

# Pillar Two

## Country-by-Country Implementation Status

November 2024

## Pillar Two - Status of implementation

Last update: 30/11/2023

Country	Implementation Status	Income Inclusion Rule (IIR)*	Undertaxed Profits Rule (UTPR)*	Domestic Top-up Tax (QDMTT)*
Austria	Draft legislation	2024	2025	2024
Australia	Draft legislation to be released	2024	2025	2024
Belgium	Draft legislation	2024	2025	2024
Botswana	No announcement yet	Undefined	Undefined	Undefined
Brazil	No announcement yet	Undefined	Undefined	Undefined
Bulgaria	Draft legislation	2024	2025	2024
Canada	Draft legislation	2024	2025	2024
Chile	No announcement yet	Undefined	Undefined	Undefined
China	No announcement yet	Undefined	Undefined	Undefined
Colombia	No announcement yet	Undefined	Undefined	Undefined
Costa Rica	No announcement yet	Undefined	Undefined	Undefined
Czech Republic	Draft legislation	2024	2025	2024
Cyprus	Draft legislation	2024	2025	2024
Denmark	Draft legislation	2024	2025	2024
Ecuador	No announcement yet	Undefined	Undefined	Undefined
Egypt	No announcement yet	Undefined	Undefined	Undefined
Estonia	Draft legislation	Deferred	Deferred	Undefined
Finland	Draft legislation	2024	2025	2024
France	Draft legislation	2024	2025	2024
Germany	Draft legislation	2024	2025	2024

## Pillar Two - Status of implementation

Last update: 30/11/2023

Country	Implementation Status	Income Inclusion Rule (IIR)*	Undertaxed Profits Rule (UTPR)*	Domestic Top-up Tax (QDMTT)*
Ghana	No announcement yet	Undefined	Undefined	Undefined
Greece	No announcement yet	Undefined	Undefined	Undefined
Hong Kong	Announced	2025	2025	2025
Hungary	Draft legislation	2024	2025	2024
India	No announcement yet	Undefined	Undefined	Undefined
Indonesia	Announced	Undefined	Undefined	Undefined
Ireland	Draft legislation	2024	2025	2024
Israel	No announcement yet	Undefined	Undefined	Undefined
Italy	Draft legislation	2024	2025	2024
Japan	Legislation adopted	1 April 2024	To be confirmed	To be confirmed
Kazakhstan	No announcement yet	Undefined	Undefined	Undefined
Kenya	No announcement yet	Undefined	Undefined	Undefined
Latvia	No announcement yet	Undefined	Undefined	Undefined
Lithuania	Draft legislation	2029	2029	2025
Luxembourg	Draft legislation	2024	2025	2024
Malaysia	Announced	2025	Undefined	2025
Malta	Announced	Deferred	Deferred	Deferred
Mauritius	Announced	Undefined	Undefined	Undefined
Mexico	No announcement yet	Undefined	Undefined	Undefined
Morocco	No announcement yet	Undefined	Undefined	Undefined

## Pillar Two - Status of implementation

Last update: 30/11/2023

Country	Implementation Status	Income Inclusion Rule (IIR)*	Undertaxed Profits Rule (UTPR)*	Domestic Top-up Tax (QDMTT)*
Netherlands	Draft legislation	2024	2025	2024
Nigeria	Announced	Undefined	Undefined	Undefined
Norway	Draft legislation	2024	To be confirmed	2024
Pakistan	No announcement yet	Undefined	Undefined	Undefined
Panama	No announcement yet	Undefined	Undefined	Undefined
Paraguay	No announcement yet	Undefined	Undefined	Undefined
Peru	No announcement yet	Undefined	Undefined	Undefined
Philippines	No announcement yet	Undefined	Undefined	Undefined
Poland	Announced	To be confirmed	To be confirmed	To be confirmed
Portugal	Announced	To be confirmed	To be confirmed	To be confirmed
Romania	Draft legislation	2024	2025	2024
Saudi Arabia	No announcement yet	Undefined	Undefined	Undefined
Senegal	No announcement yet	Undefined	Undefined	Undefined
Serbia	No announcement yet	Undefined	Undefined	Undefined
Singapore	Announced	2025	2025	2025
Slovakia	Draft legislation	Deferred	Deferred	2024
Slovenia	Draft legislation	2024	2025	2024
South Africa	No announcement yet	Undefined	Undefined	Undefined
South Korea	Legislation adopted	2024	2025	Undefined
Spain	Announced	2024	2025	To be confirmed

## Pillar Two - Status of implementation

Last update: 30/11/2023

Country	Implementation Status	Income Inclusion Rule (IIR)*	Undertaxed Profits Rule (UTPR)*	Domestic Top-up Tax (QDMTT)*
Sri Lanka	No announcement yet	Undefined	Undefined	Undefined
Sweden	Draft legislation	2024	2025	2024
Switzerland	Draft legislation	2024	2025	2024
Taiwan	No announcement yet	Undefined	Undefined	Undefined
Tanzania	No announcement yet	Undefined	Undefined	Undefined
Thailand	Announced	2025	Undefined	Undefined
Turkey	No announcement yet	Undefined	Undefined	Undefined
Ukraine	No announcement yet	Undefined	Undefined	Undefined
UK	Legislation adopted	2024	2025	2024
UAE	Announced	Undefined	Undefined	Undefined
United States	No implementation planned in the near future	Undefined	Undefined	Undefined
Uruguay	No announcement yet	Undefined	Undefined	Undefined
Venezuela	No announcement yet	Undefined	Undefined	Undefined
Viet Nam	Draft legislation	2024	Undefined	2024

### Legend:

- 'Announced' means there is an official announcement confirming the jurisdiction's intent to implement Pillar Two rules.
- 'No announcement yet' means the jurisdiction has not made any public statements regarding its plans for the implementation of Pillar Two rules.
- 'Draft legislation' means a preliminary version of a proposed law that is still under consideration and development.
- 'Deferred' means that the jurisdiction has deferred the introduction of the measure, as afforded by the EU Minimum Taxation Directive.
- 'Legislation adopted' means an officially approved law.
- 'Undefined' means that the jurisdiction has not publicly commented on the introduction of the measure yet.
- 'To be confirmed' means the jurisdiction has announced that it will consider the measure in more detail at a later date.

\*Expected date of entry into effect

# Pillar Two Updates: November 2023 Highlights

\*Updated on: 30 November 2023

**European Union:** the European Commission published Regulation 2023/2468, amending IAS 12 in accordance with the amendments from the IASB dated May 23, 2023. This regulation introduces a temporary exception for deferred tax accounting under the Pillar Two rules and new disclosure requirements for entities affected by Pillar Two taxes.

**Austria:** draft legislation on the EU Minimum Taxation Directive was published

**Estonia:** Draft legislation released, deferring Pillar Two implementation until 2029

**Lithuania :** Draft legislation focusing on filing obligations for Pillar Two released

**Belgium:** draft legislation for Pillar Two sent to Parliament, aligning with the EU Minimum Tax Directive

**Germany:** the Lower House of Parliament adopted the bill implementing the EU Minimum Tax Directive into domestic legislation

**Luxembourg:** Amendments to Pillar Two legislation submitted to Parliament

**Cyprus:** the Government issued a statement confirming its consent to the QDMTT and the UTPR Safe Harbours under Pillar Two

**Hungary:** the Hungarian Ministry of Finance submitted to the Parliament draft legislation to implement Pillar to into domestic Law

**South Korea:** a Decree detailing Pillar Two rules was released for public consultation

**Malaysia:** Draft legislation presented, including IIR and DMTT for 2025, excluding UTPR

**UAE:** May delay QDMTT implementation until 2025

## Key

- Law/draft law available
- Draft law expected
- Information available
- Unclear/no information available

## Status of implementation

Last update: 30/11/2023

- › **October 11, 2023** – the OECD released the "Minimum Tax Implementation Handbook." The handbook offers insights into the essential elements of the global minimum tax and provides guidance for tax policy and administration officials and other stakeholders when evaluating implementation options. It focuses on the Global Anti-Base Erosion (GloBE) rules and does not cover the Subject to Tax Rule (STTR).
- › **October 3, 2023** - the OECD announced the conclusion of negotiations by the Inclusive Framework on BEPS for a Multilateral Convention aimed at facilitating the implementation of the Pillar Two Subject to Tax Rule (STTR MLI).
- › **July 17, 2023**- the OECD issued a second set of [Administrative Guidance](#) addressing currency conversion rules, tax credits, and the application of the Substance-based Income Exclusion (SBIE). It also provides additional insights into the design of QDMTT and introduces two new safe harbors: one for jurisdictions implementing QDMTT and another transitional safe harbor for UTPR. Furthermore, the OECD released an updated [GloBE Information Return, guidance on the Subject to Tax Rule \(STTR\)](#), a revised version of the [Pillar Two Rules in a Nutshell](#), and new [FAQs on the Proposed Directive on Global Minimum Tax](#).
- › **July 12, 2023** - the OECD/G20 Inclusive Framework members reached an agreement on an Outcome Statement focusing on the remaining elements of the Two-Pillar Solution. It also covers the IF's work on the Subject-to-Tax Rule (STTR) and includes a commitment to an action plan that facilitates the efficient and coordinated implementation of the Two-Pillar Solution.
- › **March 16, 2023** – the OECD held a public consultation meeting on compliance and tax certainty aspects of global minimum tax. The meeting discussed the input provided to assist members of the IF in completing the work relating to those aspects and preserve consistent and coordinated outcomes for MNEs while minimising compliance burdens and avoiding the risk of double taxation.
- › **February 2, 2023** – the OECD released technical guidance on Pillar Two, aimed at assisting stakeholders with implementation of the GloBE rules. The Agreed Administrative Guidance for the Pillar Two GloBE Rules is intended to ensure coordinated outcomes and greater certainty for businesses that will be implementing the rules beginning 2024. It finalizes the Implementation Framework as outlined in the OECD's October 2021 Statement. The document includes guidance on the recognition of the United States' GILTI rules under the GloBE Rules and on the design of Qualified Domestic Minimum Top-up Taxes. It provides responses to stakeholder feedback on technical issues, including top up tax collection in certain jurisdictions in periods where the jurisdiction has no GloBE income, as well as the treatment of debt releases and certain tax credit equity structures.

## Status of implementation

Last update: 30/11/2023

- › **December 20, 2022** – the OECD invites comments on compliance and tax certainty aspects of global minimum tax (deadline: February 3, 2023) and provides guidance on Safe Harbours and Penalty Relief.
- › **October 4, 2022** – Progress Report September 2021- September 2022 published, restating the intention to release the GloBE Implementation Framework in the second half of 2022.
- › **March 14, 2022** – OECD issues commentary to the GloBE Model Rules, which provides detailed technical guidance on the operation and intended outcomes under the rules, along with a separate document providing examples illustrating the application of the rules to certain fact patterns. Public consultation opened on the GloBE Implementation Framework with comments due by April 11, 2022.
- › **December 20, 2021** – Model GloBE Rules published, setting out the scope and operation of the Pillar Two minimum tax. The GloBE rules introduce a top-up tax to be applied to the profits in any jurisdiction where the effective tax rate (on a jurisdictional basis) is below the minimum rate of 15%.



## EUROPEAN UNION



## Status of implementation

Last update: 30/11/2023

- › **November 9, 2023** - the Council of the European Union held an ECOFIN meeting where Finance Ministers acknowledged progress in the BEPS 2.0 project. This included adopting a Council Statement alongside a Statement from the European Commission. For Pillar Two, the Council approved the Commission's stance that the Inclusive Framework's Administrative Guidance (issued in December 2022, February 2023, and July 2023) aligns with the Minimum Tax Directive. They emphasized the importance of Member States adhering to this guidance when implementing the Directive.
- › **November 8, 2023** - the European Commission published Regulation 2023/2468, amending IAS 12 in accordance with the amendments from the IASB dated May 23, 2023. This regulation introduces a temporary exception for deferred tax accounting under the Pillar Two rules and new disclosure requirements for entities affected by Pillar Two taxes. These changes apply retrospectively in line with IAS 8 for annual periods starting after January 1, 2023, but not for interim periods ending before December 31, 2023. The regulation became effective on November 10, 2023, in EU Member States.
- › **December 15, 2022** - The Pillar Two directive (8778/22) is adopted by the Council of the European Union. All delegations voted in favour of, except for Hungary that abstained, the adoption of the of the Pillar Two directive. Nevertheless, the required unanimity has been reached. The Pillar Two directive needs to be transposed by the Member States until 31 December 2023.
- › **December 12, 2022** - Following several prior attempts in ECOFIN meetings held in 2022, EU member states finally reached agreement in principle to implement at EU level the minimum taxation component (Pillar Two) of the OECD's reform of international taxation. The ambassadors of EU member states decided to advise the Council to adopt the Pillar Two directive, and a written procedure for the formal adoption will be launched.

## ATAF



## Status of implementation

Last update: 30/11/2023

- › **October 4, 2023** - the African Tax Administration Forum (ATAF) introduced a revised approach for domestic minimum top-up tax (DMTT) legislation. This approach offers three alternative models for countries to choose from, aligning with their legislative framework.
  - › Approach 1 includes essential DMTT provisions in primary legislation, streamlining the process, while detailed regulations are delegated to the relevant Minister.
  - › Approach 2 adopts a "reference model," modifying GloBE rules to suit DMTT, ensuring consistency with simplicity.
  - › Approach 3 provides a comprehensive DMTT version based on GloBE rules, enshrined in primary legislation for extensive parliamentary oversight.
- › **December 15, 2022** - The Pillar Two directive (8778/22) is adopted by the Council of the European Union. All delegations voted in favour of, except for Hungary that abstained, the adoption of the of the Pillar Two directive. Nevertheless, the required unanimity has been reached. The Pillar Two directive needs to be transposed by the Member States until 31 December 2023.
- › **January 2023** - the African Tax Administration Forum (ATAF) published draft legislation proposing an approach for its African members who wish to implement the Qualified Domestic Minimum Top-Up Tax (QDMTT). The ATAF stated that its QDMTT approach aims to address the unique challenges specific to African member states that are considering amending their legislation to protect their tax base in response to the Pillar Two GloBE rules.
  - › The IIR and UTPR would enable other jurisdictions to collect top-up tax on tax incentives from African countries. According to the ATAF, "very few, if any, African countries will collect the top-up tax under the IIR as most African countries have very few if any UPEs resident in their country," and it is also "unlikely that the UTPR will result in significant additional tax for African countries." Thus, the ATAF explains that its suggested QDMTT approach would allow African member states to collect any applicable top-up tax first.



**ARGENTINA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **Not expected yet**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **Not expected yet**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **Not expected yet**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**October 01, 2023** – First bill draft did not follow the technicalities of Pillar Two standard. Bill establishes a flat rate of 15% applied to accounting income derived from the company's financial statements without any adjustment to be deducted from the company's annual income tax burden (from 25% to 35% of taxable income). Any excess tax burden that cannot be credited against the income tax burden of a given fiscal period cannot be carried forward to future fiscal periods. However, under current circumstances, it is not expected that this initiative will succeed in Congress.

**September 15, 2023** - the Argentine Government sent the draft Budget Law 2024 to the Congress. In the Message to the Congress, the Government recommended suggesting the assessment of a corporate minimum tax at a rate of 15%, in alignment with the OECD Pillar Two objectives. However, no specific project or additional information has been unveiled as of now.



**AUSTRALIA**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **to be released**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **1 January 2024**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **1 January 2024**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **1 January 2025**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**August 2023** - the Australian Taxation Office (ATO) has initiated a targeted consultation aimed at taxpayers who are probably affected by the GloBE rules. The consultation process is structured in three phases: Phase 1 for industry groups and members (July-August), Phase 2 for mid-tier firms (August-October), and Phase 3 for large advisory firms (September-November).

**May 9, 2023** - as part of the 2023–24 Budget the Australian Government announced that it will implement key aspects of OECD Pillar Two rules with a domestic minimum tax measure effective beginning 1 January 2024. The IIR will be applicable for income years commencing on or after 1 January 2024, while the UTPR will take effect for income years commencing on or after 1 January 2025.



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Published for public consultation on 3 October 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **The general computation rules would apply**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2023**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**October 3, 2023** - the Ministry of Finance published a consultation draft for a Minimum Tax Act. It closely follows the EU Directive and OECD model rules. The new regulations will be implemented by a separate law and will include IIR applicable for fiscal years starting on or after 31 December 2023, UTPR applicable for fiscal years starting on or after 31 December 2024, as well as QDMTT. Additionally, all recommended safe harbors from various OECD Pillar Two publications will be incorporated.



**BELGIUM**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **sent to Parliament on November 13, 2023**

## 2. Specific Pillar Two Components

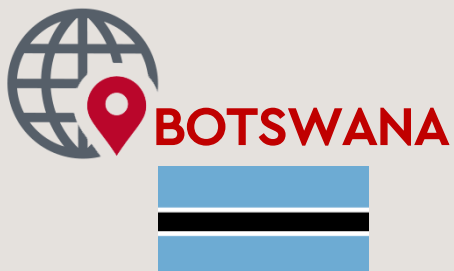
- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **UPE accounting standards**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**November 13, 2023** - the Belgian Government sent to Parliament draft legislation to implement Pillar Two into domestic legislation. Should it be officially approved before the end of the year, the minimum tax applicable to multinational corporations and major domestic groups will become effective starting 1 January 2024.



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **Yes**

a. (Draft) Legislation Expected By (Date): **Draft Income Tax Bill, Value Added Tax Bills and Tax Administration Act released for comment in April 2023**

### 2. Specific Pillar Two Components

#### › Income Inclusion Rule (IIR):

- › Expected Year of Application: **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

#### › Qualified Domestic Minimum Top-Up Tax (QDMTT):

- › Expected Implementation Date: **N/A**
- › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
- › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

#### › Undertaxed Profits Rule (UTPR):

- › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**May 2023** – The Ministry of Finance releases three new fiscal acts including the Income Tax Bill of 2022, the Value Added Tax Bill of 2022 and the Tax Administration Bill of 2022. The Income Tax Bill contain broad-ranging transfer pricing and anti-avoidance provisions.



**BRAZIL**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): → No
- › (Draft) Legislation Expected By (Date): → Undefined

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: → Undefined
  - › Deviations from OECD GloBE Rules (if any): → N/A
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: → Undefined
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: → N/A
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? → N/A
  - › Filing Process Details (responsible entity, competent authority, declaration form): → N/A
  - › Deviations from OECD GloBE Rules (if any): → N/A
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: → Undefined

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): No
- › Legislative Activities Regarding STTR in Double Tax Treaties: No

### 4. Further comments:

The Brazilian tax authorities have not yet expressed any intention to implement the Pillar Two Rules locally.

In view of the ongoing discussions on the VAT reform in Brazil, discussions about the implementation of the Pillar Two are not the priority in Brazil.





**BULGARIA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Released on September 26, 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **IAS under EU Regulation 1606/2002, or Bulgarian National Accounting Standards**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **IAS under EU Regulation 1606/2002 may be also used as the basis for calculation**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **The Bulgarian constituent entities files a local return with the Bulgarian National Revenue Agency in a form that is yet to be published**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**September 26, 2023** - the Bulgarian Ministry of Finance released proposed amendments to tax laws, including changes to the Corporate Income Tax Act. It aligns with the EU Tax Directive but mostly omits the OECD Administrative Guidance provisions, except for the QDMTT Safe Harbour. It also includes the Transitional CbCR Safe Harbour and the Simplified Calculation Safe Harbour for Non-Material Constituent Entities.



**CANADA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Released on August 4, 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **UPE's accounting standards**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**August 4, 2023** - The draft legislation for the Pillar Two rules has been released. This confirms that the Canadian Income Inclusion Rule (IIR) and Domestic Minimum Top-up-Tax (DMTT) will apply to fiscal years of MNE groups starting after December 30, 2023. Comments on the draft legislation in the part of the Pillar Two rules, are due by 29 September 2023. Legislation to introduce the undertaxed profits rule (UTPR), set to be effective a year later, is anticipated to be released subsequently.

**March 28, 2023** - Budget 2023 was released, reaffirming Canada's commitment to implementing Pillar Two. The new measures are set to take effect for fiscal years beginning on or after December 31, 2023. The government also noted that it would continue to monitor international developments as it proceeds with the implementation of Pillar Two.



**CHILE**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **There is no expected date to legislate this issue**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:



**CHINA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **Not announced**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **Not announced**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **Not announced**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

The Chinese government has been actively participating in and contributing to the design and development of the BEPS programs, including Pillar Two. So far, much effort has focused on stepping up public awareness and deliberation. It might take some time for the lawmakers to analyse the full implications of the program and make the necessary realignments to the current legislation.



**COLOMBIA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**13 December, 2022** - Colombia's Tax Reform Law was enacted, effective January 1, 2023. It keeps the Corporate Income Tax rate at 35% and introduces a 15% Minimum Effective Tax Rate (METR) for resident corporations, aligning with OECD's Pillar Two but with broader objectives when combined with other changes in the Tax Reform Law. Taxpayers in scope will need to adjust their METR to 15% according to a specific formula.



**COSTA RICA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**October 2, 2023** - Costa Rica published Law No. 10.381 in the Official Gazette. This law includes amendments to the Income Tax Law, which are crucial for Costa Rica's removal from the EU list of non-cooperative jurisdictions in tax matters.



**CYPRUS**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Draft legislative proposal issued on October 3, 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation:
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **Each Constituent Entity in Cyprus must file a GloBE Information Return within 15 months of the reporting year's end, or 18 months for the transition year. It is possible to use a designated local filing entity (or the UPE or its designated filing entity in case the filing jurisdiction has a qualifying competent authority agreement in effect with Cyprus).**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**October 3, 2023** - the Ministry of Finance of Cyprus issued a draft legislative proposal and initiated a public consultation regarding the incorporation of the EU Directive on global minimum taxation into national law. The proposed draft bill aligns with the EU Directive and incorporates elements from the OECD/G20 Inclusive Framework on BEPS Administrative Guidance.





**CZECH REPUBLIC**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **the draft bill was published in May 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **No**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **local GAAP (subject to certain conditions) or accounting standards used for the preparation of consolidated FS. QDMTT basis determined using local GAAP shall be adjusted in such a way that there is no substantial distortion of competitiveness**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **It is an option not obligation to use local GAAP. Based on the draft law deferred tax concept is not excluded from local GAAP used as a basis for QDMTT.**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **It is a responsibility of Czech entity to file a tax return to QDMTT. As regards information return, there is the option under which the information return is submitted by another Czech QDMTT taxpayer who is a member of the same group subject to a notification obligation to a tax authority. Competent authority in the Czech Republic is the Specialized Financial Authority.**
  - › Deviations from OECD GloBE Rules (if any): **No**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**August 16, 2023** - The government approved the draft law reflecting the OECD's Pillar Two Model Rules, aligned with the EU Minimum Tax Directive. On August 18, 2023 it was submitted to the Chamber of Deputies for approval.





**DENMARK**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **October 4, 2023**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **No news yet.**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **No news yet.**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **No news yet.**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**October 4, 2023** - a proposed legislative act titled "the Minimum Tax Act" was submitted to the Danish Parliament. The initial discussion of the bill took place on October 10, and it will be followed by a committee review before the second reading, which is anticipated to occur in mid to late November 2023. The law is set to come into effect on December 31, 2023.



**ECUADOR**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

Ecuador is not yet a member of the OECD/G20 Inclusive Framework on BEPS



**EGYPT**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **Was supposed to have been published by June, according to the government's action plan, but has not been. Estonia is allowed to apply global minimum tax rules from 2030, but domestic rules are expected earlier.**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **No public announcement yet**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **No public announcement yet**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **No public announcement yet**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Final government proposal published on 20 October 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **The scope of the Directive (EU) 2022/2523 is wider than the OECD GloBE Rules and this also applies to the Finnish legislation proposal. Member States in the EU shall ensure that, where a constituent entity that is the ultimate parent entity of an MNE group or of a large-scale domestic group is located in a Member State that is a low-tax jurisdiction, it is subject to the IIR top-up tax in respect of itself and of all low-taxed constituent entities of the group located in the same Member State for the fiscal year.**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **Accepted accounting standards would include international accounting standards (IFRS or IFRS as adopted by the European Union under Regulation (EC) No 1606/2002 of the European Parliament and of the Council) and the general accounting standards of all EU Member States**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP?: **No**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **Detailed guidelines or forms have not yet been published. Competent authority: The Finnish Tax Administration**
  - › Deviations from OECD GloBE Rules (if any): **No deviations.**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

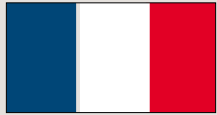
## 4. Further comments:

**November 29, 2023** – The Finnish Constitutional Committee gave its statement on the government proposal.

**October 20, 2023** - The final government proposal for the Finnish Pillar Two legislation was published.



**FRANCE**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **A draft bill is included in the 2024 Finance Bill to be voted by the end of the year subject to parliamentary discussion. It was released on September 27, 2023.**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **financial accounting net income determined according to French accounting principles or IFRS standards**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form):
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**September 27, 2023** – The French Government presented the draft Finance Bill for 2024 which is globally in line with the EU Directive but also includes in the law some comments resulting from the guidelines which constitutionally are the competence of the lawmaker. The bill also provides further precisions regarding the fines for the failure to file ranging from 50 K€ to 1M€, the statutes of the limitation period which is extended to 5 (instead of 3) years due to the filing date, precisions relating to the exemption for MNC starting being internationalised and to the filing of the returns. The law also empowers the government to release ordinances based on further OECD developments.



**GERMANY**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): → Yes
- › (Draft) Legislation Expected By (Date): → draft law (MinStG-E) passed by the Parliament based on the Finance Committee recommendation on November 10, 2023; final adoption in Dec 2023 expected

## 2. Specific Pillar Two Components

- › Income Inclusion Rule (IIR):
  - › Expected Year of Application: → December 31, 2023
  - › Deviations from OECD GloBE Rules (if any): → in principle, no; however, there is a definition of a German minimum group included; the head of such minimum Group has to take over the filing and top-up tax obligation for all German CEs; in addition, a mandatory compensation payment between the German UPE and German CEs (especially in case of a German POPE) with respect to the top-up tax obligation has been included
- › Qualified Domestic Minimum Top-Up Tax (QDMTT):
  - › Expected Implementation Date: → December 31, 2023
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: → Group GAAP with the election to apply local GAAP if certain requirements are met (≈Acceptable or Authorised Financial Accounting Standard)
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? → see above, there exists the possibility to use local GAAP for QDMTT purposes as the QDMTT rules refer to the IIR rules. Local GAAP (i.e., HGB) includes a deferred tax concept with an important deviation from IFRS: there is an election to not recognise DTAs which exceed the DTLs
  - › Filing Process Details (responsible entity, competent authority, declaration form): → head of the German minimum tax group owes the top-up tax; competent authority: Federal Central Tax Office; German declaration form: not yet known
  - › Deviations from OECD GloBE Rules (if any): → No
- › Undertaxed Profits Rule (UTPR):
  - › Expected Year of Application: → December 31, 2024

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): No
- › Legislative Activities Regarding STTR in Double Tax Treaties: No

## 4. Further comments:



**GHANA**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

Ghana is not part of the Inclusive Framework and has not taken any steps to implement Pillar Two yet.





**GREECE**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **Unknown**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **Not defined yet**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **Not defined yet**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **No**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **Not defined yet**
  - › Deviations from OECD GloBE Rules (if any): **No**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **Unknown**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

Any other relevant information or observations.



**HONG KONG**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **Unclear, the consultation is expected to be launched within 2023**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **1 January 2025**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **1 January 2025**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **Unclear**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**February 22, 2023** – Hong Kong's Financial Secretary, Paul Chan, announced in the 2023 – 2024 budget speech that the 15% GloBE minimum effective tax rate in Hong Kong will be implemented to safeguard its taxing rights and maintain competitiveness. The global minimum effective tax rate would apply to large MNE groups, and the domestic minimum top-up tax is expected to be introduced from 2025. To facilitate the MNE groups' preparations, a consultation exercise will be conducted.



**HUNGARY**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Legislation adopted on 21 November 2023, implementing decree in progress**

## 2. Specific Pillar Two Components

### › Income Inclusion Rule (IIR):

- › Expected Year of Application: **31 December 2023**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Qualified Domestic Minimum Top-Up Tax (QDMTT):

- › Expected Implementation Date: **31 December 2023**
- › Accounting Standard Basis for Income/Covered Taxes Calculation: **statutory financial statements, which could either be HU GAAP or IFRS based on local law**
- › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **Application of local GAAP for QDMTT calculation purposes possible under conditions set forth in Chapter 5 of the OECD Administrative Guidance. Parallel to the implementation of Pillar Two rules, local accounting laws were amended so that these will include (from 2024) a deferred tax concept compared to the current legislation which does not provide for such possibility.**
- › Filing Process Details (responsible entity, competent authority, declaration form): **A *notification* shall be filed with the Hungarian tax authority within 12 months subsequent to the commencement of a tax year in which a Constituent Entity will be subject to domestic top-up tax liability. The notification shall include certain details on the multinational enterprise. Domestic members of an MNE group need to file a *GLOBE return* or *QDMTT return* on the filing form to be published by the Hungarian tax authority. Exemption from GloBE or QDMTT return filing obligation follows Article 8.1 of the OECD Model Rules. The GLOBE and the QDMTT return needs to be filed and tax is payable within 15 months subsequent to the last day of a respective tax year.**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Undertaxed Profits Rule (UTPR):

- › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

A new R&D corporate income tax credit was introduced parallel to the implementation of Pillar Two which meets the criteria of a Qualified Refundable Tax Credit as per the OECD rules.



**INDIA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**February 1, 2023** - the Indian Government unveiled their Union Budget for the fiscal year 2023-24, and it did not feature any discussion or legislative proposal pertaining to Pillar Two.



**INDONESIA**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **No Information Yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **Unclear**
  - › Deviations from OECD GloBE Rules (if any): **Unclear**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **Unclear**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **Unclear**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **Unclear**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **Unclear**
  - › Deviations from OECD GloBE Rules (if any): **Unclear**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **2025**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**December 22, 2022** – The Indonesian government issued Government Regulation No. 55/2022, to incorporate the most recent amendments to its Income Tax Law. These revisions establish the legal basis for the implementation of Pillar Two in Indonesia. The detailed guidance of the implementation will be further regulated in MoF regulations not before publication of the OECD's GloBE Implementation Framework.



**IRELAND**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Published on October 19, 2023.**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **local accounting standards that are used to prepare the Irish financial statements**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**October 19, 2023** - Ireland published the Finance (No. 2) Bill 2023, which includes draft legislation to incorporate Pillar Two into its domestic law. This Bill aligns with the EU Minimum Tax Directive and the OECD Model Rules, reflecting insights from a detailed consultation process. The Bill requires approval by Ireland's parliament and is anticipated to be signed into law by the third week of December 2023, marking a "substantive enactment" for accounting disclosure purposes.



**ISRAEL**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **Probably not before 2024**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

Nowadays a professional committee of the Tax Authority gathered to discuss the implementation of the Pillar Two GloBE rules. The legislative process is expected to begin in 2024.



**ITALY**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Draft legislation published on September 11, 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **Local Accounting Standard with the UPE's accounting standard as a default rule**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

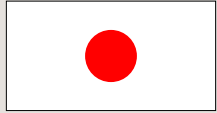
**October 16, 2023** - following government approval, the proposal was forwarded to the Parliament for examination. This process allows Parliament to suggest amendments. It is anticipated that Italy will ratify the legislation in time to comply with the deadline set by the EU global minimum tax Directive.

**September 11, 2023** - The Ministry of Economy and Finance has published for consultation the draft legislative decree implementing EU Minimum Tax Directive.





**JAPAN**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Issued on February 3, 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **April 1, 2024**
  - › Deviations from OECD GloBE Rules (if any):
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **To be confirmed**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **To be confirmed**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**29 September, 2023** - the Japanese National Tax Agency (NTA) published interpretative guidance concerning the Pillar Two regulations introduced into domestic law. It includes explanations on the de minimis exclusion and the transitional CbCR safe harbor. The NTA emphasizes its commitment to aligning Japanese global minimum tax laws with the Model Rules and relevant documents.

**June 16, 2023** - the Japanese government issued a Cabinet Order to enact the Income Inclusion Rule (IIR) as a component of Japan's 2023 tax reform. The implementation of the IIR will align with the Pillar Two GloBE Model Rules. Starting from April 1, 2024, the IIR will become applicable in Japan for tax years commencing on or after that date.

**March 28, 2023** - the Tax Reform Bill has been enacted, which implements the 15% global minimum tax in accordance with the Pillar Two initiative and incorporates the IIR into Japan's Corporate Income Tax Law. The IIR is applicable for tax years from 1 April 2024 onwards.



**KAZAKHSTAN**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **N/A**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP?
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

According to publicly available sources, in Kazakhstan there is still no information about developments into local tax legislation in relation to Pillar Two Implementation directive.



**KENYA**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**March 31, 2023** - the President of Kenya, William Ruto, announced plans to revise the existing digital services tax (DST) and bring it in line with the Two-Pillar solution. This marks a significant shift in Kenya's policy as the country had previously chosen to retain the DST and declined to sign the statement of the Inclusive Framework related to Pillar Two rules in October 2021. Despite the President's announcement, no changes have not been reflected in the Finance Bill 2023, which was released to the public in April 2023.



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Draft Legislation is available**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **Latvia elected not to apply the IIR for six consecutive fiscal years beginning from 31 December 2023 in accordance to the Article 50 of the Directive**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **undefined**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **IFRS**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **Latvia elected not to apply the UTPR for six consecutive fiscal years beginning from 31 December 2023 in accordance to the Article 50 of the Directive**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:



**LITHUANIA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **the draft legislation was published on 27 October 2023. The legislation is expected to be passed by the end of this year. Lithuania is expected to make use of the option to postpone the main implementation of Pillar Two for 6 years (until 2029). Part of the rules applicable to companies belonging to groups with a consolidated worldwide turnover exceeding 750 million, the rules on the 15% effective CIT rate can be applied from the tax year 2024**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **2029**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **2029**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **the QDMTT clauses are currently not transposed into the legislation project, and it is planned to transpose QDMTT together with the IIR and UTPR**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **2029**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

In line with the provisions of the Directive, this current legislation seeks to determine which groups of units are subject to the minimum level of taxation in the EU and which information must be provided by the Lithuanian entities included in the group of units in relation to the application of these measures.



# LUXEMBOURG



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Luxembourg government presented the draft law on 4 August 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **the Local Accounting Standard Rule. QDMTT calculations should be made either under Lux GAAP or IFRS depending on the accounting standard which is used for stand-alone statutory filing purposes in Luxembourg.**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP?
  - › Filing Process Details (responsible entity, competent authority, declaration form): **All Luxembourg entities subject to the regulations must register with the separate tax office (Bureau de Diekirch) by no later than June 30, 2026. Annual filing of a GloBE information return.**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

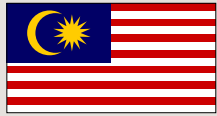
## 4. Further comments:

**November 13, 2023** - the Luxembourg Government released amendments to the draft law, mainly regarding the inclusion of the Administrative Guidance which was released by the OECD in February and July 2023.

**August 4, 2023**- the draft law transposing the EU Minimum Tax Directive was presented to Parliament. It is mostly mirroring provisions of the EU Pillar Two Directive. The draft law implements GloBE rules in a separate act, distinct from the existing Luxembourg income tax legislation, that will apply alongside and in addition to the existing Luxembourg corporate tax rules. The draft law introduced three new taxes in Luxembourg: IIR tax, UTPR tax and QDMTT tax.



**MALAYSIA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Available**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **2025**
  - › Deviations from OECD GloBE Rules (if any): **No significant deviation other than the time period for the first submission.**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **2025**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **GloBE returns are to be filed with Lembaga Hasil Dalam Negeri (LHDN)**
  - › Deviations from OECD GloBE Rules (if any): **No significant deviation noted.**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **Not known.**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**October 13, 2023** - During the Budget Announcement the Malaysian Minister of Finance revealed plans to implement the Pillar Two rules in Malaysia by the year 2025. The government also expressed its commitment to closely monitor international developments in this area.



**MAURITIUS**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **To be released**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **To be confirmed**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **To be confirmed**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **To be confirmed**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**August 2, 2022** - Finance (Miscellaneous Provisions) Act 2022 has been enacted, implementing several measures from the 2022-2023 Budget. The measures include the introduction of a 15% domestic minimum top-up tax for resident companies which are part of an MNE group with annual revenue of at least 750 million euros, in line with the proposed Pillar Two rules. The top-up tax will come into effect on a date to be determined by Proclamation.





**MEXICO**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**October 10, 2022** – Juan Carlos Trujillo Barroso, head of the Coordination of International Treaties of the Tax Legislation Unit, attached to the Undersecretariat of Revenues of Mexico's Ministry of Finance and Public Credit ("SHCP", for its Spanish acronym) confirmed Mexico's intention to implement the global minimum tax, and declared that the SHCP will continue working on the domestic legislative framework to implement it, which is expected to be done during FY 2023, in order for it to come into effect during FY 2024. Furthermore, he pointed out the convenience of regulating this tax in a new law, rather than to incorporate it into the Mexican Income Tax Law ("MITL") or the Federal Tax Code ("FTC").



**MOROCCO**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:



**NETHERLANDS**



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# Status of implementation

Last update: 07/12/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes.**
- › (Draft) Legislation Expected By (Date): **Legislation was adopted in Parliament on 19 December 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **financial years starting on or after 31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **No**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: This is based on the so-called *Local Financial Accounting Standard Rule*, i.e., in principle based on Dutch GAAP if certain conditions are met. In other cases it will be based on the accounting standard that was used in preparing the consolidated financial statements of the UPE or another Acceptable/Authorised accounting standard
  - › QDMTT Accounting Standards Detail:
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **Yes, provided that certain conditions are met. If these conditions are not met, there is no option to use local GAAP. Also, deferred taxes do exist under Dutch GAAP. They are not recognized by default but in some cases it is mandatory to include them in the financial statements.**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **One information and one tax return will be filed for all Dutch group entities. In case there is a Dutch parent entity, that entity must file the return. In other cases, one of the Dutch entities will be appointed. The return is based on a standard form.**
  - › Deviations from OECD GloBE Rules (if any): **No**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **financial years starting on or after 31 December 2024 (31 December 2023 for Dutch entities part of a group that falls within the scope of Article 50 paragraph 1 of the EU Directive).**

## 3. International Agreements and Treaties

- › **Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:**
  - › Concluded (Yes/No): **No.**
  - › Partner Jurisdictions (if any): **-**
- › **Legislative Activities Regarding STTR in Double Tax Treaties: No.**



**NETHERLANDS**



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## Status of implementation

Last update: 07/12/2023

### 4. Further comments:

The Dutch government takes the view that the IIR and UTPR can in any case be applied under Double Tax Treaties with EU Member States. The new Double Tax Treaty with Belgium also entail a specific clause on Pillar Two in that respect.



## NEW ZEALAND



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## Status of implementation

Last update: 10/11/2023

### 1. Implementation Status:

- › Initiated: **Yes**. NZ will implement once a critical mass of countries have implemented Pillar Two legislation
- › (Draft) Legislation Expected By (Date): **Draft** legislation introduced to Parliament in the Taxation (Annual Rates for 2023-24. Multinational Tax and Remedial Matters) Bill in May 2023, Bill lapsed with October 2023 General Election, Bill expected to be re-introduced in February 2024

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **To be confirmed, no earlier than 1 January 2024.**
  - › Deviations from OECD GloBE Rules (if any): **NZ has adopted OECD model rules, but proposes using DIIR rather than QDMTT (see below)**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **Not applicable**. NZ has chosen to implement a Domestic Income Inclusion Rule (DIIR) rather than a QDMTT, limited to in-scope domestically headquartered MNE groups.
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **IAS 12 as amended by the IASB with respect to Pillar Two**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? **No, the starting point for the calculation of the Effective Tax Rate is utilising the financial accounting standard used by the parent.**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **GloBE Information Return to Inland Revenue electronically, using prescribed OECD template, within 18 months of income year (decreasing to 15 months in subsequent years)**
  - › Deviations from OECD GloBE Rules (if any): **None identified, pending passage of legislation**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **To be confirmed, no earlier than 1 January 2025.**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **Pillar Two as incorporated by NZ legislation will override pre-existing Double Tax Treaties unless the treaty specifically refers to it.**

### 4. Further comments:

It is expected that because the threshold for Pillar Two legislation is EUR 750M, and NZ already has a corporate tax rate higher than 15%, the consequences of this legislation will be minimal for this jurisdiction.



**NIGERIA**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

#### › Income Inclusion Rule (IIR):

- › Expected Year of Application: **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

#### › Qualified Domestic Minimum Top-Up Tax (QDMTT):

- › Expected Implementation Date: **N/A**
- › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
- › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

#### › Undertaxed Profits Rule (UTPR):

- › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**April 4-5, 2023** - the Nigerian Federal Inland Revenue Service (FIRS) held a workshop with a delegation from the OECD on Pillar Two. Following the workshop, an outcome statement was issued, noting that to address challenges arising from the digitalisation of the economy, the country's tax base and fiscal policy options will be impacted by the implementation of the Two-Pillar solution, especially the Pillar Two GloBE rules, regardless of whether or not Nigeria endorses the statement of October 2021. It was noted that there was the need for Nigeria to immediately implement fiscal policy measures to address these potential impacts.

The following recommendations were provided to Nigeria: to engage stakeholders urgently to streamline tax incentives in order to prevent loss of tax revenue to other jurisdictions; to implement tax policy options, including but not limited to increasing the effective tax rate to a 15% minimum or introducing QDMTT; to continue to participate in the development of rules to protect national interests and provide guidance for necessary policy responses.



**NORWAY**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Draft legislation released 24 November 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **1 January 2024**
  - › Deviations from OECD GloBE Rules (if any): **No deviation. Also comprises non-international (Norwegian-only) groups**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **1 January 2024**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **No**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **Norwegian parent entity, separate tax return**
  - › Deviations from OECD GloBE Rules (if any): **None**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **to be confirmed**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**November 24, 2023** - Norway's Parliament received a draft law to adopt the Pillar Two GloBE rules into its domestic legislation. Notably, the under-taxed profits rule (UTPR) is excluded from this draft. Initially proposed as a new chapter in the Tax Act 1999, it was later decided to implement these provisions as a separate act.



**PAKISTAN**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:





**PANAMA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

Panama is subscribed as a member and has signed the commitments. However, there is no legislative initiative to implement this tax, so far there's no obligation. It is expected to have a framework referring to the new implementations, but it hasn't been established when will be done.



**PARAGUAY**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

Paraguay signed the agreement on August 31, 2021.



**PERU**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**March 2023** - the Executive Power created a Multisectoral Commission as a permanent body to enhance Peru's engagement with the OECD and monitor its accession process, led by the Presidency of the Council of Ministers. It is anticipated that Peru will implement the Pillar Two rules as part of this initiative, although no official announcement has been made yet.



## PHILIPPINES



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

The Philippines recently joined the Inclusive Framework on BEPS last 11/10/23 and has expressed its commitment in participating to the Two-Pillar Solution. However, there is still no specific commitment as to when it will act on the implementation.



**POLAND**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**, Pillar Two plans announced
- › (Draft) Legislation Expected By (Date): **Not released yet**

## 2. Specific Pillar Two Components

### › Income Inclusion Rule (IIR):

- › Expected Year of Application: **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Qualified Domestic Minimum Top-Up Tax (QDMTT):

- › Expected Implementation Date: **N/A**
- › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
- › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Undertaxed Profits Rule (UTPR):

- › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

Ministry of Development and Technology announced that currently consequences of Pillar Two implementation in Poland are being analyzed.



**PORTUGAL**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**, Pillar Two plans announced
- › (Draft) Legislation Expected By (Date): **Not released yet**

## 2. Specific Pillar Two Components

### › Income Inclusion Rule (IIR):

- › Expected Year of Application: **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Qualified Domestic Minimum Top-Up Tax (QDMTT):

- › Expected Implementation Date: **N/A**
- › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
- › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Undertaxed Profits Rule (UTPR):

- › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:



**ROMANIA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes, Pillar Two plans announced**
- › (Draft) Legislation Expected By (Date): **Published in October 4, 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**October 4, 2023** – the Ministry of Public Finance published draft legislation, for public consultation, on the implementation of Pillar Two into domestic law. The proposed legislation closely follows the EU Directive on minimum taxation, featuring an IIR and a QDMTT effective from December 31, 2023, and a UTPR effective from December 31, 2024. Additionally, it includes provisions for the transitional CbCR safe harbor in accordance with OECD guidelines.



**SAUDI ARABIA**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **Yes**, Pillar Two plans announced
- › (Draft) Legislation Expected By (Date): **Not released yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**December 22, 2022** - Saudi Arabia income tax rate is 20% on the adjusted net profit and therefore it is higher than the threshold, yet, KSA may consider reforming the current tax law as the GCC nationals are not subject to corporate income tax in KSA. This is not very likely to happen in the near future.





**SENEGAL**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **Not yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation:
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? **No**. If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? : **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR)**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

Although Senegal is part of the group of countries that adopted the Pillar Two solution in October 2021 under the inclusive OECD framework, there is no enactment of regulations to implement Pillar Two. However, the Senegalese tax administration has already begun to reflect on the relevant reforms to be adopted to take full advantage of the global minimum tax.



**SERBIA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **N/A**

## 2. Specific Pillar Two Components

### › Income Inclusion Rule (IIR):

- › Expected Year of Application: **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Qualified Domestic Minimum Top-Up Tax (QDMTT):

- › Expected Implementation Date: **N/A**
- › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
- › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Undertaxed Profits Rule (UTPR):

- › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**November 30, 2023** - Serbian state authorities have not yet announced, proposed or adopted any regulation related to OECD Pillar Two.



**SINGAPORE**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**, Pillar Two plans announced
- › (Draft) Legislation Expected By (Date): **Not released yet**

## 2. Specific Pillar Two Components

### › Income Inclusion Rule (IIR):

- › Expected Year of Application: **1 January 2025**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Qualified Domestic Minimum Top-Up Tax (QDMTT):

- › Expected Implementation Date: **1 January 2025**
- › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
- › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Undertaxed Profits Rule (UTPR):

- › Expected Year of Application: **1 January 2025**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**February 14, 2023** - During Budget 2023, which was presented to the Singapore Parliament, the Minister for Finance has confirmed that the GloBE rules will be implemented and a domestic top-up tax will be introduced to top-up the effective tax rate of large multinational groups (with annual revenues exceeding €750 million) operating in Singapore, with effect from businesses' financial year commencing on or after 1 January 2025. The government will continue to monitor international developments and adjust the implementation timeline as needed if there is delay to the international implementation of the GloBE rules. There is currently no draft legislation or regulation that is in public circulation.



## SLOVAK REPUBLIC



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Published on 3 August 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2029**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2029**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**August 3, 2023** - The Slovak Republic's Ministry of Finance has issued a release announcing the submission of a draft law for public comment on the implementation of the Pillar Two rules as set out under the EU Minimum Tax Directive.

Slovakia is contemplating utilizing the EU Directive's provision to postpone IIR and UTPR. The draft currently omits IIR and UTPR provisions, with no clear timeline from the government on their application initiation (potentially post December 31, 2029 or before). The QDMTT is set to be in effect for financial years beginning December 31, 2023 or later.



**SLOVENIA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Draft law issued on June 23, 2023; final law expected in December 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **IFRS or comparable national standards (i.e. SAS – Slovenian Accounting Standards)**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **IFRS or SAS can be used. Yes, deferred taxes are recorded and booked according to the local GAAP**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **Ministry of Finance and Slovenian Financial Administration (FURS); details on the declaration form will be available within 6 months of the adoption of the law**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:



**SOUTH AFRICA**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **Pillar Two plans announced**
- › (Draft) Legislation Expected By (Date): **draft legislation to be included in the 2024 Taxation Laws Amendment Bill**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**February 22, 2023** – During the 2023 South African Budget Speech, the government announced that, as part of the 2023 legislative amendment cycle, it will publish a draft position on the implementation of Pillar Two for public comment and draft legislation will be prepared for inclusion in the 2024 Taxation Laws Amendment Bill.



## SOUTH KOREA



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Pillar Two (Global minimum Tax) has been proposed in July 2022 and officially legislated in December 2022**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **1 January 2024**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **to be confirmed**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **Initially legislated to be effective from 2024, but it has been pushed back to 1 January 2025**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**November 9, 2023** - the Korean Ministry of Strategy and Finance issued a draft Presidential Decree for public review. This decree elaborates on the Pillar Two rules, a new addition to the Law for Coordination of International Tax Affairs (LCITA) made in late 2022. It specifically details Articles 100 to 167 of the ITCL Presidential Decree, aligning with the OECD Pillar Two Model Rules and expected to take effect on January 1, 2024.



**SPAIN**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **the end of 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **Unknown as there is no draft yet (there is a minimum tax rate of 15% but it is not exactly the same as QDMTT)**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

A public consultation was posted in March 2023, prior to the preparation of the draft law that will transpose the Directive. The goal is to improve public participation in the law drafting process by allowing citizens to submit their comments on this regard. Up to date no further steps are known.





**SRI LANKA**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

Sri Lanka is a member of the OECD/G20 Inclusive Framework on BEPS but has not joined the Statement on a Two-Pillar Solution.



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Draft law was released on 31 August 2023**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **the UPE's accounting standards**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **Individual CE's are primarily responsible, but group joint reporting is permitted. If a non-ultimate parent CE files the report, the Swedish Tax Agency must be informed. Additionally, the entity liable for top-up tax must submit a top-up tax return.**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**August 31, 2023** - the Swedish Ministry of Finance released a draft bill for the incorporation of the OECD's Pillar Two Model Rules under the EU Minimum Tax Directive. The draft includes the transitional Country-by-Country (CbbyC) Reporting Safe Harbour from the GloBE Framework but doesn't yet address elements from the February and July Administrative Guidance.



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Draft law was published**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **January 1, 2024** (delay to 2025 is possible) assuming that major jurisdictions (in particular EU countries) apply this implementation date
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **01 January 2024** (delay to 2025 is possible)
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **Swiss GAAP FER, IFRS or US GAAP are considered as Acceptable Financial Accounting Standard. Please note that the Swiss Code of Obligations qualifies only as an Authorised Financial Accounting Standard.**
  - › QDMTT Accounting Standards Detail: **Switzerland will accept the QDMTT computation to be based on any Authorised Financial Accounting Standard used for the Group's Consolidated Financial Statements, i.e., it will not narrow it to Swiss standards.**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **The current Swiss (draft) ordinance does not require the use of the Swiss Code of Obligations for the calculation of the GloBE income/covered taxes for QDMTT purposes. Therefore, the Authorised Financial Accounting Standards as mentioned above are accepted. For sake of completeness, please note that in local GAAP, deferred taxes can only be recognized in a consolidated financial statements, and not in a statutory, separate financial statements.**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **The Pillar Two tax returns (by now QDMTT return) are to be filed within 18 months after a Group's year-end (for the first year it is subject to the Pillar Two rules) respectively within 15 months after a Group's year-end in following years. The top-up tax amounts will become due at the same dates (i.e., alignment between filing and payment deadlines). Only the relevant Swiss filing entity will have a respective filing obligation (in accordance with Article 8.1 of the MR), the Swiss ordinance about Pillar Two makes clear that there is a joint liability for all other Swiss Constituent Entities. The relevant Swiss filing entity will need to file the Pillar Two tax returns by submitting a self-declaration, which is then reviewed and assessed by the cantonal tax authority, of the One-stop shop Canton. The declaration will be done electronically on a portal designed specifically for Pillar Two purposes. The respective portal shall be available starting from 2025.**



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## Status of implementation

Last update: 30/11/2023

- › Deviations from OECD GloBE Rules (if any): **Basically, Switzerland plans to apply the GloBE Rules according to the OECD. Only minor deviations compared to the GloBE rules are considered so far (e.g. article 9.3.5., article 4.3.2 a, c-e and 6.4).**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **January 1, 2025**

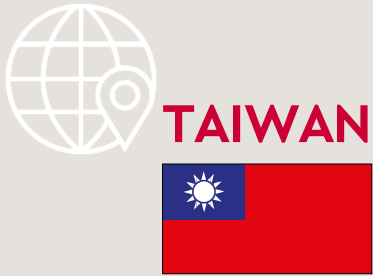
### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**September 4, 2023** - Switzerland enacted a constitutional amendment empowering the government to issue temporary ordinances for the execution of the OECD's Pillar Two Model Rule.

**June 18, 2023** – Through a public vote, Swiss citizens and cantons have approved the Minimum Taxation Ordinance. The amendment allows the Swiss Federal Council to introduce Pillar Two rules through an ordinance until a permanent tax bill is enacted by the Swiss Parliament. The IIR and the QDMTT are expected to take effect on January 1, 2024, while the decision on implementing the UTPR is pending.



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**August 30, 2023** - Taiwan's Ministry of Finance stated that there's no set timeline for adopting the Pillar Two rules. The proposed approach includes reviewing the tax system, aiming for a 15% effective tax rate for multinational enterprises through tax incentives, and lowering compliance costs for MNE groups in Taiwan. This may involve increasing the Alternative Minimum Tax rate to 15%. Taiwan will also consider a QDMTT to protect Taiwan-based entities from top-up taxes by other jurisdictions.



**TANZANIA**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**January 6, 2023** – There has been no information from the Tanzanian Government or tax authorities regarding introduction and implementation of Pillar Two regulations in Tanzania. Tanzania's corporate tax rate is 30% which is above the 15% minimum CIT rate provided by Pillar Two. However, there are instances where certain companies enjoy CIT exemptions bringing their CIT rate to 0%. Companies in Special Economic Zone and Export Processing Zone have a CIT holiday of 10 years. Once Pillar Two regulations come in force in Tanzania, the Government will need to introduce legislation to remove the tax holidays to meet the 15% minimum tax rate.



**THAILAND**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **end of 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **1 January 2025**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:

**May 16, 2023** - To alleviate the impact from Pillar Two with the aim of maintaining Thailand's appeal as an investment destination for multinational enterprises (MNEs), the Board of Investment of Thailand (BOI) introduced the following measures: New and existing projects can receive 50% corporate income tax (CIT) reduction for twice the period of their remaining CIT exemption period (max. 10 years in total).





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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**September 19, 2023** - The Turkish Public Oversight, Accounting and Auditing Standards Authority amended the Turkish Accounting Standard (TAS) 12 to align with the OECD's BEPS 2.0 Pillar Two and IFRS, following the International Accounting Standards Board's amendments to IAS 12.

The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.





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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

## 4. Further comments:



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **Yes**, the MoF announced that the Pillar Two rules will not be implemented in 2024 and that a public consultation on the Pillar Two proposals will be released in 2024
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **probably 2025**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

**November 24, 2023** - the UAE Cabinet of Ministers introduced Federal Decree Law No. (60) of 2023, amending the existing Corporate Tax Law. This amendment incorporates key terms from the Model Rules, like 'Top-up Tax' and 'Multinational Enterprise', laying the groundwork for GloBE's implementation in the UAE. Detailed regulations regarding Top-up Tax, including rules and effective date, will be determined by the Council of Ministers, following a proposal from the Minister of Finance, and will be published in the Official Gazette.

**September 15, 2023** - the UAE, together with the OECD, hosted a Pillar Two Regional Forum where it was confirmed that the UAE won't implement Pillar Two rules in 2024. Instead, a QDMTT might be introduced from 2025. The UAE emphasized its intention to consult the business community for feedback in this process.



**UNITED KINGDOM**



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): IIR and QDMTT legislation enacted in July 2023, UTPR legislation in draft

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **31 December 2023**
  - › Deviations from OECD GloBE Rules (if any): UK law aims for consistency with the OECD guidelines and commentary. However, deviations may be possible and would require detailed analysis on a case-by-case basis
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **31 December 2023**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: The starting point is that the underlying profits for the purposes of the Pillar Two calculation are determined by reference to the consolidated financial statements of the ultimate parent. However, an alternative accounting standard can be used provided certain conditions are met
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? UPE must use GAAP of their financial statements, but for members of a multinational group local GAAP is not required but may be used as an alternative accounting standard. UK GAAP does include accounting for deferred tax
  - › Filing Process Details:
    - › Filing Member: By default, the group's ultimate parent is the filing member. However, it is possible to nominate a different company within the group to be the filing member
    - › Competent authority: HM Revenue & Customs ('HMRC')
    - › Declaration form: Obligation to submit an information return and self-assessment return. The details are both are still being developed by HMRC
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **31 December 2024**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**



**UNITED KINGDOM**



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## Status of implementation

Last update: 30/11/2023

### 4. Further comments:

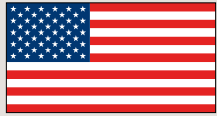
The UK government published legislation in the Finance (No. 2) Act 2023, officially adopting the GloBE rules in the UK by providing for the IIR and QDMTT.

**September 2023** - the UK government published draft legislation for the UTPR along with changes to the IIR and QDMTT to maintain consistency with OECD rules.

**November 2023** - the Government published Finance Bill 2023-2024 which includes the amendments to the IIR and QDMTT but excludes the UTPR implementation.



**UNITED STATES**



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **N/A**

## 2. Specific Pillar Two Components

### › Income Inclusion Rule (IIR):

- › Expected Year of Application: **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Qualified Domestic Minimum Top-Up Tax (QDMTT):

- › Expected Implementation Date: **N/A**
- › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
- › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
- › Deviations from OECD GloBE Rules (if any): **N/A**

### › Undertaxed Profits Rule (UTPR):

- › Expected Year of Application: **N/A**

## 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

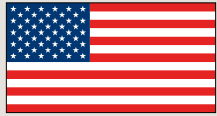
## 4. Further comments:

OECD has released rounds of administrative guidance ("AG") including the following provisions of particular relevance to US multinational companies:

**July 17, 2023** - Transitional UTPR safe harbor provides a taxpayer election whereby top-up tax under the UTPR in the UPE Jurisdiction is deemed to be zero if such jurisdiction has a nominal corporate rate (including sub-national taxes) of at least 20%. For a calendar year company, the transitional UTPR safe harbor is available for years prior to 2026. This is of particular relevance for UPEs based in the US. This AG document also clarifies that a Marketable Transferable Tax Credit is treated as GloBE Income and not as a reduction to Covered Taxes. Whether a tax credit is considered a Marketable Transferable Tax Credit will be determined based on the legal transferability and the price at which it can be transferred. The rules are applicable to many of the energy credits enacted by the US' Inflation Reduction Act in August 2022.



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## Status of implementation

Last update: 30/11/2023

### 4. Further comments:

**February 2, 2023** - Among other technical clarifications, this AG document includes guidance on the allocation of U.S. tax on GILTI under the GloBE Rules, as well as a new coordination mechanism with U.S. foreign tax credit loss recapture rules.

Recently proposed US legislation in response to the OECD Pillar Two rules:

**May 25, 2023** - Chairman Jason Smith of the House Ways and Means Committee, introduced H.R. 3665, the Defending American Jobs and Investment Act, as a response to the OECD Pillar Two rules. The proposed bill aims to establish a reciprocal U.S. tax imposed on foreign investors from jurisdictions implementing Pillar Two rules on U.S. businesses. The tax would gradually increase by 5% annually for four years, with a subsequent fixed increase of 20% while the "unfair taxes" remain in effect.

**March 9, 2023** - The Biden Administration has published its Green Book for the 2024 fiscal year, which includes a proposal to align the US GILTI rules with Pillar Two. The proposal aims to increase the effective tax rate and switch to a jurisdiction-by-jurisdiction calculation, which may qualify the US minimum tax as an IIR under Pillar Two. The proposal also includes replacing the US Base Erosion Anti-Abuse Tax (BEAT) with the UTPR, which would apply to financial reporting groups with global annual revenue of at least €750 million in at least two of the last four years.



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## Status of implementation

Last update: 30/11/2023

### 1. Implementation Status:

- › Initiated (Yes/No): **No**
- › (Draft) Legislation Expected By (Date): **No public announcement yet**

### 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **N/A**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **N/A**
  - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **N/A**
  - › Filing Process Details (responsible entity, competent authority, declaration form): **N/A**
  - › Deviations from OECD GloBE Rules (if any): **N/A**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **N/A**

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:



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# Status of implementation

Last update: 30/11/2023

## 1. Implementation Status:

- › Initiated (Yes/No): **Yes**
- › (Draft) Legislation Expected By (Date): **Draft Resolution approved by the National Assembly on 29 November 2023**

## 2. Specific Pillar Two Components

- › **Income Inclusion Rule (IIR):**
  - › Expected Year of Application: **2024**
  - › Deviations from OECD GloBE Rules (if any): **No. The Resolution aligns with OECD model rules**
- › **Qualified Domestic Minimum Top-Up Tax (QDMTT):**
  - › Expected Implementation Date: **1 January 2024**
  - › Accounting Standard Basis for Income/Covered Taxes Calculation: **Applicable financial accounting standards are a set of generally accepted accounting principles, allowed to be applied by the competent accounting agency in the country where the company is headquartered**
    - › Does your local (draft) law require companies to use local GAAP as the basis for the calculation of the GloBE income/covered taxes for QDMTT purposes? If yes, does this local GAAP also include a deferred tax concept, i.e., are deferred taxes recorded and booked according to the local GAAP? **No**
  - › Filing Process Details (responsible entity, competent authority, declaration form):  
**Responsible entity: Constitute Entity of MNE groups having revenue included in each of their Consolidated Financial Statements in at least 2 years in 4 fiscal years prior to the relevant fiscal year equal to or greater than EUR750 million (except for governmental entities; international organizations; non-profit organisations; pension funds; investment fund being an ultimate parent entity; real estate investment vehicle being an ultimate parent entity; or where at least 85% of the value of the entity is owned directly or indirectly by the above-mentioned excluded entities).**  
**Competent authority: to be specified in a coming Decree of the Government for enforcement of the final Resolution.**  
**Declaration form: GloBE Information Returns (to be specified in a coming Decree of the Government for enforcement of the final Resolution) + Top-Up CIT Returns + Explanation on the variance due to differences among financial accounting standards.**
- › **Undertaxed Profits Rule (UTPR):**
  - › Expected Year of Application: **2024**





**VIET NAM**



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## Status of implementation

Last update: 30/11/2023

### 3. International Agreements and Treaties

- › Qualifying Competent Authority Agreements (QCAA) under Art. 8.1.2:
  - › Concluded (Yes/No, Partner Jurisdictions): **No**
- › Legislative Activities Regarding STTR in Double Tax Treaties: **No**

### 4. Further comments:

Article 7.2 of the Draft Resolution allows taxpayers to request the Government to consider investment incentives under investment regulations. Therefore, the Government will study to issue further regulations to ensure GloBE Rules as well as interests of the government and the investors.

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