in-year decision | Full payroll recalculation | csgb.gov.tr |
| E-payroll declaration | Monthly | Digital filing with GİB | gib.gov.tr |
| E-ledger | Annual | Digital accounting records | gib.gov.tr |
| Severance pay accrual | Ongoing | Gross-at-termination basis | Law No. 4857 |
| Work permits (foreign nationals) | Per hire, annual renewal | Aligned with payroll registration | mlss.gov.tr |

## UAE

The UAE payroll framework is built around three pillars: the Wages Protection System for payment timeliness, the End-of-Service Benefit for mandatory severance, and Emirati hiring obligations under the UAE's Emiratisation framework.

**WPS controls** require monthly salary payment through approved channels and reconciliation against the current MoHRE criteria. The December 2025 upgrade added direct electronic integration and more immediate data visibility, and Resolution No. 340/2026 tightened enforcement from June 1, 2026. At least 85% of total wages due must be transferred by the due date. Enforcement escalates on a fixed clock: notifications on day 2, new work permits frozen on day 5, fines and Third Category reclassification on day 11, labour dispute registration on day 16 for establishments with 25 or more workers, and asset attachment plus Public Prosecution referral on day 21 for establishments with 50 or more workers. The operating control is therefore exception detection and remediation inside the first 48 hours, not at the end of a grace period.

**End-of-Service Benefit** is a statutory obligation calculated as 21 days of basic salary per year of service for the first five years, and 30 days per year thereafter. Many foreign employers either miscalculate the base (it is basic salary, not total compensation) or underestimate the accrual on long-tenured employees.

**Emirati minimum salary** at AED 6,000 per month from January 1, 2026 affects employment contracts and payroll configuration for Emirati hires.

| COMPLIANCE AREA | FREQUENCY | KEY REQUIREMENT | REFERENCE |
|---|---|---|---|
| WPS submission | Monthly | At least 85% of total wages due, at establishment and individual level (Resolution No. 340/2026, in force June 1, 2026); enforcement from day 2, no grace period | mohre.gov.ae |
| EOSB accrual | Ongoing | 21 days basic/year (0-5yr), 30 days/year (5yr+) | UAE Labor Law |
| Emirati minimum salary | Per contract | AED 6,000/month minimum | mohre.gov.ae |
| Contract update deadline | June 30, 2026 | Emirati salary threshold compliance | mohre.gov.ae |

## Saudi Arabia

Saudi Arabia's payroll framework operates across three compliance systems: Mudad for wage protection, GOSI for social insurance, and Nitaqat for workforce classification.

**Mudad** is the operational channel for documenting wage-protection compliance. The vendor should maintain a current filing calendar, validate employee and payment data before submission, retain acceptance evidence, and escalate exceptions against the establishment's applicable HRSD requirements.

**GOSI** requires cohort-aware contribution logic. Workers with contribution history before July 3, 2024 remain under the applicable prior system. New-system entrants with no contribution history before that date move to a 23.5% combined rate from July 1, 2026. The new-system trajectory reaches 25.5% combined by July 2028, so workforce cost models need multi-year assumptions rather than a single blended rate.

**Saudi PDPL** (Personal Data Protection Law) requires a contractual commitment to comply with Saudi data processing and privacy requirements for payroll data. No hard data residency guarantee is appropriate until formal legal review is complete. The contractual commitment framework is the current standard.

| COMPLIANCE AREA | FREQUENCY | KEY REQUIREMENT | REFERENCE |
|---|---|---|---|
| Mudad wage file | Per payroll cycle | Current HRSD/Mudad calendar, validation, and acceptance evidence | hrsd.gov.sa |
| GOSI contributions | Monthly | Cohort logic based on contribution history before July 3, 2024 | gosi.gov.sa |
| GOSI ceiling | Monthly | SAR 45,000/month (basic + housing only) | gosi.gov.sa |
| Nitaqat classification | Ongoing | Monitor the establishment's applicable Saudisation classification | hrsd.gov.sa |
| PDPL compliance | Ongoing | Contractual data processing commitment | sdaia.gov.sa |

## Egypt

Egypt's payroll framework centers on Social Insurance registration and contributions under Law No. 148 of 2019, alongside the Egyptian Labor Law.

**Social Insurance** contributions are mandatory for all employees in Egypt. The registration process through the Social Insurance Authority has historically required the most lead time of any country in the TR & MENA corridor, due to integration requirements with the Authority's registration systems. This is the primary reason Egypt should be the first country started in a consolidation migration, not the last.

**Egyptian Labor Law** governs termination rights, working hours, mandatory leave, and profit-sharing obligations for certain sectors. Foreign companies frequently underestimate the profit-sharing obligation, which applies to private sector employers.

| COMPLIANCE AREA | FREQUENCY | KEY REQUIREMENT | REFERENCE |
|---|---|---|---|
| Social Insurance registration | One-time per employee | Authority integration required | ssa.gov.eg |
| SI contributions | Monthly | Employee + employer contributions | Law No. 148/2019 |
| Annual profit-sharing | Annual | Mandatory for eligible private sector | Egyptian Labor Law |
| Contract requirements | Per hire | Arabic language contract requirement | Egyptian Labor Law |

**RISK**

Egypt's Social Insurance registry integration is consistently cited as the longest setup process in the TR & MENA corridor. If you are planning a consolidation migration, Egypt should be the first country you start, not the last. Starting it in parallel with or after Turkey and UAE will extend your total project timeline materially.

**WORKED EXAMPLE**

A TR-HQ company with 150 employees (80 Turkey, 40 UAE, 30 Saudi Arabia) runs through one calendar year.

| MONTH | EVENT | COUNTRY | COMPLIANCE ACTION REQUIRED |
|---|---|---|---|
| January | Min wage reset + Law 7566 | Turkey | Full payroll recalculation, SGK parameter update |
| January | Emirati min salary effective | UAE | Emirati contract audit |
| 2026 operating cycle | Upgraded WPS infrastructure | UAE | Connectivity and exception controls verified |
| June 30 | Emirati contract deadline | UAE | Remaining contract updates complete |
| July | GOSI rate increase | Saudi Arabia | Dual-cohort rate application |
| Year-round | Turkish legislative monitoring | Turkey | Apply any published in-year parameter change by its effective date |
| Year-round | Monthly Mudad wage file | Saudi Arabia | Follow current HRSD/Mudad calendar and retain acceptance evidence |
| Year-round | Monthly WPS | UAE | Payment timing compliance |
| Year-round | Monthly SGK declaration | Turkey | Rate-accurate premium filing |

With three vendors, each row is a separate coordination point. With one GMFA, it is one service delivery calendar.

**SECTION TAKEAWAYS**

1. Each country requires distinct operational expertise, not just geographic coverage
2. Saudi Arabia now has two GOSI rate tiers based on hire date, requiring accurate employee data segmentation
3. Egypt's Social Insurance setup lead time argues for starting it first in any consolidation migration

05

# The Migration Playbook: Sequencing Your Consolidation

Consolidation projects stall when sequencing is wrong.

# Phased Approach: Country Priority Logic

The standard sequence for a TR & MENA consolidation is Egypt first, then Turkey and UAE in parallel in the second phase, then Saudi Arabia aligned with the next GOSI or Mudad reporting cycle.

Egypt goes first because Social Insurance registry integration has the longest lead time in this corridor. Starting Egypt last means the consolidation is incomplete for the longest period, which defeats the purpose of reducing coordination overhead. Starting Egypt first gives you the time it requires while the other countries' migrations are scoped and prepared.

Turkey and UAE can run in parallel in phase two. Both have well-defined compliance frameworks, and a vendor that has operated in both markets has the processes in place to run them simultaneously. A Turkey migration should align with a clean payroll-period boundary and avoid known statutory effective dates where possible.

Saudi Arabia aligns with the GOSI reporting calendar and the Mudad SIF cycle. Migrating Saudi Arabia at the start of a new GOSI quarter reduces the risk of applying mixed rates across a partial period.

| COUNTRY | PHASE | LEAD TIME CATEGORY | KEY DEPENDENCY |
|---|---|---|---|
| Egypt | 1 | Longest | Social Insurance Authority registry integration |
| Turkey | 2 (parallel) | Standard | Clean payroll-period boundary and statutory calendar |
| UAE | 2 (parallel) | Standard | WPS connectivity and exception-control verification |
| Saudi Arabia | 3 | Standard | GOSI/Mudad cycle alignment |

## What to Extract from Your Incumbent Vendors

The data migration requirement is the most frequently underestimated element of a consolidation project. Incumbent vendors typically hold years of payroll history in proprietary formats. The GMFA transition period must include explicit contractual obligations on the incumbent to produce clean data exports.

**Employee master data** is the foundation. Required fields: national ID or passport number, employment start date, employment classification, current salary, benefits in kind, and country-specific identifiers (SGK number, GOSI number, WPS employee ID, Egyptian Social Insurance number).

**Payroll history** (minimum 24 months) is required for severance pay accrual continuity in Turkey, EOSB accrual continuity in UAE, and audit readiness across all countries.

**Statutory filing history** is the record of SGK declarations, WPS submissions, Mudad SIF filings, and Egyptian Social Insurance contributions. These are needed for audit defensibility during the transition period.

**Cooperation clause language:** Your termination notice to each incumbent vendor should include an explicit requirement to provide data in a specified format within a defined period. Vendors who anticipate losing the contract will otherwise deprioritize data extraction requests.

## Internal Stakeholder Map

A consolidation project touches four internal functions, each with a distinct approval requirement.

**CFO / Finance** approves the business case, signs the GMFA, and owns the budget for setup investment. The financial model from Section 3 is their primary input.

**Legal / Compliance** reviews the GMFA structure, the country-specific LOEs, and the data protection clauses for Turkey (KVKK), Saudi Arabia (PDPL), and UAE (emerging). Legal typically takes the longest time at the GMFA review stage, not at the country migration stage.

**IT / HRIS** owns the integration requirements. Datassist's platform integrates via API or secure file transfer with ERP and HRIS systems including SAP, Workday, and Oracle. Integration scoping should start in phase one, not phase two.

**Regional HR leads** per country validate that employment contract terms, local allowance structures, and country-specific benefits are accurately captured in the data migration. A regional HR lead who discovers their country's data is incomplete during migration is a project delay.

| STAKEHOLDER | ROLE IN CONSOLIDATION | WHEN TO ENGAGE |
|---|---|---|
| CFO / Finance | Business case approval, GMFA signature | Phase 0 (scoping) |
| Legal / Compliance | GMFA + LOE review, data protection clauses | Phase 0-1 |
| IT / HRIS | Integration scoping and testing | Phase 0-2 |
| Regional HR (per country) | Data validation, contract review | Phase 1-2 per country |

## Contract Structure: GMFA + LOEs

The GMFA (Global Master Framework Agreement) is the master contract that governs the relationship. It defines the service scope, accountability structure, data processing obligations, escalation protocol, and termination terms.

Country-specific LOEs (Letters of Engagement) sit beneath the GMFA. Each LOE defines: the monthly payroll calendar for that country, the SLA with priority-classified response and resolution times, the scope of statutory filings, and the reporting deliverables. The SLA is built with the client to reflect local public holidays and their operational cycle.

The client-facing accountability structure is simple: Datassist is the single point of contact and escalation for all countries. If a Mudad SIF is late in Saudi Arabia or a WPS threshold issue arises in the UAE, the escalation goes to one named advisor, not to a country-specific partner. The in-country partner network for MENA markets operates under Datassist's quality standards, and the client never coordinates with partners directly.

**SECTION TAKEAWAYS**

1. Start Egypt first. The Social Insurance registry lead time determines your total project timeline
2. Incumbent data extraction requires explicit contractual language, not a verbal handoff agreement
3. Legal review of the GMFA is typically the longest phase: engage them in scoping, not after the vendor is selected

06

# Why Global Payroll Platforms Leave the TR & MENA Gap Open

The Tier-1 global payroll platforms cover 130 or more countries. Turkey appears in none of their 2026 compliance guides.

# The Coverage Illusion

Deloitte's 2025 Payroll Benchmarking Survey shows why a single global platform claim does not settle the delivery question. In its respondent set, APAC, EMEA, and LATAM relied heavily on managed services, while local specialized providers remained prevalent in jurisdictions with complex regulation or scarce country expertise.

The evidence is visible in the content global platforms publish. One Tier-1 global EOR platform published a "2026 Global Payroll Compliance Checklist" claiming coverage of 150 or more countries. The guide covers ten: the United States, United Kingdom, Germany, Canada, Australia, India, Mexico, Brazil, Singapore, and the Netherlands. Turkey is not mentioned. Neither is UAE, Saudi Arabia, or Egypt.

This is not a content team oversight. It reflects the delivery model. Tier-1 global platforms access markets outside their owned legal entity footprint through local partner networks. When Turkey or UAE payroll is processed through a partner, the data pipeline between the partner and the platform introduces format translation, timing gaps, and accountability diffusion. The platform's client does not have a direct relationship with the party actually processing their Turkey payroll.

## What Data Mismatches Look Like at Scale

Public reviews of large-scale global EOR providers tell a consistent story: data mismatches, inconsistent service quality across regions, and limited visibility into local execution. Missed statutory payments, misaligned tax cycles, tickets closed without resolution.

The structural problem is this: when platform A sub-contracts delivery to partner B, the accountability for an SGK filing error in Turkey belongs to no one cleanly. The platform points to the partner. The partner points to the platform's data feed. The client waits for resolution.

| DELIVERY MODEL | TURKEY PAYROLL HANDLED BY | ESCALATION PATH | DATA INTEGRITY |
|---|---|---|---|
| Tier-1 Global SaaS Platform | Local partner (varies by platform) | Platform support → partner → back to platform | 3 handoffs per escalation |
| Datassist GMFA Model | Datassist Istanbul team (direct) | Named regional advisor (one contact) | Direct delivery, no handoff |

## What Direct Accountability Looks Like

Datassist operates the Turkey payroll function from its Istanbul office. There is no partner handoff for Turkey. The team that answers the phone on January 1 when the minimum wage reset question comes in is the same team that files the SGK declarations and handles the Law 7566 parameter updates. For MENA, Datassist anchors the relationship through vetted in-country partners who operate under defined service standards, with Datassist retaining full accountability toward the client.

The GPA "Best In-Country Payroll Provider of the Year" award, given twice to Datassist, is an independent recognition of operational delivery quality, not a self-reported claim. ISO 27001 certification covers information security management. ISAE 3402 covers the controls over payroll processing, which means a CFO's internal audit team can rely on the reporting output as audit-grade.

For a D1 segment Global Payroll Director who needs a TR & MENA regional anchor within a multi-vendor global stack, the value proposition is precise: Datassist sits inside your existing stack, handles the countries your global platform cannot go deep on, and produces reporting in formats your consolidation dashboard can consume.

**SECTION TAKEAWAYS**

1. "130 countries covered" describes geographic EOR access, not compliance depth
2. Partner-delivery models diffuse accountability at exactly the point where compliance errors surface
3. Direct delivery for Turkey and single-accountability structure for MENA is the structural alternative to the coverage illusion

07

# CFO Consolidation Checklist: 25 Questions Before You Sign a GMFA

Before signing a Global Master Framework Agreement with any multi-country payroll provider, a CFO needs clear answers to 25 questions.

# Category A: Contract Structure (5 Questions)

| # | QUESTION | WHY IT MATTERS |
|---|---|---|
| 1 | Does the GMFA include country-specific LOEs and SLAs? | One master agreement plus country supplements creates clear accountability. A single-document contract without country supplements typically produces generic SLA terms that do not reflect regulatory urgency per country. |
| 2 | Are SLA response and resolution times priority-classified per country? | Wage-protection and social-insurance exceptions can trigger administrative restrictions. Generic "48-hour" SLA terms may not reflect the current filing calendar or restriction point. |
| 3 | Who is the named relationship manager across all countries? | One named advisor replaces the four-account-manager coordination overhead. Confirm the named individual, their seniority, and their backup. |
| 4 | Does the GMFA include an incumbent cooperation clause? | Vendor exit requires data extraction support. Without a clause, incumbents deprioritize export requests. |
| 5 | What is the vendor's ISAE 3402 or equivalent third-party control assurance? | ISAE 3402 means your internal audit team can rely on payroll processing controls as externally verified, not self-asserted. |

## Category B: Turkey Compliance (6 Questions)

| # | QUESTION | WHY IT MATTERS |
|---|---|---|
| 6 | Can the vendor confirm Law 7566 parameters are active as of January 1, 2026? | The SGK rate increase and incentive reduction require parameter updates that must be live on day one. |
| 7 | How does the vendor handle annual minimum wage and SGK parameter changes? | Each published effective date can require a full payroll recalculation. Ask for the vendor's monitoring, approval, testing, and implementation protocol. |
| 8 | Which SGK incentive tiers does the vendor automatically identify and apply? | Non-manufacturing (2-point incentive) and manufacturing (5-point through Dec 2026) require different calculations. Vendors who do not track this automatically produce overpayment. |
| 9 | Is e-payroll and e-ledger reporting to the Turkish Revenue Administration included? | Mandatory digital filing is a statutory obligation, not an optional add-on. Confirm it is in scope in the LOE. |
| 10 | Who handles work permit compliance for foreign national employees in Turkey? | Work permit registration and SGK registration must be aligned. Confirm whether this is in scope or requires a separate engagement. |
| 11 | How is statutory severance pay accrual tracked? | Turkish Labor Law No. 4857 bases statutory severance pay on gross salary at the time of termination. Multi-year accrual tracking requires a data trail from hire date. |

## Category C: MENA Regulatory Coverage (7 Questions)

| # | QUESTION | WHY IT MATTERS |
|---|---|---|
| 12 | UAE WPS: how does the vendor evidence monthly compliance against current MoHRE criteria? | Ask for reconciliation output, exception handling, and a control that escalates late payments before permit restrictions can apply. |
| 13 | EOSB: how is the end-of-service benefit calculation documented, and what is the base (basic salary, not total compensation)? | EOSB is frequently miscalculated. The base is basic salary only, not total package. Request a sample calculation. |
| 14 | Saudi Mudad: can the vendor provide the current filing calendar and acceptance evidence for every cycle? | Platform controls and enforcement must be documented for the establishment's current status, not assumed from a generic deadline. |
| 15 | Saudi GOSI: is the July 2026 rate change applied correctly to workers covered by the new system? | Eligibility depends on contribution history before July 3, 2024. Vendors who classify only by current hire date can apply the wrong rate. |
| 16 | How does the vendor account for the GOSI trajectory to 25.5% combined by July 2028 in multi-year cost models? | For new-system entrants, the combined rate rises by 2 percentage points from July 2026 to July 2028. On a 200-person Saudi team at SAR 15,000 average monthly contributory wage, the difference is SAR 720,000 per year before applying the statutory ceiling. |
| 17 | Egypt: what is the realistic timeline for Social Insurance Authority registry integration? | Egypt's setup is consistently the longest in this corridor. A vendor who cannot give you a realistic estimate has not done it recently. |

## Category D: Data and Reporting (4 Questions)

| # | QUESTION | WHY IT MATTERS |
|---|---|---|
| 18 | Does the vendor provide country-level dashboards alongside a consolidated monthly reporting pack? | CFO-level reporting requires both: the consolidated view for group management accounts, and country-level detail for local audit and compliance. |
| 19 | What is the format of the consolidated monthly payroll pack, and does it map to your chart of accounts? | GL-mapped payroll reporting eliminates the Finance team's manual reconciliation step between payroll output and accounting entries. |
| 20 | What is the vendor's first-time-right payroll rate, and how is it measured? | UKG/KPMG finds that only 35% of companies measure this. A vendor who cannot produce this metric is not measuring accuracy systematically. |
| 21 | How are payroll errors tracked, reported to the client, and remediated? | Error visibility is a proxy for data quality culture. Vendors who self-report error rates and proactive remediation are materially different from those who wait for the client to find the error. |

## Category E: Migration and Transition (3 Questions)

| # | QUESTION | WHY IT MATTERS |
|---|---|---|
| 22 | What is the recommended country sequencing, and is Egypt identified as the first country given registry lead time? | A vendor who recommends a different sequence without a specific rationale may not have done Egypt recently. |
| 23 | Is a parallel-run period included in the transition plan? | Running old and new vendors simultaneously for at least one cycle per country reduces go-live risk. Confirm it is standard practice, not optional. |
| 24 | What is the rollback protocol if a country migration encounters a compliance event during transition? | The question reveals whether the vendor has a contingency plan. If the answer is "we'll figure it out," that is your answer. |
| 25 | What happens to in-flight payroll cycles if the project timeline slips? | Transition periods create gaps where neither incumbent nor new vendor is fully responsible. The GMFA should define who owns in-flight payroll during the handover period. |

**SECTION TAKEAWAYS**

1. The first five questions (contract structure) protect your accountability structure before a single payslip is processed
2. Questions 6 through 17 (compliance) are the technical filters that separate vendors with genuine Turkey and MENA expertise from those with geographic coverage claims
3. First-time-right payroll rate is the single most diagnostic metric for vendor quality: if they do not measure it, they cannot improve it

08

# Multi-Country Payroll: How Datassist Delivers

Multi-country payroll consolidation in the TR & MENA corridor is not a technology problem. The platform matters, but the platform is not the differentiator.

# How It Works

Datassist has operated Turkey payroll from Istanbul since 1999. The team that handles your SGK declarations is the same team that handled them for 500 clients through every minimum wage reset, every SGK ceiling change, and every incentive program revision over the past two decades. For MENA, Datassist structures each engagement under a single GMFA with the client, anchoring in-country delivery through a vetted partner network that operates under Datassist's service standards and accountability framework.

1. **Scoping and GMFA design:** Datassist maps your current vendor structure, headcount per country, and compliance requirements. The GMFA and country-specific LOEs are structured to reflect your actual payroll calendar, not a generic template.
2. **Phased migration:** Country sequencing follows the logic from Section 5: Egypt first, then Turkey and UAE in parallel, then Saudi Arabia. Datassist manages the incumbent vendor transition, including data extraction and cooperation clause execution.
3. **Parallel-run period:** Each country migration includes a parallel-run period where both the incumbent and Datassist process the same cycle. Discrepancies are identified and resolved before the cutover.
4. **Ongoing service delivery:** After migration, your monthly payroll cycle runs on Datassist's platform with one named regional advisor as your single point of contact. Regulatory updates, including Turkey parameter changes, staged GOSI rates, and WPS control changes, are handled as part of the service delivery, not as separately billed projects.

## Why Datassist

- **25 years in Turkey.** Datassist is Turkey's first dedicated payroll outsourcing company. The team managing your SGK declarations has done this through every regulatory change since 1999.
- **GPA Best In-Country Payroll Provider of the Year: twice.** Independent recognition from the Global Payroll Association, not a self-reported metric.
- **Single accountability.** One GMFA, one named regional advisor, one escalation path. Your Finance team coordinates with one contact, not four.
- **Audit-grade reporting.** ISO 27001 and ISAE 3402 certified. Country-level dashboards and consolidated monthly packs that your internal audit team can rely on.
- **Regulatory change included.** Law 7566, WPS control changes, and GOSI rate increases are service delivery events, not separately billed projects.
- **500+ active clients.** 1.5 million payrolls calculated annually across Turkey and MENA.