Pillar Two Country Tracker

Country or region: Albania

Last update: 12 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Erold Kamberi, PwC Albania

Country or region: Angola

Last update: 9 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Luis Andrade, Partner, PwC Portugal & Angola

Country or region: Antigua and Barbuda

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Amanda Layne, PwC Barbados

Javier Lemoine, PwC Barbados

Country or region: Argentina

Last update: 11 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Juan Manuel Magadan, Partner, PwC Argentina

Country or region: Armenia

Last update: 15 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Gunel Sadiyeva, PwC Azerbaijan

Enkhzul Jambal; PwC Mongolia

Country or region: Australia

Last update: 7 March 2025

Status of enactment

Current status: Final law in force

Australia's Pillar Two legislation to implement the Global and Domestic Minimum Tax was passed into law in December 2024, incorporating the following:

- Taxation (Multinational – Global and Domestic Minimum Tax) Imposition Act 2024 (Imposition Act);
- Taxation (Multinational – Global and Domestic Minimum Tax) Act 2024 (Assessment Act); and
- Treasury Laws Amendment (Multinational – Global and Domestic Minimum Tax) (Consequential) Act 2024 (Consequential Amendments Act).

These Pillar Two Acts, together with the subordinate legislation - Taxation (Multinational—Global and Domestic Minimum Tax) Rules 2024 (the Rules) which was registered as an instrument on 23 December 2024 - form the package of legislation which implements the IIR, UTPR and DMT in Australia.

The IIR and DMT apply in Australia to in scope MNE Groups for Fiscal Years commencing on or after 1 January 2024. The UTPR will apply for Fiscal Years commencing on or after 1 January 2025.

Income inclusion rule

Entry into force: 1 January 2024

The Australian IIR applies in relation to Fiscal Years starting on or after 1 January 2024.

The Australian legislation is generally aligned with the OECD Model Rules, Commentary and Administrative Guidance, and the legislation includes provision for future amendment to ensure consistency with additional guidance to be published by the OECD.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 1 January 2025

The Australian UTPR applies in relation to Fiscal Years starting on or after 1 January 2025.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

The Australian DMT applies in relation to fiscal years starting on or after 1 January 2024.

The QDMTT (called the Domestic Minimum Top-up Tax) applies to Australian entities of MNE groups that are within the scope of Pillar Two. This tax is intended to qualify for the QDMTT safe harbour, and to be interpreted consistently with the requirements outlined in the Commentary and Administrative Guidance.

QDMTT: Accounting Standards?

The QDMTT is based on the UPE's accounting standards.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion is applicable.

QDMTT: CbCR Safe Harbour?

The Transitional Safe Harbours apply to the Australian QDMTT.

QDMTT: application only to wholly-owned constituent entities?

No. The Australian QDMTT applies to all Australian Entities part of a group that is subject to Pillar Two.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The Australian legislation defines covered taxes in general terms, which closely resemble the definition in the Model Rules. No guidance has yet been provided regarding whether specific Australian or other foreign taxes will be considered covered taxes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

The Rules cater for adjustments to Covered Taxes that occur after a Constituent Entity's liability has been determined. Broadly, an adjustment is required where there is a change in the amount of taxes determined. These adjustments can arise from various circumstances, including changes in recognised income due to tax authority examinations, management reviews, or more accurate estimates of tax liabilities. The Rules can also apply when a QDMTT loss is carried-back to a prior Fiscal Year.

Qualified Refundable and Marketable Transferable Tax Credits

The Australian legislation follows the Model Rules dealing with tax credits, without substantive changes. The Australian government has not yet provided guidance on what Australian tax credits will constitute Qualified Refundable Tax Credits (or whether any tax credits may be modified in response to Pillar Two).

CbCR Transitional Safe Harbour

The Australian legislation includes a transitional CbCR safe harbour, which is consistent with the safe harbour described in the 20 December 2023 report of the Inclusive Framework (i.e., a safe harbour available to an electing MNE group that satisfies a de minimis threshold test, a simplified ETR test, or a routine profits test). In line with the OECD safe harbour guidance, the Australian legislation confirms that for a CbCR to be 'qualifying' it must be prepared using qualified financial statements.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

A Qualified CbCR in relation to a jurisdiction is prepared and filed using Qualified Financial Statements, which are defined as any of the following:

- The financial accounts used to prepare the CFS of the UPE; or
- Separate financial statements of each Constituent Entity; or
- In the case of an NMCE or Permanent Establishment: the financial accounts of that Constituent Entity that are used for preparation of the MNE Group’s CbCR.

UTPR Transitional Safe Harbour

The Australian legislation includes a transitional UTPR safe harbour, which is consistent with the safe harbour described in the Inclusive Framework commentary (i.e., an elective safe harbour that applies to the jurisdiction in which the UPE of the MNE group is located, provided that jurisdiction with a corporate income tax rate of at least 20%). The UTPR also includes a safe harbour for MNE groups in the initial phase of their international activities.

Permanent Safe Harbours

The Australian legislation includes a permanent safe harbour for Non-Material Constituent Entities in accordance with the OECD Administrative Guidance from December 2023. Most notably, the safe harbour only applies to entities that are not consolidated on a line-by-line basis in the ultimate parent's consolidated financial statements solely based on size or materiality grounds.

The Australian legislation also provides for a QDMTT safe harbour, which is generally available for entities located in a jurisdiction that have an acceptable QDMTT (as approved in a determination made by the relevant Australian Minister).

Subject to Tax Rule

The Australian Government has announced that it has signed a Statement of Support for the OECD's Subject to Tax Rule.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: The UPE of an MNE group (or another designated filing entity chosen by the group) can generally file this return on behalf of the group. This return does not need to be filed in Australia if the UPE (or designated filing entity) files the form in the foreign jurisdiction where it is located, and that jurisdiction has a qualifying competent authority agreement with Australia (which provides for the automatic exchange of these returns). In other cases, the return must be filed in Australia (e.g., if the UPE or designated filing entity is located in Australia, or there is no qualifying competent authority agreement with the relevant foreign jurisdiction).

Deadline: The return is due within 15 months of the end of the relevant fiscal year (or 18 months for the first year in which the MNE group is subject to the GloBE rules).

Payment timing: No payment required with the GIR. Payments under the IIR, QDMTT, and UTPR are due at the filing deadline for the AIUTR and/or the DMT return.

Penalties: Administrative penalties that apply to a Group Entity of an Applicable MNE Group in respect of false and misleading statements about Australian IIR/UTPR tax or Australian DMT tax liabilities of the MNE Group are doubled. Administrative penalties that apply for failing to lodge a return, notice or other document in relation to Australian IIR/UTPR tax or Australian DMT tax liabilities are 500 times the base penalty amount to align with the administrative penalties that apply to significant global entities.

Other relevant details: A Group Entity is required to give a GIR to the Commissioner even if the amount of Australian IIR/UTPR tax or Australian DMT tax that the Group Entity is liable to pay is nil. The GIR must be lodged electronically and must be in the approved form, which must reflect any amendments to the standardised form made by the GloBE Implementation Framework.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

Filing entity: A Group Entity of an Applicable MNE Group that is located in Australia is required to give an Australian DMT tax return to the Commissioner within the time period required for lodging the GIR. The return must be lodged electronically and be in the approved form. An MNE group may appoint a single Australian filing entity, to file these returns on behalf of all group members that have filing obligations. A Group Entity that is required to give an Australian DMT tax return to the Commissioner must give that return to the Commissioner within the required period even if a nil amount of Australian DMT tax is payable by the relevant Constituent Entity.

Deadline: Same due date as the GIR.

Payment timing: Payments are due at the filing deadline.

Paying entity / legal liability for tax: Where a Group Entity of an Applicable MNE Group is liable to pay an amount under the Minimum Tax law, all Group Entities of the Applicable MNE Group are jointly and severally liable to pay that amount. Special rules apply for allocating a Domestic Top-up Tax Amounts for Entities that are part of an Applicable MNE Group located in Australia and are subsidiaries of a Tax Consolidated Group or Multiple Entry Consolidated Group whereby the head company of the TCG or MEC will be liable to pay the Top-up Tax Amount. Targeted rules are designed to accommodate partnerships, JVs, trusts and other arrangements, to ensure obligations and liabilities imposed under the Minimum Tax law can be enforced and collected effectively and efficiently. These rules are necessary where such arrangements are treated as Entities under the Minimum Tax law but that legal fiction lacks legal capacity. These targeted rules identify the legal entity behind each of these deemed Entities, upon whom obligations can be enforced and against whom liabilities can be collected.

Penalties: Administrative penalties that apply to a Group Entity of an Applicable MNE Group in respect of false and misleading statements about Australian IIR/UTPR tax or Australian DMT tax liabilities of the MNE Group are doubled. Administrative penalties that apply for failing to lodge a return, notice or other document in relation to Australian IIR/UTPR tax or Australian DMT tax liabilities are 500 times the base penalty amount to align with the administrative penalties that apply to significant global entities.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

Filing entity: A Group Entity of an Applicable MNE Group that is located in Australia is required to give an Australian IIR/UTPR Tax Return (AIUTR) to the Commissioner within the time period required for lodging the GIR. The return must be lodged electronically and be in the approved form. An MNE group may appoint a single Australian filing entity, to file these returns on behalf of all group members that have filing obligations. A Group Entity that is required to give an AIUTR to the Commissioner must give that return to the Commissioner within the required period even if a nil amount of Australian IIR/UTPR tax is payable by the relevant Constituent Entity.

Deadline: Same due date as the GIR.

Payment timing: Payments are due at the filing deadline.

Paying entity / legal liability for tax: Where a Group Entity of an Applicable MNE Group is liable to pay an amount under the Minimum Tax law, all Group Entities of the Applicable MNE Group are jointly and severally liable to pay that amount. Special rules apply for allocating UTPR Top-up Tax Amounts for Entities that are part of an Applicable MNE Group located in Australia and are subsidiaries of a Tax Consolidated Group or Multiple Entry Consolidated Group whereby the head company of the TCG or MEC will be liable to pay the Top-up Tax Amount. Targeted rules are designed to accommodate partnerships, JVs, trusts and other arrangements, to ensure obligations and liabilities imposed under the Minimum Tax law can be enforced and collected effectively and efficiently. These rules are necessary where such arrangements are treated as Entities under the Minimum Tax law but that legal fiction lacks legal capacity. These targeted rules identify the legal entity behind each of these deemed Entities, upon whom obligations can be enforced and against whom liabilities can be collected.

Penalties: Administrative penalties that apply to a Group Entity of an Applicable MNE Group in respect of false and misleading statements about Australian IIR/UTPR tax or Australian DMT tax liabilities of the MNE Group are doubled. Administrative penalties that apply for failing to lodge a return, notice or other document in relation to Australian IIR/UTPR tax or Australian DMT tax liabilities are 500 times the base penalty amount to align with the administrative penalties that apply to significant global entities.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

There are currently no registration requirements in Australia.

Other relevant information?

There is no obligation to make advance tax payments.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

The OECD has released guidance on transitional penalty relief, which outlines that administrators should consider providing a soft landing for MNE groups during a transition period. This includes recommending administrators consider not applying penalties or sanctions in connection with the filing of the GIR during the transition period where an MNE group has taken 'reasonable measures' to ensure the correct application of the GloBE Rules. 'Reasonable measures' is not defined and should be understood in light of each jurisdiction's existing rules and practices.

The ATO have stated that they are currently considering consultation feedback received to date about the application of penalties to the global and domestic minimum tax. The need for updated guidance will be explored in future consultation. The ATO have also stated that it is their intent that no penalties or sanctions should apply during a transitional period in connection with filing GIRs where an MNE has taken reasonable measures to ensure the correct application of the GloBE rules.

Application of OECD guidance to Pillar Two local rules

The Australian legislation states that it is to be interpreted in a manner consistent with the GloBE Model Rules; the Commentary; Agreed Administrative Guidance (released to date and any other Administrative Guidance within the meaning of the Model Rules to be released); Safe Harbours and Penalty Relief: Global Anti-Base Erosion Rules (Pillar Two) published by the OECD on 20 December 2022; or a document, or part of a document, prescribed by the Rules.

It is intended that the substantive computation of top-up tax, consistent with the GloBE Model Rules, is to be determined via Rules made under the relevant Australian Minister’s rule-making power. This approach ensures that future Agreed Administrative Guidance released by the OECD can be more readily incorporated into the Australian regime in a timely and efficient manner, while retaining an appropriate level of parliamentary oversight.

PwC Thought Leadership

Australia’s Global and Domestic Minimum Tax passed by Parliament – Are you ready for what comes next?

Read more

Exposure draft legislation released for Pillar Two in Australia

Read more

Federal Budget 2023-24 - Australia will implement key aspects of the OECD's 'Pillar Two' framework, including a domestic minimum tax, with an effective date for some measures from 1 January 2024.

Read more

PwC Contacts

Chris Stewart, Partner, PwC Australia

PwC Australia Pillar Two website

Country or region: Austria

Last update: 28 April 2025

Status of enactment

Current status: Final law in force

On 11 July 2024, Austria's Federal Council approved the Tax Amendment Act 2024, following its approval by the National Council. The Tax Amendment Act 2024 amends Austria's Minimum Taxation Reform Act to incorporate the OECD's December 2023 Administrative Guidance on the Pillar Two temporary safe harbor rules.

The Austrian Pillar Two legislation was enacted in December 2023 and published in the Austrian Official Gazette on 30 December 2023. The transposition of the EU minimum tax Directive in Austria is through a separate law which foresees the implementation of an IIR (for fiscal years starting on or after 31 December 2023), a UTPR (for fiscal years starting on or after 31 December 2024) and a QDMTT (for fiscal years starting on or after 31 December 2023).

On 24 November 2023 the Austrian Pillar Two draft legislation was submitted to the Austrian parliament. The draft legislation largley followed the consultation draft. However, some details and clarifications in the provisions and the explanatory notes were not included. On 3 October 2023 the Austrian Ministry of Finance (BMF) published a consultation draft for an act to ensure a global minimum tax of 15% for MNE and large-scale domestic groups (Pillar Two). It largely followed the EU minimum tax Directive, the OECD model rules as well as further publications of the OECD (e.g. Administrative Guidance and Safe Harbour Rules).

Income inclusion rule

Entry into force: 31 December 2023

The IIR applies for fiscal years beginning on or after 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

The UTPR applies for fiscal years beginning on or after 31 December 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The Austrian minimum tax act includes an Austrian domestic top-up tax which is in line with the regulations of the EU minimum tax Directive as well as the OECD Model rules. It applies for fiscal years beginning on or after 31 December 2023.

QDMTT: Accounting Standards?

With regard to the Austrian domestic top-up tax, the general computation rules apply, i.e. it is, in general, based on the accounting standard used in the preparation of the consolidated financial statements of the UPE.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion would be applicable.

QDMTT: CbCR Safe Harbour?

Yes, CbCR Safe Harbour applicable for QDMTT

QDMTT: application only to wholly-owned constituent entities?

No, the Austrian QDMTT applies to all Austrian entities part of a group subject to Pillar Two.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

Corresponding provisions in the Austrian law are in line with the definition of covered taxes according to the EU minimum tax Directive and the OECD rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

There is no Austria-specific guidance on the treatment of post-filing adjustments. The post-filing adjustment mechanism is in line with the EU and OECD Pillar Two framework.

Qualified Refundable and Marketable Transferable Tax Credits

Corresponding provisions in the Austrian law are in line with the definition of qualifying refundable tax credits according to the EU minimum tax Directive

CbCR Transitional Safe Harbour

The Austrian law includes CbCR Safe Harbour tests (i.e. de-minimis test, ETR test, routine profits test) that are in line with OECD requirements.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

In December 2024, an ordinance was published which clarifies the requirements for a CbCR to be considered "qualifying". These requirements are in line with the OECD Pillar Two framework.

UTPR Transitional Safe Harbour

The Austrian law includes a UTPR Safe Harbour that is in line with OECD requirements.

Permanent Safe Harbours

A permanent safe harbour exists for a jurisdiction if a local QDMTT is levied for the respective jurisdiction (QDMTT safe harbour). Furthermore, Austrian law includes a Simplified Calculation Safe Harbour for Non-Material Constituent Entities as set out in the Pillar Two framework issued by the OECD.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: The filing of the GIR should be made by each Austrian constituent entity, or by one designated Austrian constituent entity on behalf of all Austrian constituent entities, or by the UPE or another designated filing entity, provided that there is an automatic exchange of GIRs between Austrian and the foreign jurisdiction. In the latter case, a notification has to be filed with the Austrian tax office stating which entity files the GIR for the Austrian constituent entities (including the filing jurisdiction).

Deadline: The GIR is due 15 months from the fiscal year end (18 months for the transition year).

Payment timing: The payment for any top-up tax becoming due in Austria is due on 31 December of the second calendar year following the tested Pillar Two year, i.e. for FY 2024 the payment is due by 31 December 2026. There are no installments.

Paying entity: In Austria, one Austrian constituent entity owes the top-up tax (regardless of how many Austrian CEs are within respective group); this responsible CE is defined as follows:

- The CE commissioned by the UPE (in this case proof of the commissioning of the Austrian constituent entity by the UPE is to be shared with the Austrian tax authorities until the end of the calendar year in which respective Pillar Two year ends, i.e. for FY 2024 until 31 December 2024);
- If no Austrian CE is commissioned: the Top Austrian CE in the group structure. If there is no top Austrian CE, the economically most important Austrian CE. In particular the following should be taken into account when

assessing which entity is the economically most important Austrian CE (overall view decisive): business activity; amount of turnover; information from the Austrian commercial register, the GIR and CbCR.

All Austrian CEs are fully liable for top-up tax becoming due in Austria.

QDMTT: Separate return?

No

QDMTT: Deadline to file. Transitional year?

NA

QDMTT: Deadline to file. Standard rule?

NA

QDMTT: Other information?

There is no separate QDMTT return in Austria. However, there is an "advance notification" as Austrian local filing (see below).

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

Top-up tax payment: 31 December of the second calendar year following the tested Pillar Two year

TPT: Deadline to file. Standard rule?

Top-up tax payment: 31 December of the second calendar year following the tested Pillar Two year

TPT return: Other information?

In general, an "advance notification" has to be filed with the Austrian tax office. Details on this advance notification will follow in a separate ordinance and are not yet available. The advance notification will be due on 31 December of the second calendar year following the tested Pillar Two year, i.e. for FY 2024 the advance notification needs to be filed until 31 December 2026.

The Austrian CE which is responsible for top-up tax payments in Austria is also responsible for filing the advance notification. This responsible CE is defined as follows:

- The CE commissioned by the UPE (in this case proof of the commissioning of the Austrian CE by the UPE is to be shared with the Austrian tax authorities until the end of the calendar year in which respective Pillar Two year ends, i.e. for FY 2024 until 31 December 2024);
- If no Austrian CE is commissioned: the Top Austrian constituent entity in the group structure. If there is no top Austrian CE, the economically most important Austrian CE.

For payment timing and paying entity see above.

Tax registration: Deadline to file. Transitional year?

Advance notification: 31 December of the second calendar year following the tested Pillar Two year Commission: 31 December of the calendar year when the fiscal year ends

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

There is no separate tax registration requirement in Austria. However, in case of appointment/commissioning of an Austrian CE as Pillar Two taxpayer by the UPE (see above), proof of the commissioning of the Austrian CE by the

UPE is to be shared with the Austrian tax authorities until the end of the calendar year in which respective Pillar Two year ends, i.e. for FY 2024 until 31 December 2024.

Other relevant information?

The payment for any top-up tax becoming due in Austria is due on 31 December of the second calendar year following the tested Pillar Two year, i.e. for FY 2024 the payment is due by 31 December 2026. There are no installments/interim payments.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Austria has adopted the exclusion of MNE groups in the initial phase of their international activity (limited to UTPR).

Transitional Penalty Relief

The Austrian minimum tax act does not include transitional penalty relief provisions.

Application of OECD guidance to Pillar Two local rules

According to the explanatory remarks to the Austrian legislation, the Austrian legislator intends to implement the EU minimum tax Directive as close as possible to the global framework/agreement, in order to ensure that the rules implemented in Austria are considered as "qualified" within the meaning of the Pillar Two rules. Further to that, the explanatory remarks state that the OECD commentary as well as the Administrative Guidance should be considered when implementing and interpreting the provisions of the Austrian minimum tax act.

PwC Thought Leadership

(Potential) reporting obligation by December 31, 2024 upon appointment of Austrian Pillar Two Taxpayer

Read more

PwC Contacts

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Martin Jann, Partner, PwC Austria

Matthias Mayer, PwC Austria

PwC Austria Pillar Two website

Country or region: Azerbaijan

Last update: 15 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Gunel Sadiyeva, PwC Azerbaijan

Country or region: Bahamas

Last update: 29 April 2025

Status of enactment

Current status: Final law in force

Effective 28 November 2024, the Bahamas Domestic Minimum Top-Up Tax Act, 2024 ('Bahamas DMTT) was enactment. The Bahamas DMTT introduces a Domestic Minimum Top-Up Tax in line with the OECD Pillar Two Framework. The Bahamas DMTT seeks to introduce an effective tax rate of 15% for MNEs operating in The Bahamas that have annual consolidated revenue of or above EUR750 million in two of the last four years.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

The Domestic Minimum Top-Up Tax Act, 2024 was enacted in November 2024. The Bahamas' proposed legislation provides that the Bahamas DMTT will meet the requirements for a QDMTT and that The QDMTT Safe Harbour can be applied. The Bahamas DMTT, in subsection 4(3) provides certain exclusions to the GloBE rules that will not apply to The Bahamas' DMTT as these primarily relate to the IIR and UTPR.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The Bahamas DMTT has adopted Article 3 of the GloBE Model Rule. Further, Article 23(3) of The Bahamas DMTT further provides that "the Minister may make regulations, to provide for a refundable tax credit, that are effective on or after January 1, 2024, which may include —

- (a) establishing the criteria, terms or conditions for eligibility for the credit;
- (b) establishing the basis for calculating the amount of the credit and any monetary limits that apply;
- (c) determining, limiting, renewing or extending the period in respect of which the credit is available; and
- (d) establishing the manner in which a person who is entitled to the credit may apply it to reduce a liability under this or another Act and receive a payment of any remaining balance."

CbCR Transitional Safe Harbour

The Bahamas' proposed legislation provides that the DMTT will meet the requirements for a QDMTT and that the QDMTT Safe Harbour can be applied. It further provides that a CE may apply in accordance with the GloBE Model Rules, any election or safe harbour for which it is eligible under the GloBE Model Rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Article 9.3 of the GloBE Mode Rule is excluded under The Bahamas DMTT.

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

The Bahamas' Enactment of a Domestic Minimum Top-up Tax

Read more

Corporate Income Tax for The Bahamas

On 21 February 2024, the Prime Minister of The Bahamas, during the Government's Mid-Year 2023/2024 Budget Statement to Parliament announced plans to forge ahead with the legislative enactment and implementation of a Qualified Domestic Minimum Top-Up Tax ("QDMTT"), part of the OECD Pillar Two tax framework during 2024. Read more

PwC Contacts

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Country or region: Bahrain

Last update: 7 July 2025

Status of enactment

Current status: Final law in force

Bahrain published Decree Law (11) of 2024, which introduces a Domestic Minimum Top-Up tax (DMTT) for Multinational Enterprises, (the “DMTT Law”). On 15 December 2024, Bahrain officially published the Executive Regulations for the DMTT Law for MNEs (the "Executive Regulations"). The unofficial translation of the Executive Regulations can be found on the NBR website. The Executive Regulations supplement the primary DMTT Law released on 1 September 2024.

The DMTT Law and its Executive Regulations provide the legislative basis for the introduction and implementation of a DMTT in Bahrain, and they are intended to be consistent with the OECD Global Anti-Base Erosion Model Rules. The DMTT Law will only apply to MNEs with global consolidated revenues in excess of EUR 750m. The rules under the Decree, will apply from 1 January 2025, and seek to ensure that MNEs are subject to a minimum of 15% ETR on profits earned in Bahrain. The DMTT is fully enacted since the Executive Regulations are also issued.

On 2 July 2025, the National Bureau for Revenue published the Advance Payment Manual. The manual provides a clear overview of the DMTT advance payment process and provides step-by-step guidance to help taxpayers navigate the NBR online portal and accurately complete the required forms.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

As a general overview, the DMTT Law applies a 15% ETR to Bahrain profits (generated by Bahrani Constituent Entities and Joint Ventures) of MNEs with global consolidated revenues of at least EUR750 million in at least two of the previous four fiscal years. This includes MNEs headquartered in Bahrain as well as foreign MNEs with operations in Bahrain. However, the DMTT Law will not apply to local businesses with operations limited to Bahrain or that do not meet the Revenue test.

QDMTT: Accounting Standards?

The DMTT Law and its Executive Regulations prescribe the applicable accounting standard for in scope entities to be the International Financial Reporting Standards (“IFRS”) and any other generally accepted accounting principle.

QDMTT: SBIE applicable?

Yes

QDMTT: CbCR Safe Harbour?

Yes

QDMTT: application only to wholly-owned constituent entities?

In line with the GloBE Model Rules, the DMTT should apply on 100% of the jurisdictional Top-up Tax, regardless of the MNE Group’s ownership interest in the CEs, Minority Owned Constituent Entities (“MOCEs”) and Joint Ventures.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

The Executive Regulations provide that Covered Taxes exclude the following:

- Taxes accrued under a Qualified Income Inclusion Rule (“IIR”) by a Parent Entity.
- Taxes accrued under a Qualified Domestic Minimum Top-Up (“QDMTT”) Tax by a CE.
- Taxes resulting from an adjustment due to the application of a Qualified Undertaxed Payments Rule (“UTPR”).
- Disqualified Refundable Imputation Tax.
- Taxes paid by an insurance company on returns to policyholders.
- Tax imposed under the DMTT Law. Additionally, Covered Taxes relating to net gains or losses from the disposal of immovable property in Bahrain will be excluded from the computation of covered taxes subject to certain rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The DMTT Law and its Executive Regulations provide that the amount of tax credits available in respect of Qualified Refundable Tax Credits and Marketable Transferable Tax Credits shall be treated as income in the computation of Constituent Entity Income or Loss for the Fiscal Year during which such entitlements first accrue. so information available yet.

CbCR Transitional Safe Harbour

For fiscal years beginning on or before 31 December 2026, and excluding fiscal years ending after 30 June 2028, the DMTT includes the transitional CbCR Safe Harbours where the tax due may be considered "nil" if any of the simplified tests are met (de minimis test, simplified ETR test and routine profit test).

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The DMTT Law and its Executive Regulations require a qualified CbCR to be prepared and filed using qualified financial statements for the purposes of applying the transitional CbCR safe harbour. The Executive Regulations provide specific guidelines that are aligned with the GloBE Model Rules.

UTPR Transitional Safe Harbour

No information available

Permanent Safe Harbours

The DMTT Law and its Executive Regulations also provide an alternative Simplified Computation Safe Harbour (i.e. a permanent safe harbour) which incorporates similar tests, albeit under an alternative simplified income calculation methodology.

Subject to Tax Rule

Not signed yet and no announcement of the intention to sign yet

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

15 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

The Designated Filing CE of the Bahrain headquartered MNE is the filing entity. The DMTT Law contains a strict penalty regime in cases of fraud or non-compliance. Penalties include the following: *Late payment of tax: 1% of the unpaid tax per month (with a maximum total penalty of 70% of the total tax due) *Late filing of the tax return: up to 30% of the tax due *Tax evasion: criminal liability including imprisonment of between three months and five years, and/or monetary penalties between the monetary value of the tax due and up to three times the tax due; this is doubled where the offense is repeated within six years from the date of the issuance of the final conviction. “Tax evasion” includes among others, situations where an MNE Group intentionally does not register for the DMTT or fails to submit a DMTT return or provides incorrect information in its DMTT return.

The GIR shall be submitted on a form prescribed by the Bahrain tax authorities and will be aligned with the requirements specified in the Model Rules, Administrative Guidance, Commentary, or any relevant guidelines issued or which may in future be issued by the OECD.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

15 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

The filing entity is the Designated Filing Entity. Where more than one CE are located in Bahrain, the MNE Group must designate a Filing CE. The same rule will apply to a Bahraini Joint Venture and its Bahraini subsidiaries, if any. This entity will be responsible for paying the tax and managing all tax administration obligations, including registration, filing returns, making elections, and submitting notifications.

Quarterly installments in place for the DMTT, if any. This means that the DMTT due for a fiscal year, if any will be paid via advance payments within 60 days at the end of each quarter during the relevant fiscal year.

All CEs located in Bahrain of an MNE Group are jointly liable for the payment of tax and administrative fines due. The same rule will apply to a Bahraini Joint Venture and its Bahraini subsidiaries, if any.

The DMTT contains a strict penalty regime in cases of fraud or non-compliance. See above.

The return shall be submitted on a form prescribed by the Bahrain tax authorities and will be aligned with the requirements specified in the Model Rules, Administrative Guidance, Commentary, or any relevant guidelines issued or which may in future be issued by the OECD. For instance, a Filing Constituent Entity may submit a return solely comprising a Tax Computation Schedule, if an Information Schedule which adheres to the requirements stipulated in the Model Rules, Administrative Guidance, Commentary and guidelines issued by the OECD has been submitted by any of the following Entities:

- 1. The UPE of the Multinational Enterprise Group which is located in a jurisdiction that has a Qualifying Competent Authority Agreement in effect with the Kingdom for the Reporting Fiscal Year.
- 2. A Constituent Entity of the Multinational Enterprise Group, other than the UPE, which is located in a jurisdiction that has a Qualifying Competent Authority Agreement in effect with the Kingdom for the Reporting Fiscal Year.

Where any of the above conditions are met, the return submitted by a Filing Constituent Entity shall include the identity and location of the Entity which filed the GIR. The Bahrain Tax Authority may request the Filing Constituent Entity to supplement a submitted return where the Bahrain Tax Authority does not receive all the required information pursuant to a Qualifying Competent Authority Agreement.

TPT (IIR/UTPR): Separate return?

N/A

TPT: Deadline to file. Transitional year?

N/A

TPT: Deadline to file. Standard rule?

N/A

TPT return: Other information?

N/A - Bahrain has only announced the implementation of a DMTT. It is not yet clear if Bahrain will introdcue IIR and UTPR.

Tax registration: Deadline to file. Transitional year?

Registration: 30 days following the effective date of the DMTT Law / 120 days from the first day of the Transition Year

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

If the MNE Group meets the EUR 750 million test for at least two of the four Fiscal Years immediately preceding the date on which the Law comes into effect, the Filing CE must apply for registration with the NBR within 30 days following the effective date of the DMTT Law. In other cases, the Filing CE must apply for registration with the NBR within 120 days from the first day of the Transition Year, i.e., the first year in which the MNE Group falls within the scope of DMTT. Registrations are required even where the MNE Group meets or is expected to meet any relevant safe harbour or de minimis exclusion.

Other relevant information?

Advance payments are accrued on a quarterly basis. Advance payments are due within 60 days after end of the quarter. The final tax payment, if any, must be paid within 15 months of the end of the fiscal year. Note that the first advance payment for the Transition Year is due on the second advance payment date.

The filing entity is the Designated Filling Entity. This must be appointed and will be responsible for tax compliance including advance payments for CEs and JVs respectively.

Failure to pay the tax or delaying its payment beyond the prescribed deadline will result in a fine of 1% of the unpaid tax due amount (or the unpaid advance payment) for each month, or part of a month, that the tax remains unpaid after the due date. However, the total fine will not exceed 70% of the tax due amount.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available

Application of OECD guidance to Pillar Two local rules

Under the Executive Regulations issued by the National Bureau for Revenue, Administrative guidance is defined as the guidance issued by the OECD named "Tax Challenges Arising from the Digitalisation of the Economy – Administrative Guidance on the Global Anti Base Erosion Model Rules (Pillar Two)" published in February 2023, July 2023, December 2023 and June 2024, and any subsequent versions as approved by a decision of the Chief Executive Officer. Further, Commentary is defined as the document named "OECD (2022), Tax Challenges Arising from the Digitalisation of the Economy - Commentary to the Global Anti-Base Erosion Model Rules (Pillar Two)" first published on 14 March 2022 and the latest version published on 25 April 2024, or any subsequent versions as approved by a decision of the Chief Executive Officer.

PwC Thought Leadership

Recent Pillar Two developments in Bahrain

Read more

Bahrain DMTT regulations released

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DMTT registration portal is now open in Bahrain

Read more

Bahrain Domestic Minimum Top-up Tax for Multinational Enterprises

On 1 September 2024, Bahrain issued the Decree Law (11) of 2024 which introduces a Domestic Minimum Top-Up Tax for Multinational Enterprises. Read more

PwC Contacts

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PwC Bahrain Pillar Two website

Country or region: Barbados

Last update: 21 January 2025

Status of enactment

Current status: Final law in force

The Corporation Top-up Tax (Amendment) Act, 2024 is in force and effective from fiscal years commencing on or after 1 January, 2024

Income inclusion rule

Entry into force: To be confirmed

There is no current intention to implement IIR rules.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No intention announced to implement UTPR rules.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

Effective fiscal years commencing on or after 1 January 2024.

All the qualifying entities in a DMTT Group shall be jointly and severally liable for the “top-up tax” payable and the entire tax liability may be assessed against each qualifying entity of the DMTT Group.

Transitional Rule for First Fiscal Year: For the first fiscal year commencing on or after 1 January 2024 the “top-up tax” shall apply only where a DMTT Group’s income is subject to an IIR or to a UTPR in another jurisdiction.

Initial Phase of International Expansion Rule: The Top-Up Tax may be reduced to zero where none of the ownership interests in the qualifying entities are held by parent entities subject to an IIR, it has constituent entities in no more than 6 jurisdictions; and the sum of the net book values of tangible assets of all constituent entities located in all jurisdictions other than the referenced jurisdiction does not exceed EUR50,000,000.

QDMTT: Accounting Standards?

UPE's consolidated financial statements

QDMTT: SBIE applicable?

Yes

QDMTT: CbCR Safe Harbour?

Yes. A CbCR safe harbour has been implemented in alignment with the rules OECD Model Rule

QDMTT: application only to wholly-owned constituent entities?

No. QDMTT applicable to non-wholly owned entities too

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The covered taxes of a qualifying entity shall include taxes recorded in the financial accounts of a qualifying entity with respect to its income or profits, or its share of the income or profits of a qualifying entity in which it owns an ownership interest; taxes imposed in lieu of a generally applicable corporate income tax. The covered taxes of a qualifying entity shall not include: -the top-up tax accrued by a parent entity under a qualified IIR; -the top-up tax accrued by a constituent entity under a qualified -domestic top-up tax; -taxes attributable to an adjustment made by a constituent entity as a result of the application of a qualified UTPR; -disqualified refundable imputation tax; and -taxes paid by an insurance company in respect of returns to policyholders.

The covered taxes in respect of any net gain or loss, arising from the disposal of certain tangible assets, shall be excluded from the computation of the covered taxes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The Government has enacted qualifying refundable tax credits for payroll expenditure (up to 100% of eligible payroll expenditure) and for research and development (50% of eligible expenditure)

CbCR Transitional Safe Harbour

An election is available to apply CbCR Safe Harbour in alignment with OECD rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

“Qualified financial statements” of a MNE group means the accounts used to prepare the consolidated financial statement of the UPE; or financial statements of constituent entities prepared in accordance with acceptable financial accounting standards.

UTPR Transitional Safe Harbour

No announcement yet

Permanent Safe Harbours

At the election of the filing entity, the top-up tax due for the constituent entities shall be equal to zero for a fiscal year if, for such fiscal year: the average qualifying revenue of the DMTT Group is less than EUR10,000,000; and the average qualifying income or loss of the DMTT Group is a loss or is less than EUR1,000,000.

Subject to Tax Rule

Multilateral Convention signed on 19 September 2024, but not ratified yet

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

To be confirmed

QDMTT: Deadline to file. Standard rule?

To be confirmed

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Notification: 12 months from the first fiscal year end

Tax registration: Deadline to file. Standard rule?

Notification: 12 months from the first fiscal year end

Tax registration: Other information?

A qualifying entity shall give notice that it is such an entity, not later than 12 months after the last day of the first fiscal year that it is a qualifying entity, immediately following a fiscal year for which it was not a qualifying entity.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Yes and exclusion is for QDMTT

Transitional Penalty Relief

No information available

Application of OECD guidance to Pillar Two local rules

The Top-Up Tax legislation shall be construed in a manner that generates outcomes that are consistent or functionally equivalent with the GloBE Model Rules, supplemented by the Pillar Two Commentary and any agreed administrative guidance on the interpretation or the administration of the GloBE Model Rules issued by the Inclusive Framework on Base Erosion and Profit Shifting.

PwC Thought Leadership

2024/25 Budget review Barbados

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Barbados charts a new course, the response to Pillar Two global minimum tax

Read more

PwC Contacts

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Country or region: Belgium

Last update: 12 June 2025

Status of enactment

Current status: Final law in force

On 14 December 2023, Belgium approved the final law introducing a minimum tax for multinational companies and large domestic groups. This is the Belgian transposition of Council Directive (EU) 2022/2523 of 15 December 2022 ensuring a global minimum level of taxation for groups of multinational enterprises and large domestic groups in the European Union. The text was also published in the Belgisch Staatsblad/Moniteur Belge on 28 December 2023 so that the law entered into force on 31 December 2023.

Income inclusion rule

Entry into force: 31 December 2023

In general, the Belgian law closely follows the (Dutch/French translation of the) EU Directive and therefore the OECD Model Rules. Belgium also adopted the overall implementation timeline proposed by the Directive (EU) 2022/2523 of 15 December 2022, i.e., 31 December 2023 for the IIR and 31 December 2024 for the UTPR.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

The Belgian Pillar Two legislation adopted the overall implementation timeline proposed by the Directive (EU) 2022/2523 of 15 December 2022, i.e., 31 December 2023 for the IIR and 31 December 2024 for the UTPR.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The Belgian Pillar Two law includes a QDMTT following the same principles as the IIR. The QDMTT is applicable to financial years that start on or after 31 December 2023.

QDMTT: Accounting Standards?

The law refers to the financial accounting standard used for the preparation of the UPE's consolidated financial statements.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion would be applicable as per the Belgian draft law

QDMTT: CbCR Safe Harbour?

The Transitional Safe Harbours apply to the Belgian QDMTT.

QDMTT: application only to wholly-owned constituent entities?

No. The Belgian QDMTT applies to all Belgian Entities part of a Group subject to Pillar Two.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The definition of covered taxes closely follows the principles of the OECD under Pillar Two. Belgian corporate taxes and other taxes in lieu of the corporate income taxes (like withholding taxes) should qualify as covered taxes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No additional guidance is currently available.

Qualified Refundable and Marketable Transferable Tax Credits

The law adapts the repayment period of the Belgian tax credit for R&D from 5 to 4 years in view of ensuring that it is a 'Qualified Refundable Tax Credit' for Pillar Two purposes.

In addition, on 2 May 2024, the Belgian parliament approved a law introducing an adjustment to the Belgian Innovation Income Deduction regime (patent box regime). As from Fiscal Year 2024, companies have the option to voluntarily transform a part of the Innovation Income Deduction into a non-refundable tax credit (Tax Credit for Innovation Income).

Further, the abovementioned May law adds the provisions regarding Marketable Transferrable Tax Credits, as included in the Administrative Guidance of July 2023, to the Belgian Pillar Two law.

CbCR Transitional Safe Harbour

Belgium adopted the Transitional Safe Harbour guidance included in the Implementation Framework issued by the OECD in December 2022.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The Belgian law defines a Qualifying CbCR as a report as referred to in Article 321/1, 15°, of the Income Tax Code 1992, prepared and submitted using qualifing financial statements. Qualifying Financial Statements are defined in line with the definition included in the Implementation Framework issued by the OECD in December 2022.

UTPR Transitional Safe Harbour

The law of 12 May 2024 adds the UTPR Safe Harbour included in the Implementation Framework issued by the OECD in July 2023.

Permanent Safe Harbours

The permanent De-minimis Safe Harbour is included in the Belgian law. The law of 12 May 2024 includes the QDMTT Safe Harbour and the Simplified Calculation Safe Harbour for Non-Material Constituent Entities as included in the Implementation Framework issued by the OECD in July and December 2023. No other Permanent Safe Harbours are included.

Subject to Tax Rule

The jurisdiction has expressed its intent to sign the Multilateral Convention

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: No announcement yet.

Deadline: The GIR for FY 2024 is due (in line with the OECD timeline) in June 2026 (within 18 months after the closing of the fiscal year). For the GIR related to fiscal years starting after 31 December 2024, the due date is within 15 months after closing of the Fiscal Year.

Payment timing (at return or installments): Advance payments system used for corporate income tax applies for top-up tax under the Belgian IIR.

Paying entity / legal liability for tax: If the group has multiple Belgian entities, the default paying entity for the Belgian UTPR is the entity with the largest GloBE Income, however the Group can also opt to appoint another entity. For the payment of the IIR, the OECD charging provisions are applied.

Penalties: Penalties ranging from EUR2,500 to EUR250,000 for each violation of the Pillar Two rules.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

11 months from the fiscal year end

QDMTT: Deadline to file. Standard rule?

11 months from the fiscal year end

QDMTT: Other information?

Filing entity: No announcement yet.

Deadline: Belgium provides for a QDMTT return which is due within 11 months after the ending of the financial year. For accounting years that follow calendar years, the corporate income tax return for FY 2024 is due by 30 November 2025.

Payment timing (at return or installments): Advance payments system used for corporate income tax applies for top-up tax under the Belgian QDMTT.

Paying entity / legal liability for tax: If the group has multiple Belgian entities, the default paying entity is the entity with the largest GloBE Income, however the Group can also opt to appoint another entity.

Penalties: Penalties ranging from EUR2,500 to EUR250,000 for each violation of the Pillar Two rules.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

No information available yet

Tax registration: Deadline to file. Transitional year?

Pillar Two notification form (one-off): 30 days after the start of the first fiscal year of the MNE being subject to Pillar Two

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

Pillar Two notification form: 30 days after the start of the first fiscal year of the MNE being subject to Pillar Two.

The Royal Decree dd. 15 May 2024 introduces the requirement of filing a Pillar Two notification form (P2-CBE-NOT) to the Belgian Tax Authorities. Multinational companies and large domestic groups in scope of Pillar Two will have to submit a Pillar Two notification form including:

- 1. General group information, such as group name, fiscal year, address etc.
- 2. Information on the type of consolidated financial statements
- 3. Detailed information on the ownership structure, including the entities that are (an) ultimate parent entity/ies (UPE), intermediate parent entity/ies (IPE), partially-owned parent entity/ies (POPE) and their subsidiaries
- 4. Information on the group point of contact

Who? The UPE, if located in Belgium. Otherwise another entity located in Belgium. In case of multiple Belgian entities, one Belgian entity should be appointed for the filing of the notification form through a mandate. A template mandate was published on the website of the Belgian tax authorities.

When? The notification must be made no later than 30 days after the start of the fiscal year for which the multinational or large domestic group enters into the scope of Pillar Two. For example, if the first fiscal year is 1 January 2025, the due date for the notification is 30 January 2025. For those who are already subject to Pillar Two (e.g. as from 1 January 2024) and will/intend to carry out advance payments in 2024 for the domestic top-up tax or the IIR, the deadline was set at 15 July 2024. However, the FPS Finance provided an administrative tolerance for groups of multinational enterprises (MNE) and large-scale domestic groups that will not/do not intend to carry out advance payments in 2024 for the domestic top-up tax or the IIR. These groups may submit their notification for registration in the Crossroads Bank for Enterprises (CBE) until 16 September 2024 (included).

Other relevant information?

In the event that no advance tax payments would be made, a surcharge of 9% (FY ending per 31 December 2024) / 6.75% (FY ending per 31 December 2025) of the top-up taxes will be due. Any prepayments made during the financial year can be credited against this surcharge depending on when the prepayment was made.

Advance payments can be made via: MyMinFin, using the “VA Pillar 2” module, or through a bank transfer. Note that there is one bank account for the (Q)DMTT and one for the IIR. The bank transfer has to include a specific structured communication based on the Pillar Two group number and can be made by any group constituent entity for the first year (as from next year, a notification could need to be made).

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

The Belgian Pillar Two law includes the exclusion of MNE groups in the initial phase of their international activity for the application of the Belgian QDMTT, IIR and UTPR.

Transitional Penalty Relief

Belgium is expected to adhere to the largest extent with the December 2022 guidance, although this is not explicitely included in the law.

Application of OECD guidance to Pillar Two local rules

The Belgian legislation does reflect the Commentary to the GloBE Rules as published in March 2022, the guidance published in December 2022 regarding the Transitional Safe Harbours and (parts of) the additional Administrative Guidance published until July 2023.

Note that with respect to the hybrid arbitrage arrangements, the reference day for transactions related to hybrid arribtrage arrangements is set at 18 December 2023 (contrary to 15 December 2022 in the Administrative Guidance)

PwC Thought Leadership

New version of the draft Belgian QDMTT return released

Read more

Tax Bites Podcast – Belgian QDMTT return: how does it look? (podcast)

Belgium published its QDMTT tax return and asks feedback to stakeholders. Are you interested to learn how Belgium looks at the QDMTT return? Tune in and get an update! Listen here (https://news.pwc.be/tax-bites-podcast-belgian-qdmtt-return-how-does-it-look/)

Pillar Two in Belgium: First out of the gate (podcast)

Listen here

Draft Belgian Qualified Domestic Minimum Top-Up Tax Return published

Read more

PillarTwo Advance Tax Payments are live!

MNO groups and large domestic groups can initiate their advance payments for top-up taxes under Pillar Two, provided they have obtained their Pillar 2 group number following the mandatory notification. Read more

Belgium extends Pillar Two registration for large-scale domestic groups not making advance payments in 2024

The Belgian Tax Authorities published an administrative tolerance for multinational and large-scale domestic groups that will not (intend to) carry out advance payments in 2024 for the domestic top-up tax or the IIR. These groups may submit their notification for registration in the Crossroads Bank for Enterprises until 16 September 2024 (included). Read more

Countries begin to establish Pillar Two compliance procedures

Multinational companies and large domestic groups with a Belgian Constituent Entity need to file a notification at the Crossroads Bank for Enterprises regardless of whether the ultimate parent entity (UPE) is located in Belgium or another jurisdiction. Read more

The first Belgian Pillar 2 compliance milestone is out: notification at the Crossroads Bank of Enterprises

Read more

Belgian draft law amending the investment deduction and innovation income deduction regime

Read more

#Pillar Two latest state of play & a closer look into Belgium's implementation (podcast).

Spotlight on Belgium's implementation of the new rules. Listen here

Belgian draft law amending the law introducing a minimum tax for multinational companies

On 6 March 2024, the Belgian government submitted a draft law to parliament, which is intended to amend the law of 19 December 2023 on the introduction of a minimum tax for multinational companies and large domestic groups. If the draft law is approved, it would be applicable to financial years starting on or after 31 December 2023. Read more

Belgian Federal Government approves law introducing a minimum tax for multinational companies (Pillar 2)

On 14 December 2023, Belgium approved the final law introducing a minimum tax for multinational companies and large domestic groups. This is the Belgian transposition of Council Directive (EU) 2022/2523 of 15 December 2022 ensuring a global minimum level of taxation for groups of multinational enterprises and large domestic groups in the European Union. Read more

How to get Pillar 2 ready: a step-by-step approach (Tax Bites Podcast)

Listen here

Belgium agrees on core principles for implementation of the Global Minimum Tax (GloBE/Pillar 2) for MNE's and some additional tax measures

The Belgian government reached an agreement on the Federal budget. After long discussions within the government, a number of measures have been decided that will reduce expenditures and measures that will increase revenue. Read more

PwC Contacts

Pieter Deré, Partner, PwC Belgium

Evi Geerts, Director, PwC Belgium

PwC Belgium Pillar Two website

Country or region: Bolivia

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

Multilateral Convention signed on 19 September 2024

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Eduardo Aramayo, Partner, PwC Bolivia

Country or region: Bosnia and Herzegovina

Last update: 22 September 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Mubera Brkovic, Tax Director, PwC Bosnia

Country or region: Brazil

Last update: 21 January 2025

Status of enactment

Current status: Final law in force

On 30 December 2024, Ley 15,079 was published without vetoes, resulting from Bill (PL) 3,817/2024. Even though it is not exactly the law converting Provisional Measure (MP) 1,262, published on 3 October 2024, the initial text of the PL, as already explained, replicated the terms of the MP. Thus, Law 15,079, in relation to the majority of its articles, remained in force from 1 January 2025, under the terms of article 43 (certainly assuming that no legislative decree was issued).

The Brazilian Congress approved draft law 3817/24 on 17 December 2024 (the draft law establishes the CSLL in the process of adapting Brazilian legislation to the Pillar Two rules).

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

Brazil has adopted only one of the mechanisms provided for in the OECD Model Rules of Pillar Two, by establishing the "Additional Social Contribution on Net Profit", which is very much in line with the QDMTT standard, and therefore tends to be a "qualified" top-up tax.

QDMTT: Accounting Standards?

QDMTT is based on local accounting standards (BR GAAP), which generally follows IFRS standard.

QDMTT: SBIE applicable?

Yes

QDMTT: CbCR Safe Harbour?

Yes

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

Covered taxes are provided in accordance with GloBE rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

Qualified Refundable Tax Credits are regulated in accordance with GloBE rules. In addition, the MP authorizes the Executive Power, as of 2026, to convert into a financial credit classifiable as a Qualified Refundable Tax Credit, the regional tax incentives applied to profits earned in the less-developed North and Northeast regions of Brazil that are registered under the corresponding “Sudene” or “Sudam” agencies and programs, totally or partially yet without loss to the beneficiary, noting the substance requirements adopted in the calculation of the SBIE. The MP does not provide similar rules for other incentives (e.g., “technological innovation”) or other subsidies.

CbCR Transitional Safe Harbour

CbCR Safe Harbour is regulated in line with GloBE rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No announcement yet.

Permanent Safe Harbours

A Permanent Safe Harbour rule, equivalent to the "De Minimis Test", is provided for in the Brazilian rules as an "exclusion of non relevant jurisdictions". It is applicable where the Average GloBE Revenue of such jurisdiction is less than EUR10 million, and the Average GloBE Income of that jurisdiction is less than EUR1 million or has a loss.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model

Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Brazil tax update: full inclusion to full immersion (podcast)

Listen here

Pillar Two Law published (in Portuguese)

Read more

Brazil partial adoption of Pillar Two via additional CSLL

Read more

Brazil Tax Reforms (podcast)

Listen here

PwC Contacts

Gabriel Buratto, Partner, PwC Brazil

PwC Brazil Pillar Two website

Country or region: British Virgin Islands

Last update: 4 September 2023

Status of enactment

Current status: No public announcement yet

In January 2023, BVI Finance held a webinar with a panel of experts to discuss the implications of Pillar Two with delegates present including BVI Finance members, private sector practitioners and representatives from some of the world's leading financial services firms. The BVI International Tax Authority representative stated that the BVI have to take a pragmatic approach on what the BVI decides to do and how it will work and that it would be a big administrative burden to implement a 15% tax. He also stated that the BVI will continue to work directly with the OECD to see how it might affect the jurisdiction. The BVI Government continues to put resources into the International Tax Authority to ensure that they are able to follow the ever-changing landscape in taxation. On 15 August 2023 the BVI Deputy Premier mentioned that they are watching Pillar Two situation very closely and that BVI has always “adhered to all of the international requirements”, being the global minimum tax “no different”.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Alexander Lower, Managing Director, PwC British Virgin Islands

Country or region: Bulgaria

Last update: 2 January 2025

Status of enactment

Current status: Final law in force

The EU global minimum tax Directive was transposed into the Bulgarian Corporate Income Tax Act (on 12 December 2023 Bulgaria's National Assembly passed amendments to the Corporate Income Tax Act, allowing the country to transpose the EU minimum tax Directive into national law). The amendment to the CIT Act was promulgated in the State Gazette, in force as of 1 January 2024.

In the beginning of December 2024, a draft bill with some amendments to the Pillar Two legislation has been submitted to Parliament, currently pending the required legislative process and voting. The proposed changes are mainly to reflect aspects of the OECD's Administrative Guidance.

Income inclusion rule

Entry into force: 1 January 2024

The IIR rules implemented in the Bulgarian CIT Act shall apply as of 1 January 2024.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 1 January 2025

The UTPR rules implemented in the Bulgarian CIT Act shall apply as of 1 January 2025. According to the wording of the law, UTPR shall apply as of 1 January 2024 to Bulgarian Constituent Entities, where the EU-based UPE of the group has elected to defer the application of IIR and UTPR for 6 years as of 31 December 2023.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

Bulgaria adopts a domestic top-up tax (intended to be a QDMTT) as part of its overall implementation of Pillar Two under article 11 of the Directive (EU) 2022/2523 of 14 December 2022.

The de minimis relief and the relief for MNEs in initial phase of international expansion would not apply for QDMTT purposes in Bulgaria.

QDMTT: Accounting Standards?

If the consolidated financial statements of the UPE are qualified accounting standards different from IFRS, QDMTT shall be based on IFRS or Bulgarian local GAAP.

The draft bill proposes changes to this rule (pending legislative procedures and voting in Parliament).

QDMTT: SBIE applicable?

For QDMTT purposes, SBIE would only apply with respect to assets (and not payroll costs).

QDMTT: CbCR Safe Harbour?

The Transitional CbCR safe harbour shall apply to the Bulgarian domestic top-up tax.

QDMTT: application only to wholly-owned constituent entities?

No application of QDMTT only to wholly-owned constituent entities

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The scope of covered taxes under the Bulgarian rules transposing the EU Directive appear in line with the definition of covered taxes according to the EU Directive / OECD model rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

Corresponding provisions in the domestic rules are in line with the definition of qualifying refundable tax credits according to the EU Directive 2022/2523 / OECD model rules.

CbCR Transitional Safe Harbour

Transitional CbCR safe harbour rules are included in the domestic rules in Bulgaria (CbCR de minimis, simplified ETR, routine profits test).

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The draft bill (pending legislative procedures in Parliament) proposes amendments (additions) to the CbCR safe harbour rules, aiming to reflect OECD's guidance on a "qualifying" status.

UTPR Transitional Safe Harbour

Not in the legislation currently in force. However, the draft bill proposes the introduction of a UTPR transitional safe harbour.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

The jurisdiction has expressed its intent to sign the Multilateral Convention

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

The deadline for the GIR and the notification to the Bulgarian tax authorities (if relying on a GIR filed by another authorised entity) is in line with the EU minimum tax Directive, i.e., 15 months as of the end of the reporting period / 18 months for the first year.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

QDMTT return: the deadline is in line with the EU minimum tax Directive (15 months as of the end of the reporting period / 18 months for the first year).

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

Top-up tax return: the deadline in line with the EU minimum tax Directive (15 months as of the end of the reporting period / 18 months for the first year).

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No advance payments of top-up tax are required under the Bulgarian legislation.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

Penalty relief envisaged for information returns for fiscal periods ending on or before 30 June 2028.

Application of OECD guidance to Pillar Two local rules

The draft bill proposes the introduction of a reference (for interpretation purposes and to the extent in line with the law) to the OECD Model Rules, Commentary and implementation framework.

PwC Thought Leadership

15% global minimum tax adopted in Bulgaria as of 1 January 2024

The law implementing the EU Global Minimum Tax Directive was finally voted by the Bulgarian Parliament on 12 December 2023 Read more

PwC Contacts

Elizabeth Sidi, PwC Bulgaria

Country or region: Cameroon

Last update: 4 April 2024

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Fanny Fukeu, PwC Cameroon

Country or region: Canada

Last update: 23 June 2025

Status of enactment

Current status: Final law in force

Canada's legislation to implement Pillar Two (the Global Minimum Tax Act) was enacted on 20 June 2024. Explanatory Notes for this legislation were released on 31 May 2024.

The legislation includes an IIR, and a QDMTT that will apply to Canadian entities of MNE groups that are within the scope of Pillar Two. The IIR and the QDMTT are in effect for fiscal years of MNE groups that begin on or after 31 December 2023.

The currently enacted legislation does not include a UTPR. On 12 August 2024, Canada released legislative proposals to amend the Global Minimum Tax Act; these proposals include a UTPR. The UTPR will come into effect for fiscal years of MNE groups that begin on or after 31 December 2024.

For these purposes, an MNE group is considered to have the same fiscal year as its UPE.

Income inclusion rule

Entry into force: 31 December 2023

The IIR is in effect for fiscal years of MNE groups that begin on or after 31 December 2023. For these purposes, an MNE group is considered to have the same fiscal year as its UPE.

The Canadian legislation is intended to be interpreted consistently with the GloBE model rules (as well as the commentary and administrative guidance on those rules approved by the OECD/G-20 Inclusive Framework). However, the drafting of the legislation differs from the drafting of the model rules in some respects, so careful review is needed to confirm how the Canadian rules apply to MNE groups.

The Canadian general anti-avoidance rule ("GAAR") applies to the Canadian Pillar Two legislation.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

Proposed legislation to introduce the UTPR was released on 12 August 2024. The UTPR will come into effect for fiscal years of MNE groups that begin on or after 31 December 2024. For these purposes, an MNE group is considered to have the same fiscal year as its UPE.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The QDMTT (called the Domestic Minimum Top-up Tax) applies to Canadian entities of MNE groups that are within the scope of Pillar Two. This tax is intended to qualify for the QDMTT safe harbour, and to be interpreted consistently with the requirements outlined in the GloBE commentary.

The QDMTT includes an exemption for up to 5 years, for MNE groups that are in the initial phase of their international activities (MNE groups which are present in no more than six jurisdictions and holds no more than EUR50 million of tangible assets outside their largest jurisdiction). This exemption is not available where a relevant parent entity of the MNE group directly or indirectly owns Canadian entities of the group, and is located in a foreign jurisdiction that has a Qualified IIR.

The QDMTT is in effect for fiscal years of MNE groups that begin on or after 31 December 2023. For these purposes, an MNE group is considered to have the same fiscal year as its UPE.

QDMTT: Accounting Standards?

The QDMTT is based on the UPE's accounting standards.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion would be applicable.

QDMTT: CbCR Safe Harbour?

The safe harbours available for the main GloBE Rules are also generally available for the QDMTT (other than the safe harbour for jurisdictions that have adopted QDMTTs). There is also a safe harbour for certain MNE groups in the initial phase of their international activities, as noted above.

QDMTT: application only to wholly-owned constituent entities?

No. The Canadian QDMTT applies to all Canadian Entities part of a group subject to Pillar Two.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The Canadian legislation defines covered taxes in general terms, which closely resemble the definition in the GloBE model rules. No guidance has yet been provided regarding whether specific Canadian taxes will be considered covered taxes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

The Canadian legislation is generally consistent with Article 4.6.1 for the treatment of post-filing adjustments.

Qualified Refundable and Marketable Transferable Tax Credits

The Canadian legislation follows the GloBE model rules dealing with tax credits, without substantive changes. The Canadian government has not yet provided guidance on what Canadian tax credits will constitute Qualified Refundable Tax Credits (or whether any tax credits may be modified in response to Pillar Two).

CbCR Transitional Safe Harbour

The Canadian legislation includes a transitional CbCR safe harbour, which is consistent with the safe harbour described in the 20 December 2023 report of the Inclusive Framework (i.e., a safe harbour available to an electing MNE group that satisfies a de minimis threshold test, a simplified ETR test, or a routine profits test).

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The definitions of qualifying CbCR and qualifying financial statements are consistent with the OECD commentary. A qualifying CbCR generally requires the report to be filed in accordance with the relevant CbCR regulations and prepared using qualified financial statements. Qualified financial statements include the financial accounts used to prepare the consolidated financial statements or the financial statements prepared in accordance with an acceptable financial accounting standard or authorized financial accounting standard.

UTPR Transitional Safe Harbour

The proposed legislation released on 12 August 2024 includes a transitional UTPR safe harbour, which is consistent with the safe harbour described in the Inclusive Framework commentary (i.e., an elective safe harbour that applies to the jurisdiction in which the UPE of the MNE group is located, provided that jurisdiction with a corporate income tax rate of at least 20%). The UTPR also includes a five year safe harbour for MNE groups in the initial phase of their international activities (which is also consistent with the safe harbour in the Model Rules).

Permanent Safe Harbours

The Canadian legislation also provides a permanent QDMTT safe harbour, which is generally available for entities located in a jurisdiction that has an acceptable QDMTT (as determined by the OECD/G-20 Inclusive Framework).

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: The ultimate parent entity of an MNE group (or another designated filing entity chosen by the group) can generally file this return on behalf of the group. This return does not need to be filed in Canada if the ultimate parent entity (or designated filing entity) files the form in the foreign jurisdiction where it is located, and that jurisdiction has a qualifying competent authority agreement with Canada (which provides for the automatic exchange of these returns). In other cases, the return must be filed in Canada (e.g., if the ultimate parent entity or designated filing entity is located in Canada, or there is no qualifying competent authority agreement with the relevant foreign jurisdiction).

Deadline: The return is due within 15 months of the end of the relevant fiscal year (or 18 months for the first year in which the MNE group is subject to the GloBE rules). The earliest filing due date is June 30, 2026 even if the first fiscal year ends before December 31, 2024.

Payment timing: No payment required with the GIR. Payments under the IIR, QDMTT, and UTPR are due at the filing deadline.

Paying entity / legal liability for tax: No payment required with the GIR.

Penalties: The penalty for a failure to file the GIR is equal to C$25,000 * number of complete months, not exceeding 40, within the period beginning on the GIR due date and ending on which the GIR is filed or notification is made.

Other relevant details: The Canadian legislation also includes detailed administration and enforcement rules, which are similar to the rules in the Canadian Income Tax Act.

QDMTT: Separate return?

Yes. One Global Minimum Tax Return, which includes the QDMTT, IIR, and UTPR

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

Filing entity: An entity that is liable to pay tax in Canada under the QDMTT must file a separate return. An MNE group may appoint a single Canadian filing entity, to file these returns on behalf of all group members that have filing obligations.

Deadline: same due date as the GIR. In priniple the Global Minimum Tax Return would not be required in Canada if the top-up tax is nil (to be officially confirmed).

Payment timing: Payments are due at the filing deadline.

Paying entity / legal liability for tax: Each entity that is allocated a share of the top-up tax for Canada should be a paying entity. An entity of an MNE group that is located in Canada is jointly and severally (or solidarily) liable for the liabilities that another constituent entity (or joint venture entity) of that MNE group that is located in Canada.

Penalties: 5% of the tax payable plus 1% * tax payable * number of complete months, not exceeding 12, beginning on the day on which the return was required to be filed and ending on the day on which the return is filed. Additional penalties apply with repeated failure to file.

Other relevant details: If a person fails to pay an amount as and when required, the person must pay interest on the amount owing. The interest must be compounded daily at the prescribed rate published by the Canada Revenue Agency.

TPT (IIR/UTPR): Separate return?

Yes. One Global Minimum Tax Return, which includes the QDMTT, IIR, and UTPR

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

Filing entity: An entity that is liable to pay tax in Canada under the IIR or UTPR must file a separate return. An MNE group may appoint a single Canadian filing entity, to file these returns on behalf of all group members that have filing obligations.

Deadline: same due date as the GIR. same due date as the GIR. In priniple the Global Minimum Tax Return would not be required in Canada if the top-up tax is nil (to be officially confirmed).

Payment timing: Payments are due at the filing deadline.

Paying entity / legal liability for tax: For the IIR, the person liable for tax includes the UPE or a partially-owned parent entity. For the UTPR, each entity that is allocated a share of the top-up tax for Canada should be a paying entity. An entity of an MNE group that is located in Canada is jointly and severally (or solidarily) liable for the liabilities that another constituent entity (or joint venture entity) of that MNE group that is located in Canada.

Penalties: Same as the penalties for taxes payable under the QDMTT.

Other relevant details: Consistent with the tax payable under the QDMTT, interest will apply in respect of unpaid taxes under the IIR and UTPR.

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end

Tax registration: Other information?

No information available

Other relevant information?

No interim payments required, any top-up tax payable is due with the filing of the QDMTT or TPT tax return

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

The Canadian legislation includes an exclusion for the initial phase of international activity . This exclusion can apply for both the UTPR and the QDMTT but does not apply for the IIR.

The exclusion for the initial phase of international activities applies for MNE groups which are present in no more than six jurisdictions and hold no more than 50 million Euros of tangible assets outside their largest jurisdiction. This exemption is not available for the QDMTT if a relevant parent entity of the MNE group directly or indirectly owns Canadian entities of the group, and the relevant parent entity is located in a foreign jurisdiction that has a Qualified IIR.

Transitional Penalty Relief

The penalty that would normally apply for failing to file the GIR (or for failing to file a substantially complete GIR) will not apply for a GIR in respect of a fiscal year that begins before 1 January 2027 and ends before 1 July 2028, where, in the opinion of the Minister of National Revenue, the filing entity used reasonable measures to ensure the correct application of the GloBE model rules in completing the GIR.

Application of OECD guidance to Pillar Two local rules

The Canadian legislation states that it implements the GloBE model rules, the GloBE commentary and the administrative guidance in respect of the GloBE model rules approved by the Inclusive Framework, and is to be interpreted consistently with those sources (as amended from time to time), unless the context otherwise requires. It also states that the provisions setting out the Domestic Minimum Top-up Tax are intended to implement a QDMTT that qualifies for the QDMTT safe harbour, and are to be interpreted consistently with the requirements outlined in the GloBE commentary.

PwC Thought Leadership

How will your meet your Pillar Two data challenges?

Read here

Poutine Routine: Canada's Pillar Two, DSTs, with G(AA)Ravy on top (CBTT podcast)

Doug McHoney (PwC's International Tax Services Global Leader) and Ken Buttenham (PwC Canada's International Tax Practice Leader) talk about the Canadian Pillar Two proposals, the Global Minimum Tax Act, UTPR, IIR, QDMTT, compliance, the GloBE Information Return, tax incentives, and many others. Listen here

Finance releases draft legislative proposals

On 4 August 2023, the Canadian Department of Finance released an extensive package of legislative proposals, including draft legislation to implement the Pillar Two global minimum tax. The draft legislation includes an IIR and a Domestic Minimum Top-up Tax, which will apply to fiscal years of MNE groups that begin on or after 31 December 2023. A UTPR will be released at a later date, and will apply to fiscal years that begin or or after 31 December 2024. Read more

2023 Federal Budget Analysis

The 2023 budget provides an update on the OECD two pillars and restates Canada's intention to implement Pillar Two, along with a Domestic Minimum Top-up Tax. The IIR and Domestic Minimum Top-up Tax will come into effect for fiscal years of MNEs that begin on or after 31 December 2023 while the UTPR will come into effect for fiscal years of MNEs that begin on or after 31 December 2024. Read more

Canadian federal budget adds urgency for companies to accelerate Pillar Two readiness

This spring's federal budget highlighted the final countdown for multinational enterprises operating in Canada to prepare for unprecedented changes to the global tax system. In its budget, the federal government reaffirmed its plans to introduce legislation that implements the OECD's Pillar Two provisions, which include a minimum global tax rate. Read more

PwC Contacts

Michael Black, Partner, PwC Canada

Ian Bradley, Partner, PwC Canada

Ryan Hoday, Partner, PwC Canada

PwC Canada Pillar Two website

Country or region: Cape Verde

Last update: 11 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

Multilateral Convention signed on 19 September 2024

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Country or region: Cayman Islands

Last update: 11 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

TC Leshikar, Tax Partner, PwC Cayman Islands

Country or region: Chile

Last update: 25 July 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Sandra Benedetto, Partner, PwC Chile

Jonatan Israel, PwC Chile

Country or region: China

Last update: 25 November 2024

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Perspectives on the tax policy landscape in China

Watch here

PwC Contacts

Kevin P Wang, Partner, PwC China

Windy Li, Partner, PwC China

PwC China Pillar Two website

Country or region: Colombia

Last update: 12 April 2023

Status of enactment

Current status: No public announcement yet

No announcement yet.

The Colombian Executive Branch enacted Law 2277 on 13 December 2022, which becomes effective 1 January 2023. The law includes a tax reform and, among other measures, a 15% minimum ETR that applies to Colombian-resident corporations (with a few industry-specific exceptions) was introduced. This new requirement reflects the rate proposed by the OECD's Pillar Two initiative, but when viewed in conjunction with other Tax Reform Law changes appears to have different and, sometimes, broader goals.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

The Colombian Executive Branch enacted Law 2277 on 13 December 2022, which becomes effective 1 January 2023. The law includes a tax reform and, among other measures, a 15% Minimum Effective Tax Rate that applies to Colombian-resident corporations (with a few industry-specific exceptions) was introduced.

Read more

PwC Contacts

Carlos Miguel Chaparro, Partner, PwC Colombia

Angela Liliana Sanchez, Partner, PwC Colombia

Country or region: Costa Rica

Last update: 19 September 2024

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

The jurisdiction has expressed its intent to sign the Multilateral Convention

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Elena Carazo, Director, PwC Costa Rica

Roberto Ozaeta, Interamericas Pillar Two Leader, Partner, PwC Guatemala

Country or region: Croatia

Last update: 12 June 2025

Status of enactment

Current status: Final law in force

Croatian Law on minimum Global Corporate Income Tax (the "Law") came into force as of 31 December 2023. The Law will apply to the fiscal years commencing after 31 December 2023.

The Croatian Pillar Two rules are in line with the Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union.

Income inclusion rule

Entry into force: 31 December 2023

Croatia follows the overall implementation timeline proposed by the Directive (EU) 2022/2523 of 14 December 2022, i.e., the IIR applies for fiscal years starting on or from 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

Croatia follows the overall implementation timeline proposed by the Directive (EU) 2022/2523 of 14 December 2022, i.e., the UTPR applies for fiscal years starting on or from 31 December 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

Croatia applies QDMTT as part of its overall implementation of Pillar Two under article 11 of the Directive (EU) 2022/2523 of 14 December 2022. The QDMTT applies for fiscal years starting on or from 31 December 2023.

QDMTT: Accounting Standards?

Local standards. If the Constituent Entity is not obliged to use IFRS, the QDMTT may be based on Croatian local accounting standards.

QDMTT: SBIE applicable?

SBIE applicable for QDMTT calculations

QDMTT: CbCR Safe Harbour?

Yes, CbCR Safe Harbour applicable for QDMTT

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

There is no specific list of covered taxes applicable. The definition of covered taxes in Article 22 of Croatian law is the same as in Article 20 of the EU Directive

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

In Croatian law, there is no specific explanation on what constitutes Qualified Refundable Tax Credits, i.e. there is the general definition which aligns with wording of the EU Directive. However, taking into account the mechanism of tax incentives, it can be expected that tax credit granted based on investment incentive will constitute non refundable tax credit and may therefore significantly reduce the ETR of the constituent entities.

CbCR Transitional Safe Harbour

The Law provides that the applicable OECD model rules and commentaries including transitional Safe Harbour rules existing - or that will be published - are to be used for the application of the Pillar Two Globe Rules in Croatia. Croatia accepts qualifying international agreement on Safe Harbour rules i.e. group of rules accepted by all member states.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

Reference to all safe harbours which are agreed upon OECD and to which all Member States have consented to.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

Not defined yet

QDMTT: Separate return?

Unknown

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

Not defined yet

TPT (IIR/UTPR): Separate return?

Unknown

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

The top-up tax information return and any relevant notifications shall be filed with the Croatian Tax Administration no later than 15 months after the last day of the reporting fiscal year (for the first fiscal year deadline is 18 months).

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

According to the Croatian law there is no transitional penalty relief.

Application of OECD guidance to Pillar Two local rules

The legislation provides that the applicable OECD model rules and commentaries, including transitional Safe Harbour rules existing - or that will be published -, are to be used for the application of the Pillar Two rules in Croatia.

PwC Thought Leadership

PwC Contacts

Lana Brlek, PwC Croatia

Country or region: Cyprus

Last update: 30 April 2025

Status of enactment

Current status: Final law in force

On 18 December 2024, the Global Minimum Tax of MNE Groups and Large-Scale Domestic Groups Law was published in the Cyprus Government Gazette (completing in this way the legislative process), transposing into Cyprus national law the relevant EU Directive issued on 14 December 2022, on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups.

The Law provides that the main rule named as the Qualified Income Inclusion Rule is practically effective as from 2024, the secondary rule named as the Qualified Undertaxed Profits Rule is practically effective as from 2025, and the Cyprus domestic minimum top-up tax also practically effective as from 2025.

The adoption of the Law does not modify Cyprus' corporate income tax legislation; rather the Law introduces an additional tax legislation which is only to be applied in parallel to the corporate income tax legislation for the groups within scope.

Income inclusion rule

Entry into force: 31 December 2023

The Law provides for the introduction of the IIR practically as from 1 January 2024.

The Law follows the provisions of the EU Directive and thus provides, for example, the application of the IIR by a local parent on its own results as well as on its local subsidiaries and by Large Scale Domestic Groups.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: 31 December 2024

The Law provides for the introduction of the QUTPR practically as from 1 January 2025.

The Law specifies that the UTPR will be applied in such a way to be imposing an additional top-up tax, rather than charged under corporate income tax law via a denial of deduction mechanism.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2024

The Law does not provide for the introduction of a QDMTT but rather for a Domestic Minimum Top Up tax (“DMTT”). The Cyprus DMTT will practically apply as from 1 January 2025.

It applies to constituent entities and joint venture entities located in Cyprus and will be applied in priority to the QIIR and QUTPR. In the same manner as the QIIR and the QUTPR, the DMTT includes the same provisions with respect to the specific allocation of covered taxes incurred by other constituent entities, such as for the so-called ‘push-down’ of Controlled Foreign Company, Head Office as well as Hybrid Entity taxes unlike a QDMTT does. Further, the DMTT respects the safe harbor provisions (such as the Transitional CbCR Safe Harbour) and clarifies the initial phase of the international activities exemption will also be applicable in full alignment to the QIIR.

QDMTT: Accounting Standards?

UPE accounting standard. The Law does not provide for the introduction of a QDMTT but rather for a Domestic Minimum Top Up tax.

QDMTT: SBIE applicable?

The SBIE would be applicable.

QDMTT: CbCR Safe Harbour?

Yes, Cyprus DMTT respects Safe Harbour provisions (such as the Transitional CbCR Safe Harbour and the initial phase of international activity exclusion of article 49 of the EU Directive). The Law does not provide for the introduction of a QDMTT but rather for a Domestic Minimum Top Up tax.

QDMTT: application only to wholly-owned constituent entities?

The Cyprus DMTT applies to all constituent entities of an MNE or Large Scale Domestic Group and is not limited only to wholly-owned constituent entities. The Law does not provide for the introduction of a QDMTT but rather for a Domestic Minimum Top Up tax.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

The definition of covered taxes in the Law is in line with the EU Directive. No specific guidance has been issued as to which taxes levied in Cyprus are to be considered “covered taxes” .

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

The treatment of post-filing adjustments in the Law is in line with the EU Directive and relevant OECD Guidance. No further guidance has been issued by the Cyprus tax authorities to date.

Qualified Refundable and Marketable Transferable Tax Credits

The definition of ‘Qualifying Refundable Tax Credits’ in the Law is in line with the EU Directive and relevant OECD Guidance. No further guidance has been issued by the Cyprus tax authorities to date.

CbCR Transitional Safe Harbour

The Law respects a safe harbour in cases where all EU Member States have consented to the relevant safe harbour. To date, this includes the Transitional CbCR Safe Harbour, QDMTT Safe Harbour and Transitional UTPR Safe Harbour. Where a safe harbour’s conditions are met the top-up tax under the Law is deemed to be nil.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The Law makes a direct reference to all relevant OECD material released up to and including June 2024 with respect to the interpretation of the provisions of the Law and thus the relevant guidance should be followed to the extent that it does not contradict with the provisions of the Law. No specific guidance has been issued by the Cyprus tax authorities to date.

UTPR Transitional Safe Harbour

The Law respects a safe harbour in cases where all EU Member States have consented to the relevant safe harbour. To date, this includes the Transitional CbCR Safe Harbour, QDMTT Safe Harbour and Transitional UTPR Safe Harbour. Where a safe harbour’s conditions are met the top-up tax under the Law is deemed to be nil.

Permanent Safe Harbours

The Law respects a safe harbour in cases where all EU Member States have consented to the relevant safe harbour. Permanent Safe Harbours to date are the QDMTT Safe Harbour and Non-Material Constituent Entity (NMCE) simplified calculations. Where a safe harbour’s conditions are met the top-up tax under the Law is deemed to be nil.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

All in-scope Cyprus constituent entities individually have an obligation to file a GIR. However, it is alternatively possible to use a single designated local filing entity (or the UPE or its designated filing entity may file the GIR in case the filing jurisdiction has a qualifying competent authority agreement in effect with Cyprus). Any payments due to be made within 30 days from the due date of submission of the GIR. All in-scope Cyprus CEs have an obligation to pay their own tax liability. The Law provides for the responsibility of payment of any top up tax due (whether by virtue of the application of the IIR, UTPR or DMTT) to be assigned (wholly or partially) to any other Cyprus entities of the Group, provided that the payment of such liability is made within the prescribed deadlines. The Law outlines penalties for late filings, delayed payments and other infringements. These penalty amounts are in line with those imposed by the Cyprus Assessment and Collection Law for notification and returns as well as those related to Country-by-Country Reporting. With respect to fiscal years beginning on or before December 31, 2026 but not including any fiscal year that ends after June 30, 2028, no administrative fines or penalties shall be imposed, provided that the Cyprus tax authorities are satisfied that the relevant MNE/Large-scale domestic Group has taken all necessary actions to comply with the provisions of the Law. The Cyprus tax authorities shall consider that the MNE/Large-scale domestic Group has taken all necessary actions if it can evidence that it acted in good faith aiming to apply the provisions of the Law. (

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

30 days after the 18 months from fiscal year end (payment)

QDMTT: Deadline to file. Standard rule?

30 days after the 15 months from fiscal year end (payment)

QDMTT: Other information?

The Law does not provide for the introduction of a QDMTT but rather for a Domestic Minimum Top Up tax. All in-scope Cyprus CEs must each annually submit their local self-assessment filing Any payments due to be made within 30 days from the due date of submission of the GIR (i.e. the due date of the local self-assessment filing) All in-scope Cyprus CEs have an obligation to pay their own tax liability. The Law provides for the responsibility of payment of any top up tax due (whether by virtue of the application of the IIR, UTPR or DMTT) to be assigned (wholly or partially) to any other Cyprus entities of the Group, provided that the payment of such liability is made within the prescribed deadlines. The Law outlines penalties for late filings, delayed payments and other infringements. These penalty amounts are in line with those imposed by the Cyprus Assessment and Collection Law for notification and returns as well as those related to CbCR. With respect to fiscal years beginning on or before 31 December 2026 but not including any fiscal year that ends after 30 June 2028, no administrative fines or penalties shall be imposed, provided that the Cyprus tax authorities are satisfied that the relevant MNE/Large-scale domestic Group has taken all necessary actions to comply with the provisions of the Law. The Cyprus tax authorities shall consider that the MNE/Large-scale domestic Group has taken all necessary actions if it can evidence that it acted in good faith aiming to apply the provisions of the Law.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

30 days after the 18 months from fiscal year end (payment)

TPT: Deadline to file. Standard rule?

30 days after the 15 months from fiscal year end (payment)

TPT return: Other information?

All in-scope Cyprus CEs must each annually submit their local self-assessment filing Any payments due to be made within 30 days from the due date of submission of the GIR (i.e. the due date of the local self-assessment filing) All in-scope Cyprus CEs have an obligation to pay their own tax liability. The Law provides for the responsibility of payment of any top up tax due (whether by virtue of the application of the IIR, UTPR or DMTT) to be assigned (wholly or partially) to any other Cyprus entities of the Group, provided that the payment of such liability is made within the prescribed deadlines. The Law outlines penalties for late filings, delayed payments and other infringements. These penalty amounts are in line with those imposed by the Cyprus Assessment and Collection Law for notification and returns as well as those related to CbCR. With respect to fiscal years beginning on or before 31 December 2026 but not including any fiscal year that ends after 30 June 2028, no administrative fines or penalties shall be imposed, provided that the Cyprus tax authorities are satisfied that the relevant MNE/Large-scale domestic Group has taken all necessary actions to comply with the provisions of the Law. The Cyprus tax authorities shall consider that the MNE/Large-scale domestic Group has taken all necessary actions if it can evidence that it acted in good faith aiming to apply the provisions of the Law.

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end

Tax registration: Other information?

All Cyprus constituent entities have an obligation to notify the Cyprus tax authorities with respect to any changes to the information previously notified no later than 15 months after the last day of the relevant fiscal year or 18 months in case of the transition year.

Other relevant information?

No other relevant tax compliance obligations have been announced to date.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Yes. The Law has incorporated the provisions of article 49 of the EU Directive with respect to the application of the initial phase of international activity exclusion also to the IIR (in specific cases). The Cyprus DMTT respects the initial phase of international activity exclusion of article 49 of the EU Directive .

Transitional Penalty Relief

The Law outlines penalties for late filings, delayed payments and other infringements. These penalty amounts are in line with those imposed by the Cyprus Assessment and Collection Law for notification and returns as well as those related to CbCR. With respect to fiscal years beginning on or before 31 December 2026 but not including any fiscal year that ends after 30 June 2028, no administrative fines or penalties shall be imposed, provided that the Cyprus tax authorities are satisfied that the relevant MNE/Large-scale domestic Group has taken all necessary actions to comply with the provisions of the Law. The Cyprus tax authorities shall consider that the MNE/Large-scale domestic Group has taken all necessary actions if it can evidence that it acted in good faith aiming to apply the provisions of the Law.

Application of OECD guidance to Pillar Two local rules

Certain elements of the Administrative Guidance released to date are included in the draft bill. The draft bill includes a provision as per which, for the application of the Pillar Two local rules, a Ministerial Decree can be issued and published in the Government Gazette.

PwC Thought Leadership

Cyprus votes the Global Minimum Tax of MNE Groups and Large-Scale Domestic Groups Law ("Pillar Two")

Rea{d more

Cyprus consents to Pillar Two Transitional CbCR Safe Harbour Rules

Read more

Cyprus consults on the Global Minimum Tax of MNE Groups and Large Scale Domestic Groups Law

Read more

PwC Contacts

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[PwC Cyprus Pillar Two website](https://www.pwc.com.cy/en/tax-advisory-services/pillar-two.html)

Country or region: Czech Republic

Last update: 9 July 2025

Status of enactment

Current status: Final law in force

Czech legislation on Pillar Two came into effect on 31 December 2023. Czech law implements the GloBE rules, i.e. the IIR rules (effective from 31 December 2023) and the UTPR rules (effective from 31 December 2024), Transitional CbCR and UTPR Safe Harbours and QDMTT Safe Harbour. The Czech Republic also implemented the Domestic Minimum Top-up Tax for Czech entities.

Currently, proposed amendments to the Pillar Two law, introducing significant changes, are in the legislative process with an anticipated retroactive effect from 1 January 2024. However, it is unclear whether / when the amendments will be approved.

Income inclusion rule

Entry into force: 31 December 2023

In line with the IIR rules according to the EU Directive and OECD rules. The IIR rules are effective as from 31 December 2023. Based on OECD's Central Record of Legislation with Transitional Qualified Status, the Czech Republic is listed for qualified IIR.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

In line with the UTPR rules according to the EU Directive and OECD rules. UTPR is effective from 31 December 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

Based on OECD's Central Record of Legislation with Transitional Qualified Status, the Czech Republic is listed for QDMTT Safe Harbour. Law amendment that is currently in legislative process adjust Czech (Q)DMTT with anticipated retroactive effect from 1 January 2024. The law amendment passed its crucial third reading in Parliament on June 27, 2025 (i.e., round 3 of 5). The next steps are Senate approval followed by the President's sign-off. From a timing perspective, we expect the process could be finalized during September, although this is not guaranteed. In any case, we recommend continuing to monitor developments until the law is officially enacted.

Czech QDMTT top-up tax formula differs from OECD Model Rules allocation formula.

QDMTT: Accounting Standards?

Current effective law: The both, local accounting and UPE's accounting standard alternatives are available.

Law amendment that is currently in legislative process with anticipated retroactive effect from 1 January 2024: UPE's accounting standard only.

The law amendment passed its crucial third reading in Parliament on June 27, 2025 (i.e., round 3 of 5). The next steps are Senate approval followed by the President's sign-off. From a timing perspective, we expect the process could be finalized during September, although this is not guaranteed. In any case, we recommend continuing to monitor developments until the law is officially enacted.

QDMTT: SBIE applicable?

The SBIE rules apply to the Czech QDMTT in the same way as they do for the Globe rules.

QDMTT: CbCR Safe Harbour?

Yes

QDMTT: application only to wholly-owned constituent entities?

No. The Czech QDMTT applies to all Czech Entities part of a group subject to Pillar Two.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

Corresponding provisions are intended to be in line with the definition of covered taxes according to the EU Directive rules. Czech corporate income tax is viewed as a covered tax.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No guidance yet

Qualified Refundable and Marketable Transferable Tax Credits

Czech 'tax credits' do not meet definition of 'Qualifying Refundable Tax Credits'.

CbCR Transitional Safe Harbour

Czech law takes into account the OECD transitional Safe Harbours based on CbCR.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No guidance yet

UTPR Transitional Safe Harbour

Czech law takes into account the OECD transitional UTPR Safe Harbour.

Permanent Safe Harbours

Czech law takes into account the QDMTT Safe Harbour.

Law amendment that is currently in legislative process with anticipated retroactive effect from 1 January 2024 takes into account Permanent Safe Harbour based on simplified calculations for Non-material Constituent Entities.

Subject to Tax Rule

Not signed

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: each Czech CE of the MNE group. The GIR can be also filed by the UPE or other designated entity in the CZ or in a different jurisdiction with which the CZ has concluded automatic exchange of information on Pillar Two. Payment timing: Payment is due at the time of top-up tax return filing as one-off payment. Paying entity / legal liability for tax: each Czech CE of the MNE group, i.e. each constituent entity is responsible for top-up tax assessed to it. Special Pillar Two penalties for non-compliance up to CZK 1 500 000. Other standard penalties apply (late payment interest, tax audit penalty etc). Other relevant details: GIR to be filed using an XML.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

The deadline for filing is 10 months from the fiscal year end [according to the amendments currently in the legislative process, which have an anticipated retroactive effect from 1 January 2024, the period is 18 months from the fiscal year end]

QDMTT: Deadline to file. Standard rule?

The deadline for filing is 10 months from the fiscal year end [According to the amendments currently in the legislative process, which have an anticipated retroactive effect from 1 January 2024, the period is 15 months from fiscal year end]

QDMTT: Other information?

The law amendment passed its crucial third reading in Parliament on June 27, 2025 (i.e., round 3 of 5). The next steps are Senate approval followed by the President's sign-off. From a timing perspective, we expect the process could be finalized during September, although this is not guaranteed. In any case, we recommend continuing to monitor developments until the law is officially enacted.

Filing entity: Each Czech CE or JV of the MNE group. The QDMTT Information Return can also be filed by another CE within the same group that is subject to Pillar Two.

Payment timing (at return or installments): Payment is due at the time of return filing as one-off payment.

Paying entity / legal liability for tax: Each Czech CE or JV of the MNE group, i.e. each constituent entity is responsible for top-up tax assessed to it.

Penalties: special Pillar Two penalties for non-compliance up to CZK 1 500 000. Other standard penalties apply (late payment interest, tax audit penalty etc).

Other relevant details: Both the QDMTT Information Return and the QDMTT Return need to be filed.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

22 months from fiscal year end

TPT: Deadline to file. Standard rule?

22 months from fiscal year end

TPT return: Other information?

Filing entity: Each Czech CE of the MNE group. Payment timing: Payment is due at the time of TPT return filing, i.e. 22 months after the fiscal year end. Paying entity / legal liability for tax: Each Czech CE of the MNE group., i.e. each Czech constituent entity is obliged to file TPT on its own.
Penalties: Standard penalties apply (late payment interest, late return filing, tax audit penalty etc). Other relevant details: E-fom format (not yet published)

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end

Tax registration: Other information?

If the GIR is filed by the UPE or other designated CE, the Czech CE must notify Czech tax authorities within the deadline for the GIR filing.

Czech QDMTT Information Return: if the Czech QDMTT Information Return is filed by the UPE (e.g. is included in GIR) or other designated Czech CE, the Czech CE or JV must notify Czech tax authorities within the deadline for the Czech QDMTT Information Return filing.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

Not incorporated in the Czech law.

Application of OECD guidance to Pillar Two local rules

Not public announcement

PwC Thought Leadership

Draft law to transpose the EU global minimum tax Directive

Read more (In Czech)

What does the new DAC9 directive bring in the area of Pillar 2?

Read more

OECD published list of countries with transitional qualified status for purposes of the Global Minimum Tax

Read more

PwC Contacts

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PwC Czech Pillar Two website

Country or region: Democratic Republic of Congo

Last update: 4 April 2024

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

Multilateral Convention signed on 19 September 2024

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Country or region: Denmark

Last update: 11 April 2025

Status of enactment

Current status: Final law in force

The final Danish bill was adopted by the Danish Parliament on 7 December 2023. The Minimum Tax Act is the Danish implementation of the Council Directive (EU) 2022/2523 of 14 December 2022 into Danish internal law with effect as from 1 January 2024.

On 4 June 2024, the Danish Parliament adopted a legislative proposal to amend the Minimum Tax Act with the main purpose of aligning the Danish legislation with the OECD Administrative Guidance from December 2023, as well as fixing unintended inconsistencies in the Danish legislation.

Income inclusion rule

Entry into force: 31 December 2023

The Danish law follows the overall implementation timeline proposed by the Directive (EU) 2022/2523 of 14 December 2022, i.e., 2024 for the IIR and 2025 for the UTPR.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

The Danish law follows the overall implementation timeline laid down by the Directive (EU) 2022/2523 of 14 December 2022, i.e., 2024 for the IIR and 2025 for the UTPR. Denmark has also implemented the UTPR Safe Harbour, meaning that the effects of the UTPR will be deferred in respect of the ultimate parent jurisdiction for a transitional period if the UPE is resident in a jurisdiction applying a nominal CIT rate of at least 20%. This deferral is applicable for fiscal years ending on or before 30 December 2026.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The Danish law includes a Danish QDMTT applicable for income tax years starting 31 December 2023 or later meaning that it effectively enters into force for income years starting 1 January 2024 or later.

QDMTT: Accounting Standards?

The QDMTT is based on the accounting standard or the UPE.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion should apply equally under the QDMTT as it does under the IIR

QDMTT: CbCR Safe Harbour?

The transitional CbCR Safe Harbour is applicable to the Danish QDMTT.

QDMTT: application only to wholly-owned constituent entities?

No. The Danish QDMTT applies to all Danish Entities part of a group subject to Pillar Two.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The Danish Minimum Tax Act follows the definition of covered taxes in the EU Directive 2022/2523 of 14 December 2022. The Minimum Tax Act defines covered taxes as follows:

- 1) Taxes that are included in a group entity's accounts, as far as the entity's income or profit or the entity's share of another group entity's income or profit, in which the entity has an ownership interest, is concerned,
- 2) Taxes on distributed profits, deemed distributed profits and non-business expenses assessed according to a recognized taxation system based on profit distribution.
- 3) Taxes that are imposed instead of a generally applicable corporation tax, and
- 4) Taxes levied with reference to undistributed profits and equity, including tax on multiple elements based on income and equity.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No additional guidance from Denmark in regards to post-filling adjustments.

Qualified Refundable and Marketable Transferable Tax Credits

The Danish Minimum Tax Act generally aligns with the definition of "Qualifying Refundable Tax Credits" in the EU Directive 2022/2523 of 14 December 2022. It is defined in the law (article 4, no. 38 of the Minimum Tax Act) what will constitute 'Qualifying Refundable Tax Credits', i.e., a credit that does not include an amount of tax that is refundable or deductible under a qualified dividend tax credit or an excluded dividend tax credit and which meets the following criteria:

- a) A refundable tax credit that is designed on such that it must be paid in cash or equivalent liquid funds to a group entity no later than four years after the date on which the group entity is entitled to receive the refundable tax credit under the laws of the jurisdiction providing the credit.
- b) If the tax credit is partially refundable, the part of the refundable tax credit that must be paid in cash or with equivalent liquid funds to a group entity no later than four years after the date on which the group entity is entitled to the partially refundable tax credit.
- c) The compensation is a tax credit that, in the income year in which the right to the tax credit is acquired, or no later than 15 months after the end of the income year, can be transferred to an independent third party, and it has been transferred by the beneficiary to an independent third party at a price that is at least 80% of the net present value of the compensation, or equivalent tax credits have been transferred to independent third parties in the same period at a price that is at least 80% of the net present value of the compensations. For acquirers of a tradable tax credit, the tax credit is only considered to be a qualified tax credit if the acquirer can transfer the compensation on the same terms as the beneficiary.

Equivalent liquid funds includes i.a. checks, short-term government debt instruments and everything else that is treated as cash according to the accounting standard used in preparing the consolidated accounts.

CbCR Transitional Safe Harbour

The Minimum Tax Act agreed the 7 December 2023 does not add any new information on the Transitional Safe Harbour rules compared to the guidance from OECD on Safe Harbours and Penalty Relief:. Section 72 of the Minimum Tax Act mentions the Transitional Safe Harbour.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No guidance provided from Denmark in regards to when a CbCR and/or financial statements are to be considered "qualifying" other than what can be found in the CbCR guidance from OECD.

UTPR Transitional Safe Harbour

The effects of the UTPR will be deferred in respect of the ultimate parent jurisdiction for a transitional period if the UPE is resident in a jurisdiction applying a nominal CIT rate of at least 20%. The deferral covers fiscal years ending on or before 30 December 2026.

Permanent Safe Harbours

The Danish legislation includes a permanent safe harbour for non-material constituent Entities in accordance with the OECD Administrative Guidance from December 2023. Most notably, the safe harbour only applies to entities that are not consolidated on a line-by-line basis in the ultimate parent's consolidated financial statements solely based on size or materiality grounds.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: Each Danish constituent entity is at the outset obligated to file the GIR although a designated entity can file the GIR on behalf of all the Danish entities. The filing requirement is also fulfilled if the UPE or a foreign designated entity files the GIR in its jurisdiction of residence provided that there is an automatic exchange of GIRs between Denmark and the foreign jurisdiction. In this case a notification has to be filed with the Danish Tax Agency stating which entity files the GIR for the Danish Constituent Entities.

Deadline: Section 53, subsection 4, of the Minimum Tax Act states that the information on additional tax and any related notifications must be submitted to the Tax Agency no later than 15 months after the last day of the reporting year (18 months in the transition year).

Payment timing (at return or installments): The top-up tax is due 1 month after the filing deadline for the relevant fiscal year.

Paying entity / legal liability for tax: The Danish CIT administration company (as determined under the Danish CIT rules is obligated to settle any top-up on behalf of all Constituent Entities in Denmark.

Penalties: Wrongful or late fulfillment of the Danish compliance obligations are determined under the general Danish framework for penalties, e.g. any penalties will depend on the nature and circumstances of the case.

QDMTT: Separate return?

No

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No separate filing has been introduced yet in respect of the Danish QDMTT.

TPT (IIR/UTPR): Separate return?

No

TPT: Deadline to file. Transitional year?

Top up tax payment: 19 months from fiscal year end

TPT: Deadline to file. Standard rule?

Top up tax payment: 16 months from fiscal year end

TPT return: Other information?

The top-up tax is levied on and must be paid by the Danish Constituent Entity. If the Danish Constituent Entity is part of a Danish joint taxation group, the administration company of the group shall submit the payment to the Danish Tax Agency.

Any top-up due must be paid to the Danish Tax Agency no later than 16 months after the last day of the reporting year (19 months in the transition year).

Tax registration: Deadline to file. Transitional year?

Registration: 6 months from fiscal year end (registration is made as in integral part of the filing of the Danish CIT return) GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

Registration: 6 months from fiscal year end GIR notification: 15 months from fiscal year end

Tax registration: Other information?

Danish Constituent Entities shall notify the Danish Tax Agency that they are covered by the Minimum Tax Act no later than 6 months after the last day of the reporting year. The registration is part of the digital filing of the Danish Corporate Income Tax return, where the Danish Constituent Entity shall select that they are part of a group with revenue exceeding the Pillar Two threshold. At this stage, no supporting documentation or additional information is required. There is not yet any official information on how tax transparent entities should register (as they do not have a CIT return in which the registration can be made).

GIR notification: 15 months from the fiscal year end a GIR notification must be filed, if the GIR itself is not filed in Denmark. There is not yet any official information on which information should be reported in the GIR notification.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

The Danish exclusion for MNEs in their initial phase of international activity is exclusively applicable under the UTPR.

Transitional Penalty Relief

There is no transitional penalty relief for non-compliance with the Danish Minimum Tax Act.

Application of OECD guidance to Pillar Two local rules

The Danish Minimum Tax Act is subject to dynamic interpretation based on the latest administrative guidance from the OECD provided that such guidance is not in conflict with the enacted wording of the Minimum Tax Act. Fundamental changes to the rules that cannot be interpreted to be within the enacted wording must be adopted into law before they can take effect.

PwC Thought Leadership

PwC Contacts

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Country or region: Dominica

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Country or region: Dominican Republic

Last update: 11 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Alejandro Fernandez, Director, PwC Dominican Republic

Country or region: Ecuador

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Pablo Aguirre, Partner, PwC Ecuador

Country or region: El Salvador

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Country or region: Egypt

Last update: 14 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Chris Maycroft, Director PwC Middle East

Heba Fouad, PwC Egypt

PwC Egypt Pillar Two website

Country or region: Estonia

Last update: 26 April 2024

Status of enactment

Current status: Six year extension

The Estonian government approved a draft bill amending the law which implements Article 50 of the EU minimum tax Directive (which permits Estonia to defer applying the IIR and UTPR until 1 January 2030). The bill was submitted to the Estonian Parliament, which passed it on 10 April 2024.

Income inclusion rule

Entry into force: Six year extension

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: Six year extension

Qualified Domestic Minimum Top-up Tax

Entry into force: Six year extension

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Martin Lehtis, PwC Estonia

Country or region: Eswatini

Last update: 8 May 2024

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Theo Mason, Partner, PwC Eswatini

Country or region: Finland

Last update: 12 June 2025

Status of enactment

Current status: Final law in force

The Finnish Pillar Two Law came into force on 1 January 2024, and implements the IIR, the UTPR and the QDMTT. The IIR and QDMTT rules are applied for financial years starting on or after 31 December 2023, and the UTPR for financial years starting on or after 31 December 2024.

The Pillar Two law closely follows the EU Directive and the GloBE Model Rules. Further, the central role of the OECD's (existing and future) guidance is clearly acknowledged in the government proposal as a key to ensure harmonious implementation globally and to avoid differing interpretations across jurisdictions.

The government proposal for amending the Finnish Pillar Two legislation was accepted in 2024. The amendments complement the existing Finnish Pillar Two law, taking into account the OECD's administrative guidance published in February, July, and December 2023.

The Finnish constitution requires that a tax law should include sufficient level of details to allow taxpayers to calculate their tax liability and leave little room for interpretation. These constitutional restrictions may restrict application of specific rules created or materially changed in the OECD's guidance if those rules or changes are not incorporated into Finnish legislation.

Income inclusion rule

Entry into force: 31 December 2023

Based on the enacted law, IIR is applicable for financial years that start on or after 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

Based on the enacted law, UTPR is applicable for financial years that start on or after 31 December 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

Based on the enacted law, the Finnish QDMTT rules are applied for financial years starting on/after 31 December 2023. In general, the QDMTT calculation rules closely follow the calculation rules under IIR and UTPR. The most material deviations are related to the mandatory exceptions required in the Administrative Guidance published in July 2023 with respect to exclusion of certain cross-border taxes (e.g. PEs, CFCs and hybrid entities).

Finland would not be implementing any material optional variations for the QDMTT rules, such as requirement to apply local GAAP, or modifications to the SBIE, De Minimis Exclusion or the applicable minimum tax rate.

QDMTT: Accounting Standards?

The Finnish QDMTT rules are aligned with GloBE rules articles 3.1.1 – 3.1.2, i.e. UPE's accounting standard would be applied as a starting point, but in exceptional cases application of an Acceptable Financial Accounting Standard or an Authorised Financial Accounting Standard is also possible.

QDMTT: SBIE applicable?

Substance Based Income Exclusion is available under the Finnish QDMTT rules (no deviations from the Finnish IIR/UTPR rules).

QDMTT: CbCR Safe Harbour?

Safe Harbour rules are available under the Finnish QDMTT rules (no deviations from the Finnish IIR/UTPR rules).

QDMTT: application only to wholly-owned constituent entities?

No. The QDMTT applies to all Finnish entities part of a group subject to Pillar Two.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The enacted law follows the EU Directive and GloBE Model Rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

The Finnish Tax Administration (FTA) has released guidance package "Calculation of adjusted covered taxes" in March 2025. The FTA's guidance includes helpful clarifications regarding treatment of prior year tax adjustments, especially in cases where those have been recorded before filing the GloBE Information Return for the relevant year. The OECD's guidance has remained rather silent regarding the treatment of these "pre-filing adjustments", which are not governed by Art. 4.6.1 dealing with "post-filing adjustments". Further, the FTA's guidance includes some helpful clarifications with respect to treatment of uncertain tax positions, which to some extent is related topic to the post filing adjustments under Art. 4.6 post-filing adjustments.

Qualified Refundable and Marketable Transferable Tax Credits

The enacted law follows the EU Directive and GloBE Model Rules. In addition to Qualifying Refundable Tax Credits (QRTCs), the rules regarding Marketable Transferable Tax Credits (MTTCs) introduced in the OECD's administrative guidance have also been incorporated into the Finnish Pillar Two law. Tax credits available in Finland would not be viewed as QRTCs or MTTCs.

CbCR Transitional Safe Harbour

The enacted law includes Transitional CbCR Safe Harbour rules in line with the EU Directive and the Model Rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The enacted law follows the OECD's guidance. The Finnish Tax Administration is expected to release further guidance on this topic during 2025.

UTPR Transitional Safe Harbour

Finnish Pillar Two legislation includes the UTPR Safe Harbour rule in line with the OECD's guidance.

Permanent Safe Harbours

Finnish Pillar Two legislation includes the Simplified Calculation Safe Harbour for Non-Material Constituent Entities (NMCE's) in line with the OECD's guidance.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: Each Finnish resident CE is required to submit the GIR. Alternatively, a designated filing entity may file the return on behalf of all Finnish CEs of the group. The GIR is not required to be filed by the Finnish CEs in cases where the return is filed by the UPE or a designated filing entity resident in a jurisdiction with which Finland has an agreement that provides for the automatic exchange of annual GIRs. In this case, each Finnish CE or a Finnish designated filing entity is required to file a notification that identifies the foreign filing entity and its country of residence (within the same deadline of the GIR).

Payment timing (at return or installments): No announcement yet.

Paying entity / legal liability for tax: for IIR: UPE, Intermediate Parent Entity, and/or Partially-Owned Parent Entity. For UTPR: each Finnish constituent entity based on the UTPR allocation rules.

Penalties: In case the GIR has not been filed or the filed GIR contains inadequate or incorrect information, the Finnish Tax Administration may impose a tax increase. The amount of tax increase depends on the severity of the negligence. The amount of tax increase is either a percentage (2-50 %) of the additional top-up tax imposed (minimum of EUR 10 000) or, in case no additional top-up tax is imposed, between EUR5,000 and EUR25,000. The penalty fee for late filing is EUR5,000 in case the GIR is filed before the end of the tax assessment period.

Other relevant details: All Finnish Pillar Two tax returns (GIR, TPT return, notification) must be filed electronically, requiring access to the Finnish Tax Administration's tax portal. Based on our understanding, the GIR can only be filed in XML format.

QDMTT: Separate return?

No. QDMTT assessment based on GIR filed in Finland or GIR received by Finnish Tax Authorities via exchange of information.

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

Filing entity: Information on QDMTT is reported in the GIR, which is submitted by each Finnish resident CE or a designated filing entity.

Payment timing (at return or installments): No announcement yet.

Paying entity / legal liability for tax: each Finnish constituent entity based on the allocation rules.

Penalties: In case the GIR has not been filed or the filed GIR contains inadequate or incorrect information, the Finnish Tax Administration may impose a tax increase. The amount of tax increase depends on the severity of the negligence. The amount of tax increase is either a percentage (2-50 %) of the additional top-up tax imposed (minimum of EUR 10 000) or, in case no additional top-up tax is imposed, between EUR5,000 and EUR25,000. The penalty fee for late filing is EUR5,000 in case the GIR is filed before the end of the tax assessment period.

Other relevant details: All Finnish Pillar Two tax returns (GIR, TPT return, notification) must be filed electronically, requiring access to the Finnish Tax Administration's tax portal. Based on understanding, the GIR can only be filed in XML format.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

Filing entity: Each Finnish Constituent Entity which is subject to pay top-up tax in Finland, or if requested by the Finnish tax authorities, is required to file a top-up tax return. There is no option to use a designated filing entity to file the return. The content of the return should be rather limited and only include information related to the Finnish CE in question.

Payment timing (at return or installments): No announcement yet.

Paying entity / legal liability for tax: The filing Finnish Constituent Entity.

Penalties: In case the top-up tax ("TPT") return has not been filed or the filed TPT return contains inadequate or incorrect information, the Finnish Tax Administration may impose a tax increase. The amount of tax increase depends on the severity of the negligence. The amount of tax increase is either a percentage (2-50 %) of the additional top-up tax imposed (minimum of EUR10,000) or, in case no additional top-up tax is imposed, between EUR5,000 and EUR25,000. In case the TPT return is filed late, the late payment fee is EUR1,000. The penalty fee for late filing is EUR1,000 in case the TPT return is filed before the end of the tax assessment period.

Other relevant details: All Finnish Pillar Two tax returns (GIR, TPT return, notification) must be filed electronically, requiring access to the Finnish Tax Administration's tax portal. Based on understanding, the GIR can only be filed in XML format.

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end

Tax registration: Other information?

If the GIR is filed by the UPE or a designated filing entity resident in a jurisdiction with which Finland has an agreement that provides for the automatic exchange of annual GIRS, each Finnish CE or a Finnish designated filing entity is required to file a notification that identifies the foreign filing entity and its country of residence. The deadline to file this notification is the same deadline of the GIR.

No additional registration requirements have been announced.

All Finnish Pillar Two tax returns (GIR, TPT return, notification) must be filed electronically, requiring access to the Finnish Tax Administration's MyTax portal.

Other relevant information?

All Finnish Pillar Two tax returns (GIR, TPT return, notification) must be filed electronically, requiring access to the Finnish Tax Administration's MyTax portal.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Finland has adopted the ‘initial phase of international activity’ exclusion rule, which exempts Finnish constituent entities from preparing GloBE calculations or paying top-up tax under Finnish IIR and QDMTT rules. Constituent entities outside of Finland would not benefit from the exclusion.

The conditions for the exemption to apply are the same as in Art. 9.3. of the Model Rules (i.e. number of operating jurisdictions, amount of tangible assets outside the main jurisdiction). The exemption is applicable during the first 5 Fiscal Years starting from the year when the MNE Group originally came within the scope of the GloBE Rules.

The same exemption is also available to purely domestic Finnish groups (i.e. no constituent entities outside of Finland).

Transitional Penalty Relief

Transitional penalty relief in line with the OECD guidance is included in the Finnish Pillar Two law and is applicable for fiscal years beginning on or before 31 December 2026 but not including a fiscal year that ends after 30 June 2028 (i.e. FY24-FY26 for calendar year groups).

Application of OECD guidance to Pillar Two local rules

The Finnish constitution requires that a tax law should include sufficient level of details to allow taxpayers to calculate their tax liability and leave little room for interpretation. These constitutional restrictions may restrict application of specific rules created or materially changed in the OECD's guidance if those rules or changes are not incorporated into Finnish legislation. As such, Finland is expected to incorporate the OECD's guidance into the Finnish law to the extent the guidance includes material and substantive changes to the rules.

The Finnish Tax Administration is expected to apply the OECD's guidance to the extent the guidance includes mere interpretational guidance (i.e. not needed to be incorporated into the Finnish law).

PwC Thought Leadership

Pillar Two considerations of the announced reduction in Finnish corporate income tax rate

Read more

Finnish implementation of the Pillar Two Rules

Read more (in Finnish)

PwC Contacts

Iain McCarthy, Partner, PwC Finland

Markus Joensuu, PwC Finland

Country or region: France

Last update: 7 February 2025

Status of enactment

Current status: Final law in force

Article 33 of the the Finance Act for 2024 (n° 2023-1322 dated on 29 December 2023) transposed the EU minimum tax Directive into the French Tax Code.

Income inclusion rule

Entry into force: 31 December 2023

IIR applies for financial years that start on or after 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

UTPR applies to financial years starting on or after 31 December 2024. However, UTPR applies to financial years beginning on or after 31 December 2023 where one or more constituent entities located in France are members of a MNE group whose UPE is located in a State that has exercised the option provided for in Article 50 of the EU global minimum tax Directive.

The UTPR would take the form of an additional levy, and not, as authorized by the EU Directive, a denial of deduction of expenses from the corporate or personal income tax base.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The QDMTT applies to financial years starting on or after 31 December 2023.

To date, in our view, the French QDMTT does not seem to be fully in line with some of the principles laid down by the February and July 2023 administrative guidance (e.g. it does not derogate from the application of certain rules for reallocating covered taxes between constituent entities otherwise applicable for the purposes of the IIR and UTPR).

QDMTT: Accounting Standards?

To date, the QDMTT can also be calculated with the financial accounting net income determined according to French accounting principles or IFRS standards, instead of the standard used for the preparation of the consolidated financial statements of the UPE.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion would be applicable.

QDMTT: CbCR Safe Harbour?

Yes, the CbCR Safe Harbour is applicable to the QDMTT

QDMTT: application only to wholly-owned constituent entities?

No. The QDMTT applies to all French entities part of a group subject to Pillar Two.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The definition of covered taxes is broadly in line with the EU Directive.

There is no list of French covered taxes in the law. A parliamentary document explained that, in France, the covered taxes include, notably, the corporate income tax, the additional levies based on this tax and the tax on surplus reserves and exclude the tax on commercial premises.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The legislation is broadly in line with the EU Directive's definition on Qualifying Refundable Tax Credits. However, recent changes displayed in the administrative guidance of the OECD from July 2023 about Marketable Transferable Tax Credits are not included.

CbCR Transitional Safe Harbour

As it stands, the law includes the transitional safe harbour based on the CbCR. The transitional CbCR safe harbour seems to us to be imperfectly transposed (e.g. it does not incorporate the neutralization of net unrealised fair loss in excess of EUR50 million reflected in the profit (loss) before income tax, nor the new rules included in the administrative guidance of 15 December 2023).

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

As it stands, the law includes the transitional UTPR safe harbour that exempts from top-up tax collected through the UTPR with respect to the jurisdiction of the UPE if this jurisdiction have a corporate income tax with a standard rate of at least 20%. It applies to financial years opened until 31 December 2025 and closed before 31 December 2026.

Permanent Safe Harbours

France's law currently appears to be limited to transposition of the EU Directive and does not specifically mention the QDMTT safe harbour, which was set out in detail in the July 2023 Administrative Guidance. The Permanent Simplified Calculations Safe Harbour is also not transposed to date.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Unless it is exempted from doing so (on the grounds that another entity files it - directly or indirectly - to France), each constituent entity located in France has to file the GIR within 15 months (18 months the first time) following the end of the fiscal year.

Any failure or delay in filing the GIR or the settlement statement may be sanctioned by a fine of EUR100,000 (other reporting failures may be subject to a maximum fine of EUR 50,000 per return) with a maximum of EUR1 million for the same fiscal year within the group.

QDMTT: Separate return?

No

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No separate QDMTT return.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

Within the same deadline (i.e., within 15 months (18 months the first time) following the end of the fiscal year), each constituent entity has to file a settlement statement for the top-up tax it has to pay. The payment will be made by electronic transfer at the same time as this filing. It should be noted that it is possible, upon election, to designate one entity between them to pay the entire top-up tax amount due under the QDMTT or the UTPR, in which case the settlement statement is filed by it on their behalf.

Tax registration: Deadline to file. Transitional year?

Notification in the income tax return: 3 months from fiscal year end / In May (calendar years)

Tax registration: Deadline to file. Standard rule?

Notification in the income tax return: 3 months from fiscal year end / In May (calendar years)

Tax registration: Other information?

Each constituent entity located in France belonging to a group subject to the GloBE rules has the primary obligation to indicate, in its income tax return, that it belongs to such a group (and also provide the identity of the UPE, the filing entity if applicable, and their respective jurisdictions).

This Pillar Two notification form (form 2065-INT-SD), to file in and submit as an annex to the income tax return, must be made within three months of the end of the financial year. If the financial year ends on 31 December, or if no financial year ends in the course of a year, the return must be filed no later than the second working day following 1 May. Also, the French Tax Authorities grant an additional 15 calendar days for electronic filings.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

French Budget 2024

Read more

PwC Contacts

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Emmanuel Raingeard de la Blétière, Partner, PwC France

PwC France Pillar Two website

Country or region: Georgia

Last update: 11 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Lado Chabashvili, PwC Georgia

Country or region: Germany

Last update: 28 April 2025

Status of enactment

Current status: Final law in force

On 15 December 2023, the German Federal Council ("Bundesrat") approved the law to implement the EU Minimum Tax Directive. The law intered into force on 27 December 2023 and is to be applicable for the first time for fiscal years beginning after 30 December 2023. On 10 November 2023, the German Federal parliament ("Bundestag") had approved the law to implement the EU Minimum Tax Directive.

The German Ministry of Finance (MoF) had published a draft law on 20 March 2023 to implement the EU Minimum Tax Directive. The draft law was largely based on the EU Directive, the OECD Model Rules and other OECD publications (e.g., Safe Harbour Rules). The MoF requested to submit comments on the discussion draft by 21 April 2023. On 10 July 2023 the MoF had published an updated draft law. The new draft law included most of the OECD Administrative Guidance from February 2023. The MoF requested to submit comments on the draft law by 21 July 2023. On 17 August 2023 the Federal Goverment of Germany had published an updated draft law. The new draft law included additional, but not all guidance of the OECD Administrative Guidance from February 2023.

Income inclusion rule

Entry into force: 31 December 2023

The IIR applies for fiscal years beginning after 30 December 2023

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

The UTPR applies for fiscal years beginning after 30 December 2024. In case the UPE is located in a jurisdiction applying article 50 of the EU Directive, the UTPR is applicable for fiscal years beginning after 30 December 2023.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The German QDMTT applies for fiscal years beginning after 30 December 2023. The computation of the German Domestic Top-up Tax is generally in line with the calculation requirements provided by the OECD (i.e. under Administrative Guidances).

QDMTT: Accounting Standards?

The QDMTT in principle needs to be calculated based on the UPE's accounting standard, which has to be an accepted or authorized accounting standard.

QDMTT: SBIE applicable?

The QDMTT rules foresee that the sum of top-up taxes of all German Low-Taxed Constituent Entities calculated under the GloBE rules is the QDMTT-amount for Germany, i.e. the top-up tax calculation should be the same irrespective whether the IIR or the German QDMTT applies (except that foreign taxes are not considered for QDMTT purposes). Hence, as the Substance Based Income Exclusion is applicable to the IIR, it is also applicable to the QDMTT.

QDMTT: CbCR Safe Harbour?

In case the CbCR Safe Harbour applies, the QDMTT is deemed to be zero.

QDMTT: application only to wholly-owned constituent entities?

No, the German QDMTT also applies to JV and JV Groups

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

Corresponding provisions in the law are in line with the definition of covered taxes according to the EU Directive 2022/2523 / OECD model rules. German trade tax should be considered as covered taxes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No additional guidance on the treatment of post-filing adjustments

Qualified Refundable and Marketable Transferable Tax Credits

Corresponding provisions in the law are in line with the definition of qualifying refundable tax credits according to the EU Directive 2022/2523 / OECD model rules. The announced law now includes the administrative Guidance of the OECD from July 2023. As such, regulations regarding Marketable Transferable Tax Credits ("MTTC") are included the the law.

CbCR Transitional Safe Harbour

The law contains transitional safe harbour rules based on CbCR data, which are basically in line with the OECD guidelines. Based on a current discussion draft of a German Pillar Two Amendment Act, the OECD December 2023 administrative guidance is expected to be implemented into the current legislation.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No additional guidance provided

UTPR Transitional Safe Harbour

The UTPR safe harbour is in line with the OECD Administrative Guidance from July 2023.

Permanent Safe Harbours

In addition, the law already contains details of two permanent safe harbours:

- 1) According to the law a permanent safe harbour exists for a jurisdiction if a local QDMTT is levied for the respective jurisdiction. In such case, the top-up tax will be reduced to zero. Such QDMTT will only be valid for safe harbour purposes, if the calculation of the QDMTT is based on the accounting standard that is used in the preparation of the consolidated financial statements. However, local accounting standard can be used if the requirements of the OECD administrative Guidance of July 2023 are met, i.e. QDMTT accounting standard, Consistency Standard and Administration standard.
- 2) Furthermore, the law provides for a safe harbour rule for immaterial entities. According to this safe harbour rule for immaterial entities, revenues and covered taxes can be calculated on a simplified basis using CbCR data. However, this only applies to the extent that one of the following tests can be met: i) routine-profits-test ii) materiality-test iii) effective-tax-rate-test.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

In Germany, there are two main filing requirements: 1) filing of the GIR, 2) filing of the top-up tax return (including IIR, UTPR and QDMTT).

Each entity subject to minimum taxation located in Germany generally has to file a GIR. However, a designated filing entity can be appointed for the entities located in Germany.

The payment of a top-up tax is due 1 month after the filing of the German top-up tax return but not the GIR (filing of the German top-up tax return is due not earlier than the filing of the GIR). The entity that is legally liable for the top-up tax in Germany is the head of the German minimum tax group.

A penalty of max. EUR30,000 can be imposed for non-compliance with filing the GIR.

QDMTT: Separate return?

Separate from GIR, but only one tax return for DMTT, IIR and UTPR purposes

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

Only one top-up tax return has to be prepared for QDMTT, IIR and UTPR purposes. Germany has implemented a 'tax group' for minimum taxation purposes, where only the head of the minimum tax group has to file a top-up tax return on behalf of all German constituent entities.

The filing deadlines for the tax return are in line with the filing deadlines for the GIR. The payment of a top-up tax is due 1 month after the filing of the German top-up tax return but not the GIR (filing of the German top-up tax return is due not earlier than the filing of the GIR). The entity that is legally liable for the top-up tax in Germany is the head of the German minimum tax group.

No special penalty rules are foreseen by the German Pillar Two rules. However, the general German rules as laid out in the German General tax Act apply in case of non-compliance with the filing deadline of the top-up tax return.

TPT (IIR/UTPR): Separate return?

Separate from GIR, but only one tax return for DMTT, IIR and UTPR purposes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

In Germany only one tax return has to be prepared for QDMTT, IIR and UTPR purposes. For further information please see our comments regarding the GIR and QDMTT information

Tax registration: Deadline to file. Transitional year?

Notification of the head of the minimum tax group: 2 months from the calendar year end, in which the fiscal year of the MNE Group ends.

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

The notification of the head of the minimum tax group is a one-off registration. However, in case the head of the minimum tax group changes, the change must immediately be reported to the German tax authorities.

There is no other specific registration requirement to notify or to register with the German tax authority for Pillar Two purposes besides the notification about the head of the minimum tax group. In general, the law defines which German entity is to be qualified as head of the minimum tax group. Only in some cases the MNE group can choose which entity should qualify as the head of the minimum tax group. In all cases, the head of the minimum tax group must notify the Federal Central Tax Office (BZSt) of its status as head of the group electronically via officially prescribed data set within two months after the end of the calendar year in which the fiscal year ends. If the head of the minimum tax group does not notify the Federal Central Tax Office about its status in time, the most valuable German entity is the group parent by default.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

The exclusion of MNE groups in the initial phase has been adopted. It applies in general also to the IIR as well as the German QDMTT. However, the exclusion does not apply to the extent a Top-up tax is levied by way of IIR attributable to a foreign low-taxes constituent entity.

Transitional Penalty Relief

For the transitional period, the provisions on fines do not apply if it can be demonstrated that appropriate measures have been taken to justify a late, an incomplete or not in the prescribed manner submission of the tax return.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

German Tax Update: Freshly served (CBTT podcast)

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German Pillar Two Tax Amendment Act published

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German Pillar Two Notification Requirements

Read more Read more

Government bill for a law to implement the global minimum taxation adopted

Read more

Germany publishes draft Pillar Two implementation bill

Read more

Freshly Served: Germany's latest Pillar Two Draft (CBTT podcast)

Doug McHoney (PwC's International Tax Services Global Leader) is joined by Arne Schnitger (International Tax Partner with PwC Berlin and host of the German podcast Frisch Serviert) and they dive into the German legislative process, compliance and reporting, the German QDMTT, deviations from the OECD Model Rules, as well as the interaction with the US GILTI regime. Listen here

Germany publishes second draft law on Pillar Two

Read more Read more

Germany publishes Pillar Two discussion draft

The Federal Ministry of Finance (MoF) published a draft law on 20 March, to implement the EU Minimum Tax Directive ensuring a global minimum taxation for multinational groups and large domestic groups in the European Union. Read more

PwC Contacts

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Felix Posch, Director, PwC Germany

PwC Germany Pillar Two website

Country or region: Gibraltar

Last update: 7 January 2025

Status of enactment

Current status: Final law in force

On 18 December 2024 the Gibraltar Government enacted the Global Minimum Tax Act 2024.

The Act imposes a Global Minimum Tax including a Domestic Minimum Top Up Tax compliant with the Organisation for Economic Co-Operation and Development (OECD) objectives by direct reference to their Global Anti-Base Erosion Model Rules (Model Rules) and Commentary and for connected purposes.

Income inclusion rule

Entry into force: 31 December 2024

Fiscal years beginning on or after 31 December 2024.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

The legislation does not include a UTPR.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The legislation includes rules for a Domestic Top-up Tax which applies to fiscal years beginning on or after 31 December 2023. The computation is in line with the calculation under the OECD Model rules with modifications.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

The QDMTT Safe Harbour shall not apply to the DTT

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

Corresponding provisions in Gibraltar law are broadly in line with the definition of covered taxes according to the EU minimum tax Directive and the OECD rules. Chapter 3 provides for the exclusion of certain foreign taxes on domestic income and on certain foreign income notwithstanding Article 4.3.2 of the Model Rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The Gibraltar legislation follows the GloBE model rules dealing with tax credits, without substantive changes. No guidance has been issued on which tax credits will constitute Qualified Refundable Tax Credits.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Entities are required to file a GIR within 15 months of the Fiscal Year end. The deadline is extended to 18 months where it is the first fiscal year that the MNE is subject to the Act and it has not been required to file a GIR in another jurisdiction for a previous fiscal year.

A Designated Local Entity must be appointed to file the GIR on behalf of all Domestic Constituent Entities, Domestic Joint Ventures and Domestic JV subsidiaries. There are exceptions if the return is filed in a jurisdiction with a Qualifying Competent Authority Agreement with Gibraltar. In these cases the UPE/Designated Filing Entity must notify the Commissioner within 3 months of the filing deadline that a GIR will be filed in a jurisdiction that has a Qualifying Competent Authority Agreement in effect with Gibraltar for the Reporting Fiscal Year.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

For the IIR, the UPE or a Designated Filing Entity must file this return on behalf of the MNE Group.

Tax registration: Deadline to file. Transitional year?

Within 3 months of the GIR filing deadline

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

None.

Application of OECD guidance to Pillar Two local rules

The Gibraltar legislation states that it implements the GloBE model rules, the GloBE commentary and the administrative guidance in respect of the GloBE model rules approved by the Inclusive Framework, and is to be interpreted consistently with those sources (as amended from time to time), except where specoifically made inapplicable by the Minister by Notice in the Office Gazette.

PwC Thought Leadership

Gibraltar Pillar Two Update 2023

Read more

PwC Contacts

Patrick Pilcher, Partner, PwC Gibraltar

Joseph Lee, PwC Gibraltar

Country or region: Greece

Last update: 22 November 2024

Status of enactment

Current status: Final law in force

Law number 5100/2024 adopted by the Greek Parliament incorporated into the Greek legislation the EU Council Directive 2022/2523 on ensuring a global minimum level of taxation for multinational groups and large-scale domestic groups in the Union

Income inclusion rule

Entry into force: 31 December 2023

IIR is applicable to financial years starting on 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

The UTPR is applicable to financial years starting on 31 December 2024. If the UPE of an MNE is located in Member States, which have made the election not to apply the IIR and the UTPR for six consecutive fiscal years starting from 31 December 2023, the constituent entities of that MNE located in Greece are subject to the UTPR for the financial years starting on 31 December 2023. The EU Members States that have made such an election are Estonia, Latvia, Malta, Lithuania and Slovakia

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

Greek constituent entities will pay a top up tax to reach 15% ETR, if their aggregate ETR is below 15% (applicable to financial years starting on 31 December 2023). The Greek DMTT is intended to be Qualified for Pillar Two purposes.

QDMTT: Accounting Standards?

The domestic excess profits of low-tax constituent entities, may be calculated on the basis of the Greek Accounting Standards or the IFRS, as the case may be, applicable to individual financial statements and not on the basis of the financial accounting standard used in the consolidated financial statements. For the purposes of the application of the above all the constituent entities of a group with international activities, a domestic large-scale group and a business partnership group established in the domestic territory shall prepare financial statements based on the GAAP or IFRS, as the case may be, applicable to individual financial statements and their financial year shall be that of the consolidated financial statements. The financial statements referred to above shall be subject to audit by statutory auditors.

QDMTT: SBIE applicable?

Yes. The computation of QDMTT follows approximately the same rules and provisions defined by the Law for the application of the IIR.

QDMTT: CbCR Safe Harbour?

It is not directly stipulated in the provisions of the Greek law that CBCR Safe Harbours would lead to the non imposition of a QDMTT, however we would expect that the provisions of Globe Model Rules would be applicable also in Greece following further guidance and clarifications that are pending to be provided by the Tax authorities with regard to the specific issue

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The Law does not specify which Greek taxes fall under the covered tax definition.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

According to the provisions of the Greek Law, the CbCR transitional safe harbors are adopted and applicable in Greece. The enactment of the CbCR Safe Harbors is subject to the issuance of a Ministerial Decision that will determine the date of their entry into force. The Law explicitly stipulates that the Safe Harbors will be interpreted according to the OECD Model Rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

The UTPR Safe Harbor provisions of the OECD and Globe Model Rules have been adopted by Greece. However their enactment is subject to the issuance of a Ministerial Decision that will determine the date of their entry into force. The Law explicitly stipulates that the Safe Harbors will be interpreted according to the OECD Model Rules.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

A decision to be issued by the Independent Public Revenue Authority will determine the form and content, as well as the procedure for filling the GIR.

QDMTT: Separate return?

Yes (QDMTT, IRR and UTPR)

QDMTT: Deadline to file. Transitional year?

19 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

16 months from fiscal year end

QDMTT: Other information?

The liable constituent entities are obliged to declare electronically to the Tax Administration, the data on the basis of which the additional tax has been calculated (i.e IIR, UTPR and QDMTT). The return is submitted to the Tax Administration by the last working day of the following month from the submittion of the GIR.

The same decision mentioned above will determine the form and content, the procedure for submitting the supplementary tax return by the constituent entities, the supporting documents or other information to be submitted with it and any other detail necessary

TPT (IIR/UTPR): Separate return?

Yes (QDMTT, IRR and UTPR)

TPT: Deadline to file. Transitional year?

19 months from fiscal year end

TPT: Deadline to file. Standard rule?

16 months from fiscal year end

TPT return: Other information?

The liable constituent entities are obliged to declare electronically to the Tax Administration, the data on the basis of which the additional tax has been calculated (i.e IIR, UTPR and QDMTT). The return is submitted to the Tax Administration by the last working day of the following month from the submittion of the GIR.

The same decision mentioned above will determine the form and content, the procedure for submitting the supplementary tax return by the constituent entities, the supporting documents or other information to be submitted with it and any other detail necessary

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end

Tax registration: Other information?

The same decision mentioned above may determine the procedure for the notification to the Tax Administration of the details of the entities liable for the payment of the domestic top up tax.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

The Law explicitly stipulates that the Safe Harbors will be interpreted according to the OECD Model Rules. However, it is not specified whether Tax Administration is bound by the OECD Administrative Guidance when interpreting the rest of the provisions or whether, on a case-by-case basis, a mechanism will be established to incorporate them into the domestic law.

PwC Thought Leadership

Adoption of Pillar Two rules in the Greek tax legislation

L. 5100/2024 adopted by the Greek Parliament incorporated into the Greek legislation the EU Council Directive 2022/2523 on ensuring a global minimum level of taxation for multinational groups and large-scale domestic groups in the Union, known as Pillar Two Read more

PwC Contacts

Giouli Makariou, PwC Greece

Country or region: Guatemala

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Roberto Ozaeta, Partner, PwC Guatemala

Country or region: Guernsey

Last update: 8 April 2024

Status of enactment

Current status: Final law in force

In December 2024, Guernsey passed legislation to implement the OECD's Pillar Two rules, which is effective from 1 January 2025. the Guernsey legislation already received Royal Assent by act of the Lieutenant Governor. No local guidance notes have been released as yet. Guernsey has implemented the Qualified Domestic Top-up Tax (DTT) and the Multinational Top-up Tax (MTT) for the Qualified Income Inclusion Rule, following the GloBE Model Rules with some modifications.

On 19 May 2023 the governments of Guernsey, Jersey and the Isle of Man published a joint statement regarding their approach to the OECD's Pillar Two framework. Their intention is that this approach will comprise the implementation of an IIR and a domestic minimum tax from 2025. As per the Joint Statement, the three Crown Dependencies will continue to work together, monitoring implementation internationally and adapt accordingly to developments which may require adjustments to their own implementation plans.

Income inclusion rule

Entry into force: 1 January 2025

Guernsey has implemented the Qualified Domestic Top-up Tax (DTT) and the Multinational Top-up Tax (MTT) for the Qualified Income Inclusion Rule, following the GloBE Model Rules with some modifications.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

Guernsey has implemented the Qualified Domestic Top-up Tax (DTT) and the Multinational Top-up Tax (MTT) for the Qualified Income Inclusion Rule, following the GloBE Model Rules with some modifications.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Returns must be filed within 15 months after the fiscal year-end, or 18 months for the first year. If a GIR is filed in another jurisdiction with a Qualifying Competent Authority Agreement, a notification must be submitted to the Guernsey Revenue Service. Where an MNE previously in scope of the rules is below the threshold in a particular year, the domestic filing entity would be required to submit a below-threshold notification to the Guernsey Revenue Service.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

First registration: 12 months of the first fiscal period beginning on or after 1 January 2025 or six months from the date the entity becomes a member of a Qualifying MNE

Tax registration: Deadline to file. Standard rule?

First registration: 12 months of the first fiscal period beginning on or after 1 January 2025 or six months from the date the entity becomes a member of a Qualifying MNE

Tax registration: Other information?

Qualifying MNEs are required to appoint a domestic entity of the group as the domestic filing entity with responsibility to submit the necessary returns and notifications to the Guernsey Revenue Service. The domestic filing entity is responsible for registering all Guernsey entities in the group. The registration is required to be submitted within the later of 12 months of the first fiscal period beginning on or after 1 January 2025 or six months from the date the entity becomes a member of a Qualifying MNE. Failure to register could result in summary convictions as well as financial penalties up to £20,000.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Guernsey enacts Pillar Two rules

Read more

Jersey releases its draft Pillar Two legislation and Guernsey update

Read more

PwC Contacts

David Waldron, Partner, Channel Island

Country or region: Honduras

Last update: 11 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Country or region: Hong Kong SAR, China

Last update: 12 June 2025

Status of enactment

Current status: Final law in force

The Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 (the Amendment Ordinance) was enacted on 6 June 2025 to implement the GloBE rules, which comprises the income inclusion rule ("IIR") and undertaxed profits rule ("UTPR"), as well as the Hong Kong minimum top-up tax ("HKMTT").

IIR and HKMTT apply to a fiscal year beginning on or after 1 January 2025, while the UTPR will take effect from a date to be specified by the Secretary for Financial Services and the Treasury at a later stage.

Income inclusion rule

Entry into force: 1 January 2025

IIR takes effect for a fiscal year beginning on or after 1 January 2025.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

The Hong Kong Government initially planned for the UTPR to take effect for a fiscal year beginning on or after 1 January 2025. However, after considering the feedbacks from the consultation, the Government has decided to postpone the implementation of the UTPR to a later date subject to further studies and having regard to the implementation timelines of other jurisdictions.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

Hong Kong minimum top-up tax (HKMTT) at the rate of 15% takes effect for a fiscal year beginning on or after 1 January 2025. The HKMTT only apply to MNE groups with annual consolidated revenue of or above EUR 750 million. Small MNE groups and purely local groups are excluded from the scope.

The HKMTT is intended to qualify as a QDMTT and be eligible for the QDMTT safe harbour Below are some key design features of the HKMTT:

- The HKMTT is imposed on the whole amount of the total top-up tax in respect of all HKCEs of the MNE group, irrespective of the ownership interest held in the HKCEs by the group. Hong Kong JVs and Hong Kong members of JV groups held by an MNE group (collectively 'HK JV entities') are also in-scope.
- The financial accounting net income or loss of an HKCE of an MNE group must be determined in accordance with a local accounting standard when certain conditions are met, such as the HKCEs of the MNE group having the same financial year as the UPE. Local accounting standard includes (i) the International Financial Reporting Standards (i.e. IFRS), (ii) the Hong Kong Financial Reporting Standards (i.e. HKFRS), (iii) the HKFRS for Private Entities, and (iv) the Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard.
- Eligible MNE groups in their initial phase of international activity are relieved from HKMTT for up to five years if none of the ownership in an HKCE is held directly or indirectly by a parent entity subject to a qualified IIR.
- Investment entities and insurance investment entities are excluded from the scope of HKMTT to preserve the tax neutrality for these entities.
- The HKMTT chargeable on an HK JV entity is subject to the following special rules:
- i. The HKMTT may be charged on (1) the HK JV entity directly or (2) an HKCE upon the HK JV entity's election and with the HKCE's consent. Under situation (2), the HKMTT charged is recoverable from both the HK JV entity and the HKCE.
- ii. A relief against double HKMTT is available whereby:

- 1. if the entity is an HK JV entity of two MNE groups and the HKMTT is chargeable on the entity in respect of both MNE groups, the HKMTT so charged is reduced by 50%; and
- 2. if the entity is an HK JV entity of an MNE group and is also an HKCE of another MNE group, and the HKMTT is chargeable on the entity in respect of both MNE groups, a relief is provided in a reasonable manner.

QDMTT: Accounting Standards?

The financial accounting net income or loss of an HK constituent entity of an MNE group must be determined in accordance with a local accounting standard when certain conditions are met, such as the HK constituent entity of the MNE group having the same financial year as the UPE. Local accounting standard includes (i) the International Financial Reporting Standards (i.e. IFRS), (ii) the Hong Kong Financial Reporting Standards (i.e. HKFRS), (iii) the HKFRS for Private Entities, and (iv) the Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard.

QDMTT: SBIE applicable?

To maintain consistency with the GloBE rules and reduce the tax burden of in-scope MNE groups, the Ordinance includes a Substance Based Income Exclusion under the HKMTT.

QDMTT: CbCR Safe Harbour?

Yes.

QDMTT: application only to wholly-owned constituent entities?

All Hong Kong constituent entities of MNE Groups, as well as JVs and JV subsidiaries held by the groups, will be subject to the HKMTT regardless of the ownership interest of the UPE or POPE in the entities concerned.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

In terms of covered taxes, the Ordinance generally follows the OECD's Model Rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

The Ordinance generally follows Article 4.6 of Model Rules and there is no additional guidance on the treatment of post-filing adjustments.

Qualified Refundable and Marketable Transferable Tax Credits

In accordance with the GloBE rules, a Qualified Refundable Tax Credit is to be treated as GloBE income. Currently, there are no Qualified Refundable Tax Credits in Hong Kong and the Government has indicated that it has no plan to introduce a Qualified Refundable Tax Credit regime at this stage.

CbCR Transitional Safe Harbour

To provide tax certainty, the Ordinance provides the transitional CbCR safe harbour.

The top-up tax for a jurisdiction is deemed to be zero if, among other things, one of the following tests is met for the fiscal year:

- i. De minimis test – the MNE group has (i) total revenue of less than EUR 10 million and (ii) profit before income tax of less than EUR 1 million (or loss before income tax) in that jurisdiction;
- ii.Simplified ETR test – the simplified ETR (as defined) in that jurisdiction is at least 16% for a fiscal year starting in 2025 or 17% for a fiscal year starting in 2026;
- iii.Routine profits test – the profit before income tax does not exceed the substance-based income exclusion (SBIE) for that jurisdiction.

These tests are generally computed using data from a qualified country-by-country (CbC) report.

The safe harbour applies to a fiscal year in the transition period (i.e. fiscal years beginning on/before 31 December 2026 and ending on/before 30 June 2028).

The safe harbour includes some special rules. In particular, consistent with the administrative guidance issued by the OECD in December 2023 and January 2025, there are specific rules for hybrid arbitrage arrangements entered into after 15 December 2022 (i.e. the release date of the original safe harbour guidance) and deferred tax expenses attributable to the reversal of deferred tax assets and deferred tax liabilities as a result of certain governmental arrangement concluded or amended after 30 November 2021, election or choice exercised or changed by a Constituent Entity, after 30 November 2021 or a corporate tax regime enacted after 30 November 2021.

An MNE group cannot benefit from the safe harbour for a jurisdiction if:

- i. The safe harbour did not apply to the MNE group for that jurisdiction for a previous fiscal year; and
- ii. The MNE group had Constituent Entities in that jurisdiction in the previous fiscal year.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The Ordinance provides the definition of a qualifying CbCR report, which refers to a country-by-country report prepared and filed using qualified financial statements. The definition for qualified financial statements generally follows the OECD's definition and guidance.

UTPR Transitional Safe Harbour

While the transitional UTPR safe harbour is not applicable to Hong Kong headquartered MNE groups sine the statutory corporate profits tax rate of Hong Kong is below 20%, the transitional UTPR safe harbour is included in Hong Kong's legislation to allow relief from the application of a UTPR to the jurisdiction of the UPE of a non-Hong Kong headquartered MNE group with a statutory corporate tax rate of at least 20% during the transitional period.

The safe harbour applies to a fiscal year not exceeding 12 months that begins on/before 31 December 2025 and ends before 31 December 2026. An MNE group cannot elect for both the transitional CbCR safe harbour and transitional UTPR safe harbour for the same jurisdiction for a fiscal year.

Permanent Safe Harbours

QDMTT safe harbour is a permanent safe harbour which deems the top-up tax of a jurisdiction outside Hong Kong to be zero if the jurisdiction has a QDMTT that meets the additional standards developed by the OECD and none of the disqualifying conditions apply. In other words, no top-up tax calculation is required in Hong Kong for constituent entities of an MNE group located in that jurisdiction.

There are Permanent Safe Harbors in terms of calculation simplifications for Non-Material Constituent Entities and the de-minimis exclusion.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Each Hong Kong constituent entity of an in-scope MNE group is required to furnish a single top-up tax return for the purposes of the GloBE rules and HKMTT (top-up tax return) in a prescribed manner and form no later than 15 months after the last day of the reporting fiscal year. The filing deadline for the first transition year of any constituent entities of the MNE group is extended to 18 months. The top-up tax return includes information required in the standardised GloBE Information Return (GIR). Hong Kong constituent entities of an in-scope MNE group will be relieved from the obligation to file the GIR information if such information is filed in a jurisdiction that will be able to exchange GIR information with Hong Kong under a qualifying competent authority agreement.

To provide flexibility for filing of returns, an in-scope MNE group is allowed to designate one Hong Kong constituent entity (designated local entity) to file the top-up tax return to the Inland Revenue Department (IRD) such that all other Hong Kong constituent entities of the group will be relieved from their filing obligation. The designated local entity needs to be appointed annually and the appointment remains valid in respect of the reporting fiscal year concerned.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end (filing) / One month after the later (i) the filing deadline, or (ii) the notice of assessment (payment)

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end (filing) / One month after the later (i) the filing deadline, or (ii) the notice of assessment (payment)

QDMTT: Other information?

Each Hong Kong constituent entity of an in-scope MNE group is required to furnish a single top-up tax return for the purposes of the GloBE rules and HKMTT (top-up tax return) in a prescribed manner and form no later than 15 months after the last day of the reporting fiscal year. The filing deadline for the first transition year of any constituent entities of the MNE group is extended to 18 months. The top-up tax return includes information required in the standardised GloBE Information Return (GIR). Hong Kong constituent entities of an in-scope MNE group will be relieved from the obligation to file the GIR information if such information is filed in a jurisdiction that will be able to exchange GIR information with Hong Kong under a qualifying competent authority agreement.

To provide flexibility for filing of returns, an in-scope MNE group is allowed to designate one Hong Kong constituent entity (designated local entity) to file the top-up tax return to the Inland Revenue Department (IRD) such that all other Hong Kong constituent entities of the group will be relieved from their filing obligation. The designated local entity needs to be appointed annually and the appointment remains valid in respect of the reporting fiscal year concerned.

TPT (IIR/UTPR): Separate return?

No

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Top-up tax notification: 6 months from fiscal year end.

Tax registration: Deadline to file. Standard rule?

Top-up tax notification: 6 months from fiscal year end.

Tax registration: Other information?

Each Hong Kong constituent entity of an in-scope MNE group is required to file an annual notification ("top-up tax notification") relating to its obligation of filing top-up tax return in a prescribed form and manner. The top-up tax notification is required to be filed within six months after the end of the fiscal year.

An in-scope MNE group is allowed to designate one Hong Kong constituent entity to file the top-up tax notification to the IRD such that all other Hong Kong constituent entities of the group are relieved from their filing obligation.

Other relevant information?

An electronic platform will be developed by the Inland Revenue Department to allow registration of account, submission of notifications and returns, sending and receiving messages, etc.

A notice of assessment demanding the top-up tax will be issued based on the information declared electronically upon the filing of top-up tax return. No provisional top-up tax will be charged.

Payment of top-up tax will be due one month after (i) the expiry of the return filing deadline, or (ii) the date of the notice of assessment, whichever is the later.

Post assessment audit and compliance check will be performed to ensure that in-scope groups properly discharge their obligation under the GloBE and HKMTT regimes and the groups are correctly charged the top-up tax.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Hong Kong has adopted the exclusion of MNE groups in the initial phase of their international activity. The exclusion is broader then UTPR and includes HKMTT.

Eligible MNE groups in their initial phase of international activity are relieved from HKMTT for up to five years if none of the ownership in an HKCE is held directly or indirectly by a parent entity subject to a qualified IIR.

Transitional Penalty Relief

The Ordinance applies penalty measures in line with those imposed on similar offences in respect of CbCR filing/ notification, failing to file profits tax returns or inform chargeability to tax, filing incorrect returns, etc. In terms of transitional penalty relief, the Inland Revenue Department will adopt the existing mechanism that allows a taxpayer to make representations before imposition of administrative penalty, and factors mentioned in the OECD publications will be taken into account when considering whether there is any reasonable excuse for the wrongdoings.

Application of OECD guidance to Pillar Two local rules

Adopting a hybrid legislative approach, the Ordinance directly incorporates the GloBE model rules into the IRO with limited modifications. To ensure consistency, the Ordinance includes a provision stating that the legislation will be construed in a way that is best consistent with the existing GloBE commentary and administrative guidance issued by the OECD. Additionally, the Government will incorporate future additional administrative guidance issued by the OECD through subsidiary legislation, which can be enacted more swiftly compared to the main legislation.

PwC Thought Leadership

Global minimum tax and Hong Kong minimum top-up tax bill passed

On 28 May 2025, the bill on implementation of the global anti-base erosion (GloBE) rules and the Hong Kong minimum top-up tax (HKMTT) (Bill), together will certain amendments to the Bill by way of committee stage amendments (CSAs), was passed by the Legislative Council. It is expected that the Bill will be gazette as an amendment ordinance on 6 June 2025.
Read more

Proposed amendments to global minimum tax and Hong Kong minimum top-up tax bill released

Further to the release of the bill on the implementation of the global minimum tax and the Hong Kong minimum top-up tax in late 2024, the Government issued (i) its responses to the submission from various organisations and (ii) the proposed amendments to the Bill by way of Committee Stage Amendments on 11 April 2025.
Read more

Consultation on implementation of global minimum tax and Hong Kong minimum top-up tax launched

On 21 December 2023, the HKSAR Government published a consultation paper on the implementation of the global minimum tax and domestic minimum top-up tax in Hong Kong (HKMTT). The consultation is open until 20 March 2024, with the expectation that draft legislation will be published in the second half of 2024. It is proposed that the global minimum tax and the HKMTT will take effect for a fiscal year beginning on or after 1 January 2025. Read more

Consultation outcome on implementation of global minimum tax and Hong Kong minimum top-up tax released.

Further to the consultation paper published in December 2023 on the implementation of the global minimum tax and Hong Kong minimum top-up tax, the Government released the consultation outcome on 30 October 2024, summarizing stakeholders' feedback and the Government's follow-up. Read more

Hong Kong's bill on implementation of global minimum tax and Hong Kong minimum top-up tax gazette.

Following the consultation outcome published in October 2024, a bill was gazetted in Hong Kong on 27 December 2024 to implement the GloBE rules, which comprises the IIR and UTPR, as well as the Hong Kong minimum top-up tax. Read more

PwC Contacts

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Ingrid Lau, Partner, PwC Hong Kong

Country or region: Hungary

Last update: 11 November 2024

Status of enactment

Current status: Final law in force

On 5 December 2023 Hungary enacted the EU global minimum tax Directive into Hungarian law, with Act LXXXIV of 2023 being published in the Hungarian Gazette. The Hungarian legislation became effective and is applying for financial years starting on or later than 31 December 2023. The draft law to transpose the EU minimum tax Directive was published on 18 October 2023 for public consultation.

Income inclusion rule

Entry into force: 31 December 2023

IIR applies for fiscal years starting on or from 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

UTPR applies for fiscal years starting on or from 31 December 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

QMDTT applies for fiscal years starting on or from 31 December 2023.

QDMTT: Accounting Standards?

The QDMTT would be calculated from the statutory financial statements, which could either be HU GAAP or IFRS based on local law.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion would be applicable.

QDMTT: CbCR Safe Harbour?

Yes, CbCR Safe Harbour applicable for QDMTT

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The draft law published on 18 October 2023 includes a non-exhaustive list of taxes that are deemed to be covered taxes in Hungary being, corporate income tax, local business tax, innovation contribution and energy suppliers income tax.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

In addition to the currently available R&D tax allowance rules (under which the cost of own R&D and of R&D subcontracted to non-Hungarian related or unrelated parties can be deducted twice from the corporate income tax base), a new R&D tax credit will be introduced as per the draft law published on 18 October 2023. This new R&D tax credit may be a qualified refundable tax credit and, therefore, may not reduce the ETR for GloBE purposes, as opposed to the currently available R&D tax allowance. Companies may elect between the two types of R&D tax incentives.

The rules on other tax credits currently available in Hungary, such as the investment tax credit, will not be amended. This may indicate that these credits would not be qualified refundable tax credits, and may therefore significantly reduce the ETR of the constituent entities.

CbCR Transitional Safe Harbour

The draft law published on 18 October 2023 contains reference to the adoption of CbCR Safe Harbour rules with detailed regulations following up later.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

A UTPR safe harbour for initial phase international activities and for large scale domestic groups would be based on the EU minimum tax Directive. However, it extends to IIR (both domestic and cross border) and to QDMTT (option 2 under the admin guidance) as well. A UTPR temporary safe harbour (as per the OECD Administrative Guidance issued in July) is not included in the draft law.

Permanent Safe Harbours

Permanent Safe Harbours would be based on the OECD guidelines.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

According to the draft law published on 18 October 2023, the compliance requirements would be in line with the OECD Model Rules: 18 months for the first tax filing and 15 months for any further tax filings.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

Within the 20 days after the 11 month from FYE

QDMTT: Deadline to file. Standard rule?

Within the 20 days after the 11 month from FYE

QDMTT: Other information?

The payment of the QDMTT is due by the 20th day of the 11th month subsequent year end (e.g. for calendar-year taxpayers, the FY2024 QDMTT is due by November 20, 2025)

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

12 months from the beginning of the fiscal year

Tax registration: Deadline to file. Standard rule?

12 months from the beginning of the fiscal year

Tax registration: Other information?

Hungarian companies are subject to a notification obligation regarding their MNE group within 12 months from the start date of the tax year beginning in 2024 (by 31 December 2024, for calendar-year companies-) as per the rules set forth in the Minimum Tax Act.

The notification must be submitted on a form provided by the National Tax and Customs Administration via the usual electronic method. This form is currently unavailable. Based on the draft autumn tax package published on 17 October 2024, companies subject to the Minimum Tax Act would have to include in the notification:

- Identification details of group members (e.g., company name, tax number),
- Their classification under the Minimum Tax Act, which requires considerations from a global minimum tax perspective. This classification is expected to include classifications such as joint venture, flow-through entity, permanent establishment, or excluded entity status of group members.
- Additionally, the notification must include information on the ownership relationships among group members.

Failure to submit the notification or submitting it late may result in the tax authority imposing a penalty of up to 5 million HUF on the affected companies.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No penalties up until 2026 in case the taxpayer acted reasonably and in good faith.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Upcoming deadline for the notification obligation of MNE groups subject to the global minimum tax

Read more Read more

Hungary releases draft bill implementing Pillar Two

Read more

PwC Contacts

Gergely Juhasz, Partner, PwC Hungary

Bálint Gombkoto, Director, PwC Hungary

PwC Hungary website

Country or region: Iceland

Last update: 23 June 2025

Status of enactment

Current status: Draft/proposed law published

The Icelandic Ministry of Finance and Economic Affairs released a fiscal Strategy Plan for 2025-2029 where it is stated that the implementation of Pillar Two rules is underway. Furthermore, it is stated that Iceland agreed to implement a global minimum tax and will complete the implementation in the second half of this year with a formal entry into force in 2025.

On 5 June 2025, the Ministry of Finance and Economic Affairs in Iceland launched a public consultation regarding draft legislation to implement the Pillar Two global minimum tax rules. The proposed legislation, while Iceland is not an EU member, is largely consistent with the EU Minimum Tax Directive. It introduces a QDMTT and an IIR applicable for fiscal years starting on or after December 31, 2025. A decision on the adoption of the UTPR has not yet been made. The draft law incorporates the IIR and QDMTT elements of the Pillar Two framework but does not currently reflect most of the OECD's Administrative Guidance. Notably, it establishes a QDMTT safe harbor, under which the IIR and UTPR top-up tax in Iceland would be considered zero for jurisdictions applying a QDMTT, provided certain conditions are met. Additionally, a placeholder for a safe harbor provision is included, with further details to be provided in the future. For the DMTT, the calculation of the effective tax rate and top-up tax liability would generally follow the GloBE rules. However, for DMTT purposes, cross-border taxes such as controlled foreign corporation (CFC) taxes and withholding taxes on intragroup dividends—normally allocated to domestic entities under GloBE—must be excluded.

Income inclusion rule

Entry into force: 31 December 2025

As per the draft legislation subject to public consultation on 5 June 2025, a QDMTT and an IIR would be applicable for fiscal years starting on or after December 31, 2025

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2025

As per the draft legislation subject to public consultation on 5 June 2025, a QDMTT and an IIR would be applicable for fiscal years starting on or after December 31, 2025

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

As per the draft legislation subject to public consultation on 5 June 2025, the GIR must be submitted within 15 months after the end of the relevant fiscal year, except for the first year, where the deadline is extended to 18 months. If a GIR is filed by a foreign constituent entity, a notification must also be submitted within the same timeframe.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Jón Ingi Ingibergsson, Partner, PwC Iceland

Country or region: India

Last update: 7 February 2025

Status of enactment

Current status: No public announcement yet

No mention about Pillar Two in the announcement of the Union Budget 2025 on 1 February 2025.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Utpal Sen, Partner, PwC India

Country or region: Indonesia

Last update: 30 January 2025

Status of enactment

Current status: Final law in force

In January 2025, the Indonesian Ministry of Finance published the Regulation No. 136/2024 regarding the implementation of Pillar Two (subject "Imposition of Global Minimum Tax based on International Agreement"). The regulation was dated 31 December 2024 with effective date 1 January 2025 (IIR and QDMTT to apply starting 1 January 2025 where the UTPR applies one year after).

Income inclusion rule

Entry into force: 1 January 2025

In January 2025, the Indonesian Ministry of Finance published the Regulation No. 136/2024 regarding the implementation of Pillar Two (subject "Imposition of Global Minimum Tax based on International Agreement"). The regulation was dated 31 December 2024 with effective date 1 January 2025 (IIR and QDMTT to apply starting 1 January 2025 where the UTPR applies one year after).

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: 1 January 2026

In January 2025, the Indonesian Ministry of Finance published the Regulation No. 136/2024 regarding the implementation of Pillar Two (subject "Imposition of Global Minimum Tax based on International Agreement"). The regulation was dated 31 December 2024 with effective date 1 January 2025 (IIR and QDMTT to apply starting 1 January 2025 where the UTPR applies one year after).

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

In January 2025, the Indonesian Ministry of Finance published the Regulation No. 136/2024 regarding the implementation of Pillar Two (subject "Imposition of Global Minimum Tax based on International Agreement"). The regulation was dated 31 December 2024 with effective date 1 January 2025 (IIR and QDMTT to apply starting 1 January 2025 where the UTPR applies one year after).

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

Multilateral Convention signed on 19 September 2024

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

The submission of GIR and Notification must be made within 15 months after the end of GloBE FY (e.g. the submission deadline for GloBE FY ending on 31 December 2026 would be 31 March 2028). The first-year reporting can be done within 18 months instead of 15 months (e.g. by 30 June 2027 for GloBE FY ending on 31 December 2025). The receipt of this submission must be attached to the Annual GloBE Tax Return

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end (filing) / 12 months from fiscal year end (payment)

QDMTT: Deadline to file. Standard rule?

16 months from fiscal year end / 12 months from fiscal year end (payment)

QDMTT: Other information?

Annual Tax Returns ("ATRs") – serves as a reporting mechanism for the calculation of Top-up Tax for the GloBE FY which consists of:

- GloBE Tax Return – reported by Indonesian UPE;
- DMTT Tax Return – reported by Indonesian CEs;
- UTPR Tax Return – reported by Indonesian CEs if there is a UTPR allocated to Indonesia.

The above ATRs must be submitted within four months after the following FY (e.g. the submission deadline for GloBE FY ending on 31 December 2026 would be 30 April 2028). The first-year reporting can be extended by two months (e.g. by 30 June 2027 for GloBE FY ending on 31 December 2025).

Related payments must be made within the year following the GloBE FY (e.g. by 31 December 2026 for GloBE FY ending on 31 December 2025).

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

18 months from fiscal year end (filing) / 12 months from fiscal year end (payment)

TPT: Deadline to file. Standard rule?

16 months from fiscal year end / 12 months from fiscal year end (payment)

TPT return: Other information?

Annual Tax Returns ("ATRs") – serves as a reporting mechanism for the calculation of Top-up Tax for the GloBE FY which consists of:

- GloBE Tax Return – reported by Indonesian UPE;
- DMTT Tax Return – reported by Indonesian CEs;
- UTPR Tax Return – reported by Indonesian CEs if there is a UTPR allocated to Indonesia.

The above ATRs must be submitted within four months after the following FY (e.g. the submission deadline for GloBE FY ending on 31 December 2026 would be 30 April 2028). The first-year reporting can be extended by two months (e.g. by 30 June 2027 for GloBE FY ending on 31 December 2025).

Related payments must be made within the year following the GloBE FY (e.g. by 31 December 2026 for GloBE FY ending on 31 December 2025).

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Indonesia officially implemented the Pillar Two GloBE Rules implementation

[Read more](https://www.pwc.com/id/en/taxflash/assets/english/2025/taxflash-2025-03.pdf

Implementing rules of Income Tax

Indonesia issued Government Regulation No. 55/2022 on 22 December 2022 to implement the latest updates on its Income Tax Law, which include a legal basis to implement Pillar Two in Indonesia. See the details under the HPP Law-International Tax Agreement section on page 4 of the document linked below. Read more

PwC Contacts

Brian Arnold, Partner, PwC Indonesia

Runi Tusita, PwC Indonesia

Country or region: Ireland

Last update: 12 June 2025

Status of enactment

Current status: Final law in force

The Pillar Two rules have been enacted in Ireland as of 18 December 2023, and take effect for in-scope businesses with accounting periods beginning on or after 31 December 2023.

The draft Pillar Two legislation closely follows the EU minimum tax Directive and the OECD Guidance released to date. Key measures included are: the adoption of a domestic minimum top-up tax (i.e., a QDTT) and an IIR that would apply to businesses with financial years starting on or after 31 December 2023, and a UTPR that would apply to financial years starting on or after 31 December 2024. Safe harbours included in the draft law include the Transitional CbCR Safe Harbour, Transitional UTPR Safe Harbour, QDMTT Safe Harbour and the Simplified Reporting Safe Harbour. The Irish rules also give legal effect to the OECD agreed administrative guidance as released, up to and including the June 2024 package.

Income inclusion rule

Entry into force: 31 December 2023

Ireland followed the overall implementation timeline proposed by the Directive (EU) 2022/2523 of 14 December 2022, i.e., 2024 for the IIR and 2025 for the UTPR.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

Ireland followed the overall implementation timeline proposed by the Directive (EU) 2022/2523 of 14 December 2022, i.e., 2024 for the IIR and 2025 for the UTPR.

Finance (No.2) Bill also included a Transitional UTPR Safe Harbour. This UTPR safe harbour applies with respect to UPE jurisdictions. If an MNE group avails of this safe harbour, the UPE jurisdiction must have a statutory corporate tax rate greater than 20%. This safe harbour results in a one-year delay in implementing the UTPR for the UPE jurisdiction. The safe harbour applies for fiscal years that are no more than 12 months in duration, beginning on or before 31 December 2025 and ending on or before 31 December 2026.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

Ireland has adopted a qualifying domestic top-up tax (""QDTT"") as part of its overall implementation of Pillar Two. This will apply for in-scope businesses with accounting periods beginning on or after 31 December 2023. It will be applicable to both domestic and international groups in respect of Irish resident entities. The calculation of a top-up tax under the QDTT will align to the calculation of a top-up tax under the IIR.

When legislating for a domestic top up tax in Ireland the intention was that the Irish QDTT should comply with the QDMTT safe harbour requirements as set out in July 2023 OECD Administrative Guidance and it is that intention which has formed the Irish legislative approach taken in the feedback statement.

Ireland intends for the local QDTT to meet the requirements such that the QDTT would be classified as a 'QDMTT safe harbour' for applicable entities. The proposed legislation is drafted with the intention of meeting the three standards set out in the July 2023 OECD Administrative Guidance: the “QDMTT Accounting Standard”, “Consistency Standard” and the “Administration Standard”.

QDMTT: Accounting Standards?

In adopting the QDMTT Accounting Standard, the Irish legislative approach has adopted the local Financial Accounting Standards Rule set out in the Guidance such that, subject to certain conditions, the Irish QDMTT could be calculated under local accounting standards that are used to prepare the Irish financial statements.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion will be applicable to the QDTT.

QDMTT: CbCR Safe Harbour?

Yes, Ireland will respect the Safe Harbour rule relating to qualifying domestic top-up-taxes of other countries.

QDMTT: application only to wholly-owned constituent entities?

No. The Irish QDTT can apply where an entity is not a wholly-owned constituent entity. Ireland applies the QDMTT to "qualifying entities". Qualifying entities include certain Joint Ventures and certain minority-owned constituent entities. In limited circumstances, certain Irish standalone entities may also be subject to the QDTT (following changes in the Irish Finance Bill 2024). This area requires a complex analysis of the Irish QDTT rules so businesses should engage with local advisers.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The Finance (No.2) Act 2023 included the draft legislation of what is a "covered tax" and what's not included in such definition. See Chapter 4, Section 111T (1) for list of items included and (2) list of items not included. To date, Ireland has not specifically identified Irish or foreign taxes which would or would not constitute covered taxes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

R&D tax credit rules have been amended to come within a qualified refundable tax credit regime. Also, in Finance (No.2) Act 2023, it was announced that the Digital Gaming Tax Credit has been amended in order to be considered as a qualified refundable tax credit.

CbCR Transitional Safe Harbour

In Finance (No.2) Act 2023, Ireland legislated for the various safe harbours, including the transitional CbCR and UTPR safe harbours and the QDMTT safe harbour. The CbCR safe harbour is closely aligned to the OECD guidance.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

It is advisable to seek local tax advice with respect to the qualifying nature of the CbCR, if intending to rely on the temporary CbCR safe harbour.

UTPR Transitional Safe Harbour

In Finance (No.2) Act 2023, Ireland legislated for the various safe harbours, including the transitional CbCR & UTPR safe harbours and the QDMTT safe harbour. The CbCR safe harbour is closely aligned to the OECD guidance.

Permanent Safe Harbours

No expected deviation from the OECD guidance / EU Directive with respect to the permanent safe harbour.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: this must be filed by each Irish constituent entity unless a designated local or a designated filing entity is appointed. If a designated local entity or a designated filing entity is submitting a GIR on behalf of an Irish Constituent Entity, then a "notification of filer" must also be submitted to the Irish Tax Authorities.

Payment timing (at return or installments): top-up tax liability to be paid in full by the specified return date.

Paying entity / legal liability for tax: Subject to the ‘QDTT Group’ payment comments below (which is expected to be the primary method for payment of Irish top-up tax liabilities), the Irish rules require the entity to pay any top-up tax liability to the Revenue Commissioners.

Penalties: EUR10,000 for each month(s) the return remains unfiled from the specified return date (capped at 48 months). A penalty of EUR10,000 will apply where a taxpayer fails to keep records relating to the GloBE tax filings / liabilities.

Other relevant details: Ireland provides for the GIR transitional simplified reporting framework. The European Commision recently released a proposed standard form by which the EU Member States will return and exchange GIR information. Subject to approval by the European Institutions, Ireland would be expected to adopt this proposed Directive and ensure GIR filing aligns with the EU standards. The GIR has not yet been made available and we are still waiting for the OECD XML Schema to be released.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

Filing entity: submitted by each qualifying entity (as defined) or, if appointed, the QDTT group filer. Irish Pillar two legislation provides for an option to form a single QDTT group and file one return for all Irish entities together (as long as all the QDTT members have elected to be members of the group and have appointed one member - also referred as QDTT group filer- to prepare and deliver the QDTT return on behalf of all the members of the QDTT group).

Deadline: 15 months from end of the fiscal year (extended to 18 months for Transition Year).

Payment timing (at return or installments): same as filing

Paying entity / legal liability for tax: The QDTT group filer shall be chargeable and shall pay the top-up-tax of all the members of the QDTT group. The legislation provides for a situation whereby the QDTT group-filer does not meet the paying obligations on behalf of the group.

Penalties: A surcharge for late filing of a GloBE return set at 5% of final GloBE tax liability (subject to a cap of EUR50,000) where the return is submitted up to 2 months late, and 10% of the liability (subject to a cap of EUR200,000) where the GloBE return is submitted later than 2 months. Interest may also apply to the late payment of a top-up tax liability

Other relevant details: The Irish QDTT return has not been made available.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

Filing entity: Its currently expected that an IIR parent entity will need to file an IIR return, and likewise an UTPR entity will need to file a UTPR return. The IIR return and payment is to be submitted by the relevant IIR parent entity (as defined). The UTPR return and payment is to be submitted by each relevant UTPR entity or, if appointed, the UTPR group filer (further details bellow).

Deadline: 15 months from end of the fiscal year (extended to 18 months for Transition Year).

Payment timing (at return or installments): 15 months from end of the fiscal year (extended to 18 months for Transition Year). Installments are not provided for under Irish legislation.

Paying entity / legal liability for tax:

- IIR: Under the Irish legislation an IIR parent entity is required to pay top-up-tax on behalf of any low-taxed constituent entities (to the extent a local QDTT has not paid over sufficient top-up-tax), in addition to paying any top-up-tax in respect of its own profits (also not satisfied through the QDTT).
- UTPR: Any UTPR top-up-tax liability which is attributed to a UTPR entity is payable by that UTPR entity. A 'UTPR group' shall comprise all of the constituent entities of an in-scope group that would be required to prepare and deliver a UTPR return for the fiscal year. The UTPR members must elect to be members of the UTPR group, and appoint one such member ('UTPR group filer') to prepare and deliver the UTPR return on their behalf.

Penalties: Penalties apply if an IIR parent entity fails to file the required return and also if a UTPR entity or a UTPR group filer fails to file the required return(s).

Other relevant details: The Irish IIR and UTPR returns have not been made available.

Tax registration: Deadline to file. Transitional year?

Irish constituent entities registration: 12 months from the first fiscal year end

Tax registration: Deadline to file. Standard rule?

Irish constituent entities registration: 12 months from the first fiscal year end

Tax registration: Other information?

Irish entities subject to Pillar Two must register with the Irish Revenue regarding each applicable tax (IIR, UTPR), and Qualified Domestic Top-up Tax (QDTT)) within 12 months of the first fiscal year end in which the entity is subject to the tax.
The entities must provide the following:

- name and TIN of the entity,
- when relevant, the name, location, and TIN of its UPE and any designated filing entity,
- the tax(es) in respect of which the entity is registering,
- if the entity was appointed as the designated local entity, it must provide the names and TIN of itself and of other group members,
- information related to any group filing elections (QDTT or UTPR), and
- any other information as the Revenue Commissioners may reasonably require.

Where an entity fails to submit the notice required under this section, there is a penalty of €10,000.

The Irish Registration Form has not been made available.

Other relevant information?

Where an entity is subject to either the IIR, UTPR or QDTT for a fiscal year but no liability to the relevant top-up tax (either IIR, UTP or QDTT, as the case may be) arises for that fiscal year, that entity is not required to deregister in respect of that top-up tax but should instead file a “nil return”.

The deadline to file the top-up tax information return is determined by reference to the end of the relevant fiscal year of the group, regardless of whether the taxpayer uses a calendar year or a different fiscal year. Specifically, the return must be filed no later than 15 months after the last day of the reporting fiscal year, except for the transition year, where an extended deadline of 18 months applies. However, the Irish Revenue provided that where the specified return date of an entity, or group, would otherwise arise before 30 June 2026, the specified return date of that entity or group shall be 30 June 2026.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Ireland’s Pillar Two Legislation provides for a temporary exclusion for MNEs and large-scale domestic groups during their initial phase of international activity, where specific conditions are met. During this initial phase, top-up tax arising under IIR (domestically only), QDTT and UTPR may be reduced to zero where certain conditions are met.

Transitional Penalty Relief

According to the Finance (No.2) Act 2023, Irish Revenue has the right to impose penalties where there is a failure to comply with the administrative provisions and can also serve notices on group members where the appointed UTPR/QDTT group filer defaults on payment. The Transitional penalty relief provisions are included, but to a limited extent.

Application of OECD guidance to Pillar Two local rules

Ireland's implementing legislation includes the provisions of the OECD Administrative Guidance, the safe harbours and GIR (guidance released up to and including the June 2024 package). Any future guidance will need to be implemented through a Ministerial Order or directly into the legislation via the Finance Act. Its not yet clear whether any future guidance would be adopted on a prospective or retrospective basis.

PwC Thought Leadership

Irish Finance Bill 2024

Finance Bill 2024 subsequently changed the rules and provided for the local implementation of OECD guidance.
Read more

Countries begin to establish Pillar Two compliance procedures

Irish entities subject to Pillar Two must register with the Irish Revenue regarding each applicable tax (IIR, Undertaxed Profits Rule (UTPR), and Qualified Domestic Top-up Tax (QDTT)) within 12 months of the first fiscal year end in which the entity is subject to the tax.
Read more

Pillar Two in Ireland: It takes a village (CBTT podcast)

Doug McHoney (PwC's Global International Tax Services Leader) and Peter Reilly (PwC International Tax Partner & Ireland's Tax Policy Leader) discuss Ireland's implementation of Pillar Two. Doug and Peter dive into why Irish policy makers agreed to adopt the Pillar Two regime, how Ireland is incorporating the OECD guidance, the potential effects on the Irish economy and current tax regime, the ways Irish multinationals are preparing, and the potential ramifications in the future. Listen here

Finance (No.2) Act 2023—key Pillar Two measures - The legislation in Finance (No.2) Bill 2023 follows the earlier release of two Pillar Two implementation feedback statements. As such, interested parties will be somewhat familiar with most of the rules. However, several updates have been made to the rules following the consultation process.

Read more

Irish Department of Finance releases Pillar Two feedback statement with draft legislation

Ireland's Department of Finance, on 31 March, published a Pillar Two feedback statement. The statement sets forth proposed Irish legislation to implement Pillar Two, including confirmation of the intention to introduce a Qualified Domestic Top-up Tax (QDTT). Read more

Getting ready for Pillar Two?

Read more

PwC Contacts

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Country or region: Isle of Man

Last update: 28 May 2025

Status of enactment

Current status: Final law in force

On 21 November 2024 the Pillar Two law was passed.

On 19 May 2023 the governments of Guernsey, Jersey and the Isle of Man published a joint statement regarding their approach to the OECD's Pillar Two framework. Their intention is that this approach will comprise the implementation of an IIR and a domestic minimum tax from 2025. As per the Joint Statement, the three Crown Dependencies will continue to work together, monitoring implementation internationally and adapt accordingly to developments which may require adjustments to their own implementation plans.

The Isle of Man Treasury Department presented the 2023-24 budget speech on 21 February 2023, which includes the following statement "The Assessor has been and continues to closely monitor the ongoing work of the OECD and the EU, particularly in respect of what is commonly referred to as the pillars… the Assessor already has work underway, considering the effect of the pillars on the Isle of Man, engaging with the relatively small number of companies on the Island that are likely to be most affected by the changes and liaising with counterparts in the Channel Islands". It concluded with reference to significant decisions on the way forward being announced in more detail prior to summer 2023 recess.

Income inclusion rule

Entry into force: 1 January 2025

On 19 May 2023 the governments of Guernsey, Jersey and the Isle of Man announced their intention to implement an IIR and a domestic minimum tax from 2025

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

On 19 May 2023 the governments of Guernsey, Jersey and the Isle of Man announced their intention to implement an IIR and a domestic minimum tax from 2025

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end (if the FY is the 1st one in which the MNE is liable to DTUT or MTUT and no GIR in a previous FY)

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

The following returns must be submitted no later than 15 months from FY end, or 18 months from FY end but only if (i) that FY is the first one in which the MNE is liable to the Domestic Top-Up Tax (QDMTT) or Multinational Top-Up Tax (MTUT)(IIR); and (ii) the MNE has not been required to file a GIR in another jurisdiction in a previous FY:

- (a) The GloBE Information Return (for FY when MTUT is in force);
- (b) The Information Return (for FY when MTUT is not in force);
- (c) The Domestic Top-Up Tax returns;
- (d) Multinational Top-Up Tax returns (for FYs when MTUT in force); and
- (e) Below-threshold notification

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end (if the FY is the 1st one in which the MNE is liable to DTUT or MTUT and no GIR in a previous FY)

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

18 months from fiscal year end (if the FY is the 1st one in which the MNE is liable to DTUT or MTUT and no GIR in a previous FY)

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

12 months from the start of the FY

Tax registration: Deadline to file. Standard rule?

6 months from the date that the entity becomes a member of the MNE Group

Tax registration: Other information?

All in-scope MNE groups are required to appoint a Domestic Filing Entity, which will be the member of the group that will be responsible for:

- Registration of all members of the Group with the Assessor; and
- Submission of DTUT and MTUT returns (see below)

The deadline for registration and the appointment of a Domestic Filing Entity is set out in article 29 of the Order, but is not earlier than 31 December 2025. This appointment requirement applies to:

- (a) each Domestic Constituent Entity of a Qualifying MNE Group; and
- (b) each Domestic Joint Venture and Domestic Joint Venture Subsidiary of an MNE Group.

Each Entity to which this obligation applies must be registered no later than whichever of the following periods is the last to end:

- (a) 12 months from the start of the first Fiscal Year commencing on or after 1 January 2025 of the MNE Group of which any of the following is a member: (i) a Domestic Constituent Entity; (ii) a Domestic Joint Venture; (iii) a Domestic Joint Venture Subsidiary;

- (b) 6 months from the date that such an Entity becomes a member of the MNE Group.

Other relevant information?

Pillar Two information in form P2 (Corporate Taxpayer Income Tax Return CbCR and Pillar 2 Global Minimum Tax)

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Country or region: Israel

Last update: 30 July 2024

Status of enactment

Current status: Pillar Two plans announced

On 29 July 2024, Israel's Finance Minister announced his decision to adopt a QDMTT in Israel starting from the 2026 tax year. It was also announced that Israel is not planning to adopt the IIR and UTPR mechanisms initially; the adoption of the IIR and UTPR will be re-examined following a period of implementing a QDMTT.

Income inclusion rule

Entry into force: To be confirmed

On 29 July 2024, Israel's Finance Minister announced his decision to adopt a QDMTT in Israel starting from the 2026 tax year. It was also announced that Israel is not planning to adopt the IIR and UTPR mechanisms initially; the adoption of the IIR and UTPR will be re-examined following a period of implementing a QDMTT.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

On 29 July 2024, Israel's Finance Minister announced his decision to adopt a QDMTT in Israel starting from the 2026 tax year. It was also announced that Israel is not planning to adopt the IIR and UTPR mechanisms initially; the adoption of the IIR and UTPR will be re-examined following a period of implementing a QDMTT.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2026

On 29 July 2024, Israel's Finance Minister announced his decision to adopt a QDMTT in Israel starting from the 2026 tax year.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Country or region: Italy

Last update: 7 March 2025

Status of enactment

Current status: Final law in force

On 28 December 2023 the Legislative Decree implementing EU Directive 2022/2523 was published in the Official Gazette of the Republic of Italy. The text was approved by the Italian Government on 19 December 2023 taking in to account some of the amendments proposed by the Parliament (on 16 October 2023 the Government, after approving the proposal, had sent such proposal to the Parliament for review). Article 60 of the Decree provides that the law is effective for fiscal years starting on or after 31 December 2023. The Legislative Decree empowers the Minister of Finance to issue secondary regulation.

The Minster of Finance has issued 3 Decree dealing with safe harbour (mainly CbCR TSH), Italian QDMTT (expected to be qualified and eligible for the safe harbour status) and SBIE.

Income inclusion rule

Entry into force: 31 December 2023

The Decree provides for a IIR applicable to parents (UPE, IPE or POPE) located in Italy with respect to foreign located and stateless LTCEs. The Decree also provides for a domestic IIR applicable, under the rule order, by an italian parent to itself and to Italian located CEs that are LTCE. IIR and domestic IIR will apply to fiscal years beginning on or after 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

The Decree, in line with the GloBE rules and the Directive, provides for the UTPR as a separate charging provision. The UTPR will be effective for fiscal years that begin on or after 31 December 2024. Under art 50 of the Directive, UTPR could be applicable for fiscal years that begin on or after December 31, 2023 with respect to LTCE that are located in EU MS that have opted for the postponement provided for art 50 of the Directive. The Decree also included the UTPR transition safe harbour (as provided for by the July 2023 IF Administrative Guidance).

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

QDMTT will be applicable for fiscal years that begin on or after 31 December 2023. The same is provided for MNE groups in the initial phase of internationalization and for large scale domestic groups (see art 18.6 of the Decree). The Illustrative memorandum affirms that the DMTT is intended to be qualified and designed as a permanent safe harbor. The presentation paper that accompanies the draft Decree specifies that the Italian Domestic Minimum Tax has been designed to meet the requirement to be considered "qualified" (and hence to be a QDMTT) and a safe harbour. In July 2024 the Minister of Finance published a Decree confirming the expectation (subject to the IF peer review) and that provides some fine tuning on key topics (e.g. local accounting standard, sub-group to be blended, extension to all the FTE created in Italy etc)

QDMTT: Accounting Standards?

The Decree adopts the Local Accounting Standard with the UPE's accounting standard as a last resort rule where non all CE (or JV subsidiary) has an accounting period aligned with the FY of the Group's Consolidated Financial Statements and/or not all CEs (or JV) adopt the same local accounting standard (e.g. some CEs are IAS adopters and some CEs are OIC adopters)

QDMTT: SBIE applicable?

The SBIE is applies equally to the QDMTT as it does to the IIR. This is confirmed by the Decree issued in July by the Minster of Finance. In case the local accounting standard are used the SBIE must be computed based on such accounting standards

QDMTT: CbCR Safe Harbour?

Article 18 of the Italian Pillar Two Decree explicitly provides for the application of GloBE safe harbour (including CbCR TSH) to MNE and domestic Groups. This is confirmed by the Decree issued in July by the Minister of Finance.

QDMTT: application only to wholly-owned constituent entities?

No. In line with the requirements related to a QDMTT eligible for the safe harbour, the Italian QDMTT applies to all CEs (and/or JV) irrespective to the allocable share of the UPE

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The Decree provides the definition of Covered Taxes ("Imposte rilevanti") in article 28. No guidance on the characterization of Italian taxes has been provided yet. Based on standard accounting practice under IAS/IFRS and Italian GAAP, corporate tax (IRES) and regional tax (IRAP) are recorded in "income tax expenses" and, hence, are expected to be Covered Taxes. The same should be applicable to cross-border withholding taxes on dividends, interest and royalties.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The Decree provides, among others, the definition of Qualified Refundable Tax Credit and Marketable Transferable Tax Credit. The Decree follows the July 2023 Administrative Guidance on tax credits. No official characterization of italian Tax Credit has been provided yet. However in the official dossier of the Decree there are some statements that support the view that Italian Tax Credits that can be used to discharge liabilities beyond covered taxes (e.g. VAT and social contributions) based on "compensazione orizzontale" with no limitations in amounts should be qualified as QRTC.

CbCR Transitional Safe Harbour

The Decree (see art 39.3) provides for a secondary regulation, to be issued 90 day after the entry in to force of the Decree, that shall rule on Safe Harbour ("Regimi Semplificati"). The illustration that accompanies the Decree explains that such secondary regulation will rules both transitional and permanent Safe Harbour rules. The Minister of Finance has issued a specific Decree in may 2024 that is broadly in line with the contents of Annex A, Section 1 of the Commentary (2024 update)

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The Decree issued in June by the Minister of Finance provides for the definition of relevant CbCR and implements the IF guidance (qualified financial statements (QFSs), the usage of the same type QFSs for each entity/PE, the usage the usage of the same type QFSs for each tested jurisdiction, special rules for NMCE and PE etc

UTPR Transitional Safe Harbour

UTPR Safe Harbour is provided for by art 21.1 of the Decree. The relevant wording is the following (unofficial translation): "9. At the option of the reporting company, for financial years of duration not exceeding twelve months starting on or before December 31, 2025 and end before 31 December 2026, the UTRP due in relation to the country of location of the ultimate parent entity is equal to zero if that country applies corporate income tax with a nominal rate equal to or greater than 20%." In addition art 15 of the 20 May Decree issued by the MEF provides additional regulation on the UTPR transitional Safe Harbour

Permanent Safe Harbours

The Decree (see art 39.3) provides for a secondary regulation, to be issued 90 day after the entry in to force of the Decree, that shall rule on Safe Harbour ("Regimi Semplificati"). The illustration that accompanies the Decree explains that such secondary regulation will rule both transitional and permanent Safe Harbour rules related to MNE and domestic Groups. On 20 May a Decree has been issued but is only relevant for transition safe harbour (i.e. CbCR TSH and UTPR transitional safe harbour)

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

No later than 18 months after the end of the FY (the specific deadline should be established by future secondary regulation)

GIR: Deadline to file. Standard rule?

No later than 15 months after the end of the FY (the specific deadline should be established by future secondary regulation)

GIR: Other information?

Filing entity: in line with article 8.1 of the Model Rules depending on options by the Group and presence of agreements for the exchange of the GIR. The default rule is local filing (i.e. each CE shall file the GIR); there is the option for a local designated entity (e..g the Italian UPE of other italian CE); in case of agreement for the exchange of the GIR the filing entity could be the UPE or a designated entity. It is expected that Italy will implement the DAC9 Directive (once approved).

Deadline: aligned with the Model Rules (no later than 15 months (18 for the first fiscal year) after the end of the FY

Payment timing (at return or installments): 90% of the top-up tax due to be paid no later than the end of the 11th months after the end of the FY; the remaining amount to be paid no later that the end of the months the follows the GIR deadline

Paying entity / legal liability for tax: to be defined by the secondary legislation; for the Italian QDMTT the Group must nominate a CE (responsabile d'imposta)

Penalties: the same applicable for CIT purposes; no penalties for the first 3 fiscal years (where no will to evade of hard negligence is not present); it is not clear whether criminal penalties are applicable for Pillar Two purposes.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

No later than 18 months from fiscal year end (filing) / 90% payment on the 11 month from fiscal year end

QDMTT: Deadline to file. Standard rule?

No later than 15 months after the end of the FY (filing) / 90% payment on the 11 month from fiscal year end

QDMTT: Other information?

Filing entity: The Decree mentions specific Italian tax returns related to the QDMTT (and also IIR and UTPR) to be filed by CEs located in Italy.

Deadline: The deadline for such local tax return is aligned with the one provided for the GIR. The specific deadline should be established by future secondary regulation.

Payment timing (at return or installments): The Decree provides that 90% of the top-up tax due in Italy is to be paid at the 11th month following the last day of relevant FY (e.g. for FY 2024 ending at 31/12/2024, the deadline is the end of November 2025). The remaining 10% is to be paid in conjunction with the deadline to file the local tax return.

Paying entity / legal liability for tax: the Group must nominate a CE as responsible for the payment; JV must pay their TuT; each CE is jointly responsible for the payment

Penalties: the same applicable for CIT purposes; no penalties for the first 3 fiscal years (where no will to evade of hard negligence is not present); it is not clear whether criminal penalties are applicable for Pillar Two purposes.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

No later than 18 months from fiscal year end (filing) / 90% payment on the 11 month from fiscal year end

TPT: Deadline to file. Standard rule?

No later than 15 months after the end of the FY (filing) / 90% payment on the 11 month from fiscal year end

TPT return: Other information?

Filing entity: The Decree mentions specific Italian tax returns related to the QDMTT, IIR and UTPR to be filed by CEs located in Italy.

Deadline: The deadline for such local tax return is aligned with the one provided for the GIR. The specific deadline should be established by future secondary regulation.

Payment timing (at return or installments): The Decree provides that 90% of the top-up tax due in Italy is to be paid at the 11th month following the last day of relevant FY (e.g. for FY 2024 ending at 31 December 2024, the deadline is the end of November 2025). The remaining 10% is to be paid in conjunction with the deadline to file the local tax return.

Paying entity / legal liability for tax

Tax registration: Deadline to file. Transitional year?

No later than 18 months after the end of the FY (the specific deadline should be established by future secondary regulation)

Tax registration: Deadline to file. Standard rule?

No later than 15 months after the end of the FY (the specific deadline should be established by future secondary regulation)

Tax registration: Other information?

In general Italy provides:

- Status communications (details missing)
- GIR filing (details missing)
- Pillar Two Italian tax return

The details will be provided by secondary regulation. A Decree has been issued in February 2025 to govern the status communication for GIR purposes provided by article 8.1.3 of the GloBE Model Rules (see article 51,4 of the Italian legislative Decree). The deadline for the communication is aligned with the deadline of the GIR

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

Under the Decree penalties are applicable to:

- 1) omission, late filing exceeding 3 months or untrue or incomplete data (see article 51.9) for the GIR filing (penalties ranges form 10K to 50k with a Group cap of 1000K)
- 2) the local tax return see art 53.4 that make reference to penalties applicable for CIT purposes (i.e. a % of the tax due). Such % could be amended by other Decrees under the italian general tax reform

The Transitional penalty relief (covering the first 3 fiscal years) provides:

- 1) 1/2 of penalties for GIR filing
- 2) no penalties for the local tax return except in case of conscious will or hard negligence

Application of OECD guidance to Pillar Two local rules

Art 9.3 of the Decree provides as follows (unofficial translation): "3. The provisions of this title are interpreted and applied taking into account the Commentary to the OECD rules adopted on 11 March 2022 «Tax Challenges Arising from the Digitalisation of the Economy - Commentary to the Global Anti Base Erosion Model Rules (Pillar Two)», and subsequent amendments, and the Administrative Guides provided for in article 8.3 of the aforementioned OECD rules. The implementing provisions of the contents of the Commentary, the Administrative Guides and their updating are adopted by decree of the Minister of Economy and Finance. The Department of Finance issues specific interpretative directives in accordance with the provisions of article 11, paragraph 1, letter f) of the decree of the President of the Council of Ministers of 26 June 2019, n. 103." In practice, as of today, the Administrative Guidance (AG) issued by the Inclusive Framework has been, mainly, adopted by the secondary regulation issued by the Minister of Finance. As an example, the AG on CbCR TSH related to Hybrid Arbitrage Arrangements has been adopted and should be applicable immediately for FY2024

PwC Thought Leadership

PwC Contacts

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Country or region: Jamaica

Last update: 24 February 2025

Status of enactment

Current status: Pillar Two plans announced

Jamaica is at a preliminary stage of the legislative process, with a submission made to Cabinet to approve the implementation of the GloBE rules.

Income inclusion rule

Entry into force: To be confirmed

Expected implementation date in 2026

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

Expected implementation date in 2026

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Kimblian Batson, Partner, PwC Jamaica

Country or region: Japan

Last update: 7 February 2025

Status of enactment

Current status: Final law in force

As of 31 March 2023, Japan's 2023 Tax Reform legislation was finalized, introducing an IIR. Japan's IIR will apply to fiscal years beginning on or after 1 April 2024 (aligned with the fiscal years of the vast majority of Japanese MNCs). While Japan is expected to introduce the QDMTT and UTPR, the timing has not yet been determined. The earliest implementation would by way of the 2025 Tax Reform.

Subsequent to the passage of the 2023 Tax Reform bill, in June 2023 the Ministry of Finance issued cabinet orders and ministerial regulations in, providing additional detail regarding the operation of IIR. Further, in September 2023, the National Tax Agency (NTA) issued an additional basic circular with its various interpretation of Pillar Two provisions. All of these publications by the Japanese government collectively form the legal basis for Pillar Two implementation in Japan.

The 2024 Tax Reform proposals, released 14 December 2023, incorporate relevant key components from the February, July and December 2023 OECD administrative guidance. The 2024 Tax Reform legislation was passed by the National Diet on 28 March 2024.

In December 2024, the Japan governing coalition agreed to an outline of tax reform proposals for 2025 that includes the introduction of the UTPR and QDMTT in line with Pillar Two effective fiscal year 2026. The tax bill was presented to Parliament on 4 February 2025.

Income inclusion rule

Entry into force: 1 April 2024

As of 31 March 2023, Japan's 2023 Tax Reform legislation (which includes a Japan IIR) was finalized. Japan's IIR will apply to fiscal years beginning on or after 1 April 2024 (aligned with the fiscal years of the vast majority of Japanese MNCs). The Japan IIR legislation has been supplemented by cabinet orders and ministerial regulations issued by the Ministry of Finance in June 2023 as well as additional basic circulars issued by the National Tax Agency in September 2024. Japan’s IIR is generally in line with the OECD’s Model Rules. The 2024 Tax Reform legislation, approved in March 2024, further incorporate relevant provisions from the recent OECD administrative guidance.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 1 April 2026 (TBC)

The UTPR was introduced as part of the 2025 Tax Reform proposals approved by the Japanese government on 27 December 2024. As proposed, the Japan UTPR would apply to fiscal years beginning on or after 1 April 2026. Draft legislation is expected to be submitted to the Japanese legislature in early 2025.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 April 2026 (TBC)

The QDMTT was introduced as part of the 2025 Tax Reform proposals approved by the Japanese government on 27 December 2024. As proposed, the Japan QDMTT would apply to fiscal years beginning on or after 1 April 2026. Draft legislation is expected to be submitted to the Japanese legislature in early 2025

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

The Japan IIR legislation provides that Covered Taxes shall include corporate income tax and other taxes specified by enforcement orders. Additional basic circular issued in September 2023 provided further guidance regarding the inclusion and exclusions from Covered Taxes. Specifically, the value-added base of the size-based enterprise tax and the per capita base of the inhabitants' tax are excluded from Covered Taxes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

Further guidance will be provided through enforcement orders.

CbCR Transitional Safe Harbour

The Japan IIR legislation incorporates by reference the transitional safe harbor rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

The UPE of an MNE group (or another designated filing entity chosen by the group) can generally file the GIR on behalf of the group. The GIR does not need to be filed in Japan if the UPE (or designated filing entity) files the form in the jurisdiction where it is located, and that jurisdiction has a qualifying competent authority agreement with Japan (which provides for the automatic exchange of the GIR). Where the filing of a GIR is not required in Japan, a separate notification form will be required to be filed by the Japanese CEs.

On the other hand, if the UPE or designated filing entity is located in Japan, or there is no qualifying competent authority agreement between Japan and the jurisdiction where the UPE or designated filing entity is located, a GIR will need to be filed in Japan. If there are multiple Japanese CEs of an MNE group, any one of them may file the GIR as a representative on behalf of the others.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

An entity that is liable to pay tax in Japan under the Japanese IIR must file a separate tax return. Typically the UPE of the Japanese MNE Group will be the filing entity. For a foreign MNE Group which has intermediate parent entities or a POPE in Japanese subject to top-up tax payments under the Japanese IIR, these Japanese parent entities are required to file the returns for the top-up tax allocable to them. There is no obligation to file the return if there is no top-up tax amount allocable to the UPE or other parent entities in Japan.

Payments under the IIR are due at the filing deadline. Typically the UPE of the Japanese MNE Group will be the paying entity. Intermediate parent entities or POPEs in Japan may be the paying entity depending on the application of the top-down approach or the split ownership rules described in the Japanese IIR laws. .

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end (Notification)

Tax registration: Other information?

There is no specific requirement to register with the Japanese tax authorities for Pillar Two purposes.

To the extent that Japanese CEs are exempt from submitting a GIR, there is a requirement for such Japanese CEs to submit a notification to the Japanese tax authorities certain information regarding the UPE. Such information includes the name, location and tax identification number of the UPE and any designated filing entity. If there are multiple Japanese CEs of an MNE group, any one of them may file this notification as a representative on behalf of the others. The due date for the notification is the same as that of the Japan GIR.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Compliance requirements for MNEs in Japan

Read more

Pillar Two early movers: South Korea and Japan

Watch here

Outline of 2024 Tax Reform Proposals

Read more

Pillar Two: A Japanese perspective (CBTTpodcast)

Doug McHoney (PwC's US International Tax Services Global Leader) and Shin Yamaguchi (PwC Japan's Inbound Tax Practice leader) discuss Japan's Pillar Two rules, specifically, UTPR, IIR, Safe Harbours, QDMTT, the GloBE Information Return and effective dates. Listen here

Japan's 2023 tax reform proposals include an outline for Pillar Two legislation

Japan released the 2023 tax reform proposals on 16 December 2022. The proposals include a legislative outline to implement Pillar Two. The outline introduces an IIR that broadly aligns with the GloBE Model Rules. The IIR would apply to fiscal years beginning on or after 1 April 2024. The Outline excludes other features of the GloBE Model Rules, such as the UTPR and the QDMTT. Read more

PwC Contacts

Shintaro Yamaguchi, Partner, PwC Japan

Haruhisa Shirato, Partner, PwC Japan

PwC Japan Pillar Two website

Country or region: Jersey

Last update: 8 April 2025

Status of enactment

Current status: Final law in force

On October 2024 the law to adopt Pillar Two was passed. The legislation received Royal Assent in the Kings Privy Council meeting of 2 April 2025.

On 19 May 2023 the governments of Guernsey, Jersey and the Isle of Man published a joint statement regarding their approach to the OECD’s Pillar Two framework. Their intention is that this approach will comprise the implementation of an IIR and a domestic minimum tax from 2025. As per the Joint Statement, the three Crown Dependencies will continue to work together, monitoring implementation internationally and adapt accordingly to developments which may require adjustments to their own implementation plans. On 1 April 2022, the Government of Jersey issued an OECD Pillars One and Two tax policy reflections document. The document reiterates that Jersey is a founding member of the OECD Inclusive Framework on BEPS and that it has committed to implementing the minimum standards contained within both pillars.

Income inclusion rule

Entry into force: 1 January 2025

On 19 May 2023 the governments of Guernsey, Jersey and the Isle of Man announced their intention to implement an IIR and a domestic minimum tax from 2025

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

On 19 May 2023 the governments of Guernsey, Jersey and the Isle of Man announced their intention to implement an IIR and a domestic minimum tax from 2025

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available yet

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available yet

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Jersey releases its draft Pillar Two legislation and Guernsey update

Read here

PwC Contacts

David Waldron, Partner, PwC Channel Island

Stephen Lazarevich, PwC Channel Island

Stuart Macklin, PwC Channel Island

Country or region: Jordan

Last update: 14 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Hanan Aboud, Partner, PwC Middle East

Chris Maycroft, Director PwC Middle East

PwC Jordan Pillar Two website

Country or region: Kazakhstan

Last update: 11 July 2024

Status of enactment

Current status: Public consultation

On 4 July 2024, a draft resolution of the Government of the Republic of Kazakhstan on the signing of the Multilateral Convention to Facilitate the Implementation of the Pillar Two Subject to Tax Rule was presented for public discussion. The period for the discussion is until 19 July 2024.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

On 4 July 2024, a draft resolution of the Government of the Republic of Kazakhstan on the signing of the Multilateral Convention to Facilitate the Implementation of the Pillar Two Subject to Tax Rule was presented for public discussion. The period for the discussion is until 19 July 2024.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Aliya Ibrayeva, PwC Kazakhstan

Alexey Zhukov, PwC Kazakhstan

Mikhail Kovalenko, PwC Kazakhstan

Country or region: Kenya

Last update: 20 May 2025

Status of enactment

Current status: Final law in force

The Tax Laws Amendment Act, 2024 was assented into law on 11 December 2024 by the President and takes effect from 27 December 2024. A domestic minimum top up tax is introduced by the Act in a move seen as alignment of the country's landscape to the international tax developments led by the OECD under the Two-Pillar solution. The minimum top up tax is applicable on entities that are part of inscope multinational group and is aimed at bringing the ETR on the Group's profits up to the 15% minimum rate. We would expect the minimum top up tax to be relevant to Kenyan subsidiaries of multinationals which have accelerated capital allowances deductions or under lower tax regimes such as the SEZ or EPZ tax frameworks. This proposal aligns with the implementation of the OECD Two-Pillar Solution to reform international tax rules by the OECD Inclusive Framework on BEPS, of which Kenya is a member. It is expected that further guidelines on the implementation of the provision will be issued if the proposal is adopted.

The Finance Bill, 2025, on 30 April 2025, addresses the concern about the timing of the minimum top-up tax payment. The proposed date for payment of minimum top-up tax, as per the Bill, is the end of the fourth month following the end of the fiscal year.It is expected that the government will also clarify, through the Kenya Revenue Authority (KRA), the manner of payment.

Income inclusion rule

Entry into force: To be confirmed

No information available yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No information available yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

No information available.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

4 months from fiscal year end (as per the Finance Bill 2025)

QDMTT: Deadline to file. Standard rule?

4 months from fiscal year end (as per the Finance Bill 2025)

QDMTT: Other information?

The Finance Bill 2025, on 30 April 2025, addresses the concern about the timing of the minimum top-up tax payment. The proposed date for payment of minimum top-up tax, as per the Bill, is the end of the fourth month following the end of the fiscal year.It is expected that the government will also clarify, through the Kenya Revenue Authority (KRA), the manner of payment.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Kenya key changes Tax Amendment Act

Read more

PwC Contacts

Alice Muriithi, Director, PwC Kenya

Issa Zuberi, PwC Kenya

Country or region: Kosovo

Last update: 11 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Fjolla Muja, PwC Kosovo

Country or region: Kuwait

Last update: 7 July 2025

Status of enactment

Current status: Final law in force

In December 2024, the Government of Kuwait released its DMTT Law which marks a significant milestone in the evolution of Kuwait's tax framework. The DMTT Law is considered partially enacted since the Executive Regulations to the Law are yet to be issued, i.e. to be issued by a decision of the Minister within six months from the date of publication of the Law in the Official Gazette (i.e. 30 June 2025). The Top-up Tax takes the form of a Domestic Minimum Top-up Tax ("DMTT"), and will apply to MNEs that are in scope of Pillar Two effective from 1 January 2025. The tax will be imposed in cases where the MNE's ETR in Kuwait is below 15%.

On 30 June 2025, the Ministry of Finance published the "Executive Regulations" for the DMTT for MNEs under Ministerial Resolution No. (55) of 2025.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

The Kuwait DMTT introduces a jurisdictional-level Top-up Tax on Kuwaiti Constituent Entities and Joint Ventures of an MNE Group, ensuring that they are subject to a minimum ETR of 15% on Kuwaiti profits. The specifics on the Kuwait DMTT, including details on the calculation methodology, scope and conditions for Covered Taxes, accounting standard, and payment mechanisms are expected to be issued in the Executive Regulations, which are required to be issued by 30 June 2025. It is envisaged that the Kuwait DMTT will be in accordance with the OECD GloBE Model Rules.

QDMTT: Accounting Standards?

The specifics on the DMTT, including details on the accounting standard, and payment mechanisms are expected to be issued in the Executive Regulations.

QDMTT: SBIE applicable?

Yes

QDMTT: CbCR Safe Harbour?

Yes

QDMTT: application only to wholly-owned constituent entities?

Subject to the Executive Regulations, the Kuwait DMTT is intended to be in line with the GloBE Model Rules and should apply to CEs, JVs, and MOCEs irrespective of ownership structure.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

The specifics on scope and conditions for Covered Taxes are expected to be issued in the Executive Regulations, which are required to be issued by 30 June 2025.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

Similar to the GloBE Model Rules, the Kuwait DMTT provides for transitional CbCR Safe Harbour. For fiscal years beginning on or before 31 December 2026 and excluding fiscal years ending after 30 June 2028, the Top-up Tax due may be considered nil if any of the simplified tests are met, i.e. De Minimis Test, ETR Test or Routine Profit Test. A Qualified CbCR is required to access this safe harbour.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available.

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

Similar to the GloBE Model Rules, the Kuwait DMTT provides for a permanent de minimis safe harbour.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

15 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

A single filing entity for CEs and another for JVs, if any is expected. Further details expected in the Executive Regulations. Details on the payment timing are expected to be issued via the Executive Regulations. Penalties for non-filing or late filing of DMTT returns are significant and range from 5% to 25% of the tax payable. In addition, a fine of 1% of the value of unpaid amounts will apply to every 30 days (or part thereof) from the legal deadline of payment. Penalties for filing an incorrect DMTT return could apply at 25% of the unpaid tax. The Law also provides for certain other administrative penalties and for criminal penalties for tax evasion of up to three years and/or fines of up to three times the amount of evaded tax. This is increased to five times when the offense is repeated.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

9 months from the effective date of the Law (i.e., 30 September 2025)

Tax registration: Deadline to file. Standard rule?

120 days from becoming in scope

Tax registration: Other information?

In scope entities will be required to register with the Kuwait Tax Authorities within nine months from the effective date of the DMTT (by 30 September 2025). In scope entities that become in scope at a later date are required to register within 120 days from becoming subject to the DMTT.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Recent Pillar Two developments in Kuwait

Read more

Kuwait implements Pillar Two from 1 January 2025

Read more

PwC Contacts

Hanan Aboud, Partner, PwC UAE

Chris Maycroft, Director, PwC UAE

PwC Kuwait Pillar Two website

Country or region: Latvia

Last update: 12 February 2024

Status of enactment

Current status: Six year extension

On 30 January 2024 the Cabinet of Ministers approved the draft law for partially implementing the EU minimum tax Direcitve. The partial implementation introduces certain related reporting requirements but excludes the IIR and UTPR because Latvia has decided to postpone the enforcement of these laws. Currently the draft law has been submitted to the Latvia's Parliament for approval.

Income inclusion rule

Entry into force: Six year extension

The full adoption of the EU minimum tax Directive is postponed up to 31 December 2029.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: Six year extension

The full adoption of the EU minimum tax Directive is postponed up to 31 December 2029.

Qualified Domestic Minimum Top-up Tax

Entry into force: Six year extension

The full adoption of the EU minimum tax Directive is postponed up to 31 December 2029.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

Yes

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Vita Sakne, PwC Latvia

Country or region: Liberia

Last update: 30 June 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Mary Kwarteng Kwarteng, Tax Director, PwC Ghana

Issahaku Ibrahim, PwC Ghana

Country or region: Liechtenstein

Last update: 25 April 2025

Status of enactment

Current status: Final law in force

Following its approval by the Liechtenstein parliament on 10 November 2023, the Liechtenstein government enacted the GloBE Law (global minimum tax) on 22 December 2023 to enter into force as of 1 January 2024. As such, Liechtenstein groups and companies within the threshold of global minimum tax will be subject to a QDMTT and an IIR of 15 % for tax years starting on or after 1 January 2024.

The effective date of the UTPR is to be defined separately through a second ordinance and has not yet been put into effect. As such, it remains open whether or when UTPR may be introduced.

Income inclusion rule

Entry into force: 1 January 2024

The FL GloBE-Tax-Law introduced the IIR effective for fiscal years beginning on or after 1 January 2024.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: To be confirmed

The FL GloBE-Tax-Law foresees the introduction of the UTPR not earlier than for fiscal years beginning on or after 1 January 2025. Setting the effective entry into force date is to be determined by separate ordinance and implementation date is still to be confirmed under consideration of implementation date in other major jurisdictions (in particular the main EU countries). To date, UTPR has not been implemented in Liechtenstein yet.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

The FL GloBE-Tax-Law introduced a QDMTT effective for fiscal years beginning on or after 1 January 2024. The QDMTT applies, as IIR, for domestic and international groups exceeding the EUR 750M threshold.

QDMTT: Accounting Standards?

The law outlines that accepted accounting standards are US GAAP, IFRS, EU and EEA accepted accounting standards and accordingly also Liechtenstein local accounting standard called "PGR". Liechtenstein based UPEs can select between IFRS and PGR accounting standard. All consolidated entities have to apply the same accounting standard. For Liechtenstein taxpayers of a non-Liechtenstein UPE, the consolidation accounting standard of the UPE shall apply for QDMTT as per article 5 para 2 lit. c FL GloBE-Tax-Law.

QDMTT: SBIE applicable?

As per article 5 of FL GloBE-Tax-Law, the QDMTT is calculated in line with article 5.1 to 5.6 of the OECD GloBE rules and hence substance based income exclusion should also apply to QDMTT.

QDMTT: CbCR Safe Harbour?

Yes. As per article 3 of F GloBE-Tax-Ordinance, the safe harbor rules as per OECD apply.

QDMTT: application only to wholly-owned constituent entities?

No. As per article 5 Para 2 lit b, the FL top-up tax is collected in fullon the constituent entity concerned, regardless of the shareholding of the UPE.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

There are no specific provisions included that deviate from the OECD Model Rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

There is no FL specific guidance on the treatment of post-filing adjustments published.

Qualified Refundable and Marketable Transferable Tax Credits

Currently, no introduction of additional tax credits is planned. However, the government of Liechtenstein will analyze any further developments and, if necessary, decide on further adjustments regarding the subject of tax credits.

CbCR Transitional Safe Harbour

The GloBE-Tax-Law will follow the respective OECD Model Rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No guidance has been published so far.

UTPR Transitional Safe Harbour

No announcement yet other than statement to generally follow the OECD Model Rules.

Permanent Safe Harbours

No announcement yet other than statement to generally follow the OECD Model Rules.

Subject to Tax Rule

Draft is under discussion

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: Liechtenstein taxpayers subject to ordinary Liechtenstein tax according to the Liechtenstein Tax Law (SteG) have to file the respective ordinary tax return in any case. If a Liechtenstein taxpayer is subject to FL GloBE-Tax-Law, such tax is levied on the basis of the new GL GloBE-Tax-Law and requires a separate GloBE return (including QDMTT, IRR, UTRP (not yet in effect) and GloBE information tax return) to be filed. The GloBE taxpayers accordingly will also receive two separate tax assessments one under SteG for local tax and one under GloBE law for QDMTT, IIR and UTRP (not yet in effect). Taxpayers, for which only the provisions of the FL GloBE-Tax-Law but not those of the SteG apply, only have to file the GloBE tax return (QDMTT, IIR, UTRP (not yet in effect) and GloBE Information Return).

Deadline: The Pillar Two tax returns are to be filed within 15 months (18 months if in the transitional year) after the last day of the reporting fiscal year through a GIR by either the constituent entity itself or by a designated local entity on its behalf.

Other relevant details: There are no changes for legal entities, for which the FL GloBE-Tax-Law is not applicable (e.g. small to medium size companies). No announcement has been made of with respect to filing or tool mechanism for the GloBE return other that the OECD XML-scheme shall be the basis. Respective details are to be set via separate ordinance. Unlike the OECD Model Rules, the GloBE-Tax-Law not only applies to all MNE's inside of Liechtenstein, but also to all groups within Liechtenstein that do not have a permanent establishment or legal entity abroad but fulfill the other requirements of being subject to the GloBE-Tax-Law.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

See comments for GIR. QDMTT return is not yet available.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

See comments for GIR. IIR return is not yet available.

Tax registration: Deadline to file. Transitional year?

12 months from the first financial year end in Pillar Two scope.

Tax registration: Deadline to file. Standard rule?

12 months from the first financial year end in Pillar Two scope.

Tax registration: Other information?

Registration of constituent entities with the FL tax authorities within 12 months of the first financial year end in scope of Pillar Two. Registration form available on FL tax authorities website.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Liechtenstein applies the OECD rule also for QDMTT. Liechtenstein top-up tax owed shall be set to zero:

- a) in the first five years of the initial phase of the international activity of the multinational enterprise group within the meaning of Article 9.3.2 of the GloBE Model Rules, provided that no top-up tax is applied abroad in relation to Liechtenstein constituent entities;
- b) in the first five years from the first day of the fiscal year in which the large domestic group originally comes within the scope of this Act.

Transitional Penalty Relief

FL GloBE-Tax Law Article 29 foresees a three year transitional penalty relief provided "reasonable measures" to ensure the correct application of the GloBE rules has been applied.

Application of OECD guidance to Pillar Two local rules

OECD guidance and commentaries are generally applicable for Liechtenstein.

PwC Thought Leadership

Liechtenstein GloBE registration

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BEPS 2.0: Liechtenstein GloBE Law

Read more

BEPS 2.0: BEPS 2.0: Liechtenstein draft GloBE law published

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Liechtenstein confirms introduction of global minimum taxation

Liechtenstein is on track to introduce the Global Minimum Tax, as communicated in a media release by the Liechtenstein government dated 16 December 2022.
Read more

PwC Contacts

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PwC Liechtenstein

Country or region: Lithuania

Last update: 14 March 2025

Status of enactment

Current status: Draft/proposed law published

A draft law has been submitted to the Parliament regarding the full implementation of the EU global minimum tax Directive, but is expected to come into force no earlier than 1 January 2026.

On 6 June 2024, the Seimas of Lithuania (Parlament) adopted the Law of the Republic of Lithuania on Ensuring the Minimum Taxation Level of Groups of Subjects, which partially implements the Council Directive (EU) 2022/2523 of 12/15/2022 (extension according to Article 50 (1) of the Directive).

Income inclusion rule

Entry into force: Six year extension

Lithuania opted to postpone the implementation of IIR, UTPR, and QDMTT for 6 years.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: Six year extension

Lithuania opted to postpone the implementation of IIR, UTPR, and QDMTT for 6 years.

Qualified Domestic Minimum Top-up Tax

Entry into force: Six year extension

Lithuania opted to postpone the implementation of IIR, UTPR, and QDMTT for 6 years.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available.

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

Although the implementation is postponed, the filling obligation to declare and submit the top-up tax information return in Lithuania to the main entity arises from 1 January 2024. The scope and procedure of the data to be provided is to be determined by the Lithuanian Tax Authorities (no draft legislation is currently available).

Tax registration: Deadline to file. Transitional year?

15 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

15 months from fiscal year end

Tax registration: Other information?

There are three main notification requirements in Lithuania:

- #1 Notification regarding the data reporting entity
- #2 Notification confirming that the data necessary for preparing the supplementary tax information declaration have been transferred to the designated data-reporting entity

- #3 Notification regarding the beginning stage of group operations

Notification requirements #1 and #2 are strictly dependent on the location of the UPE, i.e., if the UPE is not a Lithuanian company, notification requirements #1 and #2 are not applicable in Lithuania.

The notification regarding #3 is filed and reported to the local tax authorities no later than 15 months from the end of the financial year. As per the local law, the first Notification of the Commencement of the Initial Stage of Activities for the taxable entity's financial year starting on December 31, 2023 and ending on December 31, 2024, must be submitted to the State Tax Inspectorate (VMI) no later than March 31, 2026, or later if the financial year starts on a date other than December 31, 2023. According to the Law of the Republic of Lithuania on Ensuring the Minimum Taxation Level of Groups of Subjects, the beginning stage of group operations refers to when a company reaches, for the first time, these two thresholds: (i) it has constituent entities in no more than six jurisdictions; and (ii) the sum of the net book value of the tangible assets of all the constituent entities of the MNE group located in all jurisdictions other than the reference jurisdiction does not exceed EUR 50 000 000 (in line with article 49 of the EU Global Minimum Tax Directive).

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

On 1 July 2024, the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania has enacted the Description of the procedure for submitting information notices necessary to ensure the ensure the minimum level of taxation of groups of entities in the European Union, which were prepared in the implementation of both the Law of the Republic of Lithuania on Ensuring the Minimum Level of Taxation of Groups of Subjects and and the provisions of the the global minimum Directive.

PwC Thought Leadership

PwC Contacts

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Country or region: Luxembourg

Last update: 28 April 2025

Status of enactment

Current status: Final law in force

Luxembourg implemented the Pillar Two rules in line with the Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union. On 20 December 2023, the law was adopted by the Luxembourg Chamber of Deputies.

The implementation of the EU Pillar Two Directive is through a separate law which foresees the implementation of 3 new taxes in Luxembourg, an IIR tax (for fiscal years starting on or after 31 December 2023), a UTPR tax (for fiscal years starting on or after 31 December 2024) and a QDMTT (for fiscal years starting on or after 31 December 2023).

The law closely follows the EU Pillar Two Directive and the Transitional Safe Harbour Rules issued by the OECD in December 2022. The law currently includes most of the provisions of the Administrative Guidance which was released by the OECD in February and July 2023.

On 23 December 2024, draft law n°8396 was enacted, amending certain provisions of the Pillar Two Law. The amendments broadly incorporate the Administrative Guidance issued by the OECD until June 20224 and clarify some important principles which could be relevant for Luxembourg businesses impacted by the rules.

Income inclusion rule

Entry into force: 31 December 2023

As per the Luxembourg law, the IIR will be effective for fiscal years beginning on or after 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

As per the Luxembourg law, the UTPR will be effective for fiscal years beginning on or after 31 December 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

As per the Luxembourg law, the QDMTT will be effective for fiscal years beginning on or after 31 December 2023.

QDMTT: Accounting Standards?

The Luxembourg QDMTT rules follow the Local Accounting Standard Rule, in line with the OECD Administrative Guidance of July 2023. 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. In case there are Luxembourg entities that file under Lux GAAP and others that use IFRS, then the QDMTT calculations shall be made following IFRS. In case there are Luxembourg entities that have a fiscal year which deviates from the group accounting year, then the QDMTT calculations shall be made following the accounting standard which is used for calculating the ETR under the Income Inclusion Rule.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion would be applicable.

QDMTT: CbCR Safe Harbour?

Yes, CbCR Safe Harbour applicable for QDMTT

QDMTT: application only to wholly-owned constituent entities?

No. The QDMTT applies to all Lux entities part of a group subject to Pillar Two.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The commentary to the Luxembourg Pillar Two law mentions that, in a non-exhaustive manner, corporate income tax, municipal business tax and net wealth tax qualify as covered taxes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No further guidance yet

Qualified Refundable and Marketable Transferable Tax Credits

The law includes the concept of Qualified Refundable Tax Credits and Marketable Transferable Tax Credits, in line with the EU Directive and the OECD Administrative Guidance. A Luxembourg Grand-ducal Regulation dated 20 December 2024 includes further details with respect to the treatment of such tax credits for Pillar Two purposes. Luxembourg tax credits are currently not Qualified Refundable Tax Credits nor Marketable Transferable Tax Credits.

Carried forward tax credits generated before a group is subject to the Pillar Two rules can be recognized as a deferred tax asset for Pillar Two purposes (as an exception to the general treatment of tax credits under Pillar Two). Hence, groups with Luxembourg investment tax credits could benefit from such grandfathering even though the current Luxembourg investment tax credits are not Qualified Refundable Tax Credits under the Pillar Two rules.

CbCR Transitional Safe Harbour

The CbCR Safe Harbour as per the OECD report of December 2022 and OECD guidance issued in 2023 is enacted in the Luxembourg Pillar Two law.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The guidance included in the law follows the December 2023 OECD guidance with regard to qualified financial statements.

UTPR Transitional Safe Harbour

The UTPR Safe Harbour as per the OECD Administrative Guidance of July 2023 is enacted in the Luxembourg Pillar Two law.

Permanent Safe Harbours

The Permanent Safe Harbour as per the OECD report of December 2022 is included in the law. The commentary to the law recognises that work is still being undertaken at the level of the OECD Inclusive Framework. Hence, until the OECD releases further details on the basis for calculating the permanent safe harbour (e.g., for entities other than 'Non-Material Constituent Entities'), the rule should not yet be applicable in Luxembourg.

Subject to Tax Rule

Signed but not ratified

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: each Luxembourg constituent entity must file a GloBE return unless a designated Luxembourg filing entity is appointed. Alternatively, the UPE or a designated group entity can file the GIR for Luxembourg entities if located in a jurisdiction with an eligible agreement for automatic exchange of GIR information with Luxembourg.

Deadline: first filing due by 30 June 2026 at the latest (for groups having a calendar year-end).

Payment timing: top-up tax due under the Pillar Two rules is expected to be paid within one month after filing a separate payment declaration in Luxembourg (which has the same deadline as the GIR).

Paying entity / legal liability for tax: each Luxembourg constituent entity is responsible for filing the return and paying the tax unless a designated Luxembourg filing entity is appointed. The entity responsible for filing the return is also legally liable for the tax.

Penalties: Failure to comply with filing obligations may lead to substantial penalties, including fines of up to EUR250,000 per constituent entity for not submitting the GIR, or for providing incomplete or inaccurate information, as well as fines of up to EUR5,000 per constituent entity for non-compliance with registration or notification obligations.

Other relevant details: if the GIR is filed by a foreign constituent entity, a notification must be filed with the Luxembourg tax authorities with respect to the entity that is filing the GIR and the jurisdiction in which it is located. The notification has the same deadline as the GIR.

QDMTT: Separate return?

No

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end (filing of payment declaration) / 19 months from fiscal year end (payment)

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end (filing of payment declaration) / 16 months from fiscal year end (payment)

QDMTT: Other information?

The QDMTT filing is expected to form an integral part of the GIR. In case top-up tax is to be paid (IIR, UTPR or QDMTT), a separate payment declaration is expected to be due in Luxembourg (which has the same deadline as the GIR).

TPT (IIR/UTPR): Separate return?

No

TPT: Deadline to file. Transitional year?

18 months from fiscal year end (filing of payment declaration) / 19 months from fiscal year end (payment)

TPT: Deadline to file. Standard rule?

15 months from fiscal year end (filing of payment declaration) / 16 months from fiscal year end (payment)

TPT return: Other information?

No announcement yet

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end

Tax registration: Other information?

All Luxembourg constituent entities must register with the Luxembourg direct tax authorities (Administration des Contributions Directes). The registration is separate from the existing corporate tax registrations. For groups in scope of the rules in 2024 and with a group calendar year-end, the deadline for the registration would be 30 June 2026.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Luxembourg adopts the exclusion of MNE groups in the initial phase of their international activity for UTPR, domestic IIR and QDMTT. The exclusion for QDMTT is not dependent on whether other countries may have to apply IIR or UTPR.

An MNE group is considered to be in its initial phase of international activity for a given fiscal year if: *i. it has constituent entities in no more than 6 jurisdictions; and *ii. the sum of the net book value of the tangible assets of all the MNE group's constituent entities located in all jurisdictions other than the reference jurisdiction does not exceed EUR 50 million.

Luxembourg would still be able to apply IIR for foreign jurisdictions if there is a parent entity located in Luxembourg that needs to apply IIR.

Transitional Penalty Relief

No official announcement yet.

Application of OECD guidance to Pillar Two local rules

On 23 December 2024, Luxembourg enacted draft law n°8396 amending the Luxembourg Pillar Two law. The amendments incorporate most of the OECD Administrative Guidance issued until June 2024. The amendments entered into force for Fiscal Years ending on or after 31 December 2023. The Luxembourg Government included several arguments to defend the retroactivity of the rules in the commentary to the law.

PwC Thought Leadership

Pillar 2 rules and Q&A CNC 25/035 – Impact on financial statements

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Vote of the law amending Pillar Two minimum taxation rules in Luxembourg

Read more

Luxembourg releases draft law to amend the Pillar 2 Law

On 12 June 2024, the Luxembourg government submitted a draft law (n° 8396) to amend the law of 22 December 2023 introducing the Pillar 2 minimum taxation rules. Read more

New Pillar Two rules - Impact on the financial statements as from 2023

Read more

Vote of the law for the implementation of Pillar Two minimum taxation rules in Luxembourg

On 20 December 2023, the Luxembourg Chamber of Deputies adopted the law to implement the global minimum tax (n°8292). Read more

Luxembourg amends its draft law introducing global minimum tax

On 13 November 2023, the Luxembourg Government released amendments to the draft law to implement the global minimum tax (n°8292). Read more

Luxembourg releases draft law to implement global minimum tax

On 4 August 2023, the Luxembourg draft law to implement the global minimum tax was released (n°8292). Read more

PwC Contacts

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Country or region: Malaysia

Last update: 14 May 2025

Status of enactment

Current status: Final law in force

Subsequent to the Budget 2024 announcement in October 2023, the Government of Malaysia gazetted the Finance (No. 2) Bill 2023 in December 2023 ("Finance Act"). The Finance Act incorporated the legislative provisions of the OECD Pillar Two Model Rules into all revenue acts in Malaysia, namely the Income Tax Act 1967 ("ITA"), Petroleum Income Tax Act 1967 and Labuan Business Activity Tax Act.

The Malaysian Pillar Two Rules introduced under the Finance Act are closely aligned with the OECD Pillar Two Model Rules and will be effective for financial years beginning on or after 1 January 2025.

Income inclusion rule

Entry into force: 1 January 2025

The Multinational Top-up Tax ("MTT") as per Section 160 of the ITA is in line with the IIR under the Pillar Two Model Rules. Chapter 4 Part XI of the ITA describes the application of the IIR mechanism, which is as per Article 2.1 to Article 2.3 of the Pillar Two Model Rules.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

The UTPR provisions within the OECD Pillar Two Model Rules has not been adopted in the Finance Act issued by the Government of Malaysia.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

The QDMTT, is termed as the Domestic Top-up Tax (DTT) in Section 159 of the ITA. It describes the manner to calculate the DTT, i.e. an income tax to be known as DTT shall be charged for each Financial Year on a Low-Taxed Constituent Entity located in Malaysia of a MNE group in an amount equal to the MTT of a Constituent Entity as calculated under Chapter 7 Part XI of the Income Tax Act 1967 for a Financial Year and for that purpose the provisions of this Part shall apply accordingly with any necessary modifications to determine liability to and to administer DTT.

The methodology for calculating the ETR and Top-up Taxes is described under Chapter 7 Part XI of the ITA, which is in line with Article 5 of the OECD Pillar Two Model Rules.

QDMTT: Accounting Standards?

Under Section 164 of Part XI of the Finance Act 2024, which was gazetted on 31 December 2024, for the purposes of computing DTT, the Financial Accounting Net Income or Loss of a Constituent Entity should be based on the Constituent Entity financial statements, which are defined as such financial statements that are:

- (a) Required to be kept or used under any written law of Malaysia; or
- (b) Audited by an approved company auditor.

[This effectively requires local audited financial statements to be used for the purposes of computing DTT.]

QDMTT: SBIE applicable?

Yes, in line with the OECD. However, based on the updated Global Minimum Tax FAQ released on 11 April 2025, Inland Revenue Board of Malaysia has revised the rules to allow SBIE claims on: *- Tangible assets reported in balance sheet under PPE but not put in use *- Assets under work-in-progress reported in PPE *- Reimbursement to employees for housing and transportation expenses

The GloBE Model Rule Commentary para. 39 defines PPE as tangible assets that are held for use in the production or supply for goods or services or for adminstrative purposes.

As the Global Minimum Tax FAQ mentioned that the assets should be categorised as a PPE to be eligible for SBIE claim, it may imply that the asset must be used for production or supply for goods or services or for administrative purposes.

QDMTT: CbCR Safe Harbour?

Yes, in line with the OECD

QDMTT: application only to wholly-owned constituent entities?

No. The QDMTT applies to all Malaysian entities part of a group subject to Pillar Two.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

The definition of covered taxes under Section 157(1) Part XI of the ITA closely follow the principles under the OECD BEPS Pillar Two Model Rules.

Additionally, based on the FAQ issued by the Inland Revenue Board of Malaysia ("IRBM"):

- Zakat on business in Malaysia is not covered by the GloBE Rules, as giving zakat is a religious duty for Muslims and is not a compulsory payment to the general government.
- Real Property Gain Tax ("RPGT") is part of the covered taxes, as this tax is related to GloBE income and is a tax expense included in the Consolidated Financial Statement.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No announcement yet.

Qualified Refundable and Marketable Transferable Tax Credits

The ITA has adopted provisions with regards to the Qualified Refundable Tax Credits and Marketable Transferable Tax Credits which are in line with the OECD BEPS Pillar Two Model Rules.

CbCR Transitional Safe Harbour

There is no specific CbCR Transitional Safe Harbour mentioned in the ITA. However, IRBM has provided further clarity on CbCR Transitional Safe Harbour in the local GMT guidelines, and is in line with the OECD BEPS Pillar Two Model Rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

A Qualified CbCR refers to a CbC report prepared using Qualified Financial Statements. A Qualified Financial Statements refers to the following definitions:

- (a) the accounts used to prepare the Consolidated Financial Statements of the UPE;
- (b) separate financial statements of each Constituent Entity provided they are prepared in accordance with either an Acceptable Financial Accounting Standard or an Authorised Financial Accounting Standard if the information contained in such statements is maintained based on that accounting standard and it is reliable; or
- (c) in the case of a Constituent Entity that is not included in an MNE Group's Consolidated Financial Statements on a line-by-line basis solely due to size or materiality grounds, the financial accounts of that CE that are used for the preparation of the MNE Group's CbCR.

UTPR Transitional Safe Harbour

Not applicable

Permanent Safe Harbours

The ITA allows the MTT for a jurisdiction to be zero if the entity is eligible for GloBE Safe Harbour Rules that is pursuant to the conditions provided under the GloBE Implementation Framework. This falls under Section 195 of the ITA and is in line with Article 8.2 the OECD BEPS Pillar Two Model Rules.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: The UPE or designated filing entity shall submit to IRBM an Information Return (similar to the GIR as per Article 8.1 of the OECD Pillar Two Model Rules) for each financial year electronically. Similar to Article 8.1. of the OECD Pillar Two Model Rules, a Constituent Entity located in Malaysia of that MNE group may elect to appoint a Designated Local Entity to furnish to Inland Revenue Board of Malaysia (IRBM) the information return on its behalf.

Deadline: no later than 15 months from the last day of the Reporting Financial Year.

Penalties: Incomplete and/ or incorrect information provided to IRBM may result in a penalty or fine imposed under subsection 226(1) of the ITA, ranging from RM20,000 to RM100,000, or imprisonment for up to six months, or both.

Other relevant details: The content of the Information Return as described under the ITA is similar to the requirements under Article 8.1.4 of the OECD Pillar Two Model Rules.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

Filing entity: Every Constituent Entity of a MNE group shall for each Reporting Financial Year furnish to Inland Revenue Board of Malaysia (IRBM) a Top-up Tax return in the prescribed form. The Top-Up Tax return shall specify the amount of tax payable, if any, for that year; and contain such particulars as may be required by IRBM. Deadline: not later than 15 months from the last day of the Reporting Financial Year. Payment timing (at return or installments): At return Penalties: Under subsection 227(1) of the ITA, IRBM may impose a fine of not less than RM20,000 and not more than RM100,000 and a special penalty of double the amount of tax which has been undercharged for

- a) an incorrect Top-up Tax return that omits or understates the top-up tax; or
- b) any incorrect information affecting the chargeability to tax of any Constituent Entity.

TPT (IIR/UTPR): Separate return?

Unknown

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

No announcement yet

Tax registration: Deadline to file. Transitional year?

Notification: expected to be required within the CIT return (deadline to file is seven months from fiscal year end) as per the Global Minimum Tax Guidelines

Tax registration: Deadline to file. Standard rule?

Notification: expected to be required within the CIT return (deadline to file is seven months from fiscal year end) as per the Global Minimum Tax Guidelines

Tax registration: Other information?

Although not specifically mentioned in the Global Minimum Tax Guidelines, the new Form C YA 2025 (Corporate income tax return form) reveals two additional questions in relation to GMT notification as follows:

- - Whether the entity is subject to domestic top-up tax or multinational top-up tax under Part XI of the ITA
- - If yes, to provide the name of the UPE and its jurisdiction.

This seems to imply that notification is required to be made via Form C as part of the corporate income tax filing process. As such, the notification is expected to be filed annually as part of the corporate income tax filing process. The deadline to file shall follow the corporate income tax return filing deadline (i.e., within seven months after the end of the company's financial year).

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Not applicable in Malaysia (Malaysia has not adopted UTPR).

Transitional Penalty Relief

Based on the GMT guidelines issued by IRBM on 2 December 2024, transitional penalty relief applies to any financial years beginning on or before 31 December 2026 but does not include financial year that ends after 30 June 2028. During a transition period, no fines or penalties will be imposed if IRBM considers that the Constituent Entity has taken “reasonable measures” to ensure the correct application of the GMT legislation.

For IRBM to consider that the Constituent Entity has taken “reasonable measures”, it must demonstrate that it has acted in good faith to understand and comply with the GMT legislation. IRBM will assess each case based on the facts and circumstances.

Application of OECD guidance to Pillar Two local rules

The ITA has defined GloBE Rules to include the following;

- the Globe Model Rules
- the GloBE Rules Commentary and any further commentaries published by the Organisation for Economic Co-operation and Development/G20 Inclusive Framework on Base Erosion and Profit Shifting that are relevant to the implementation of the GloBE Rules; and
- any Agreed Administrative Guidance or any other guidance published by the Organisation for Economic Co-operation and Development/G20 Inclusive Framework on Base Erosion and Profit Shifting that are relevant to the implementation of the GloBE Rules.

As the ITA has made reference to the Administrative Guidance from the OECD, hence the OECD Administrative Guidance shall apply within the Malaysian Pillar Two Rules.

PwC Thought Leadership

Malaysian Budget 2025

Read more

Malaysian Budget 2024

Read more

Introduction of Global Minimum Tax

The Ministry of Finance has indicated that Malaysia will be implementing a global minimum tax, including a QDMTT.
Read more

PwC Contacts

Aurobindo Ponniah, Partner, PwC Malaysia

Country or region: Malta

Last update: 21 March 2024

Status of enactment

Current status: Six year extension

Malta has published the legal notice (the ‘Regulations’) confirming that Malta has elected for the delayed application of up to 6 years of the IIR and UTPR in terms of Article 50 of the EU Minimum Tax Directive. Furthermore, the Regulations do not introduce a qualified domestic top-up tax (‘QDTT’). During 2024, the government will continue to follow international developments and take action according to those developments.

Income inclusion rule

Entry into force: Six year extension

On the basis that Malta elected for the Article 50 derogation, no IIR applies until the derogation continues to hold.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: Six year extension

On the basis that Malta elected for the Article 50 derogation, no UTPR applies until the derogation continues to hold.

Qualified Domestic Minimum Top-up Tax

Entry into force: Six year extension

Malta will not introduce a QDMTT at least in 2024. During 2024, the government will continue to follow international developments and take action according to those developments.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Malta Budget 2024

Read more

PwC Contacts

Neville Gatt, Partner, PwC Malta

Bernard Attard, Partner, PwC Malta

Steve Gingell, Partner, PwC Malta

Marlon Farrugia, PwC Malta

Country or region: Mauritius

Last update: 12 June 2025

Status of enactment

Current status: Pillar Two plans announced

FFollowing a statement in the 2022-23 Budget Speech, the 2022-2023 Finance Act introduced the concept of a QDMTT to ensure that resident companies of large multinationals, that would be subject to a Top-up Tax under GloBE, are taxed at a minimum rate of 15%.

The Mauritius Income Tax Act has been amended to introduce the primary legislation for Pillar Two. Section 4 of the Income Tax Act stipulates that "a company forming part of an MNE group which is liable to a Top-up Tax in a year may be required by the Director-General to compute and pay a Qualified Domestic Minimum Top-up Tax in such form and manner as may be prescribed". Section 2 of the Income Tax Act includes definitions of MNE Group, Qualified Domestic Minimum Top-up Tax and Top-Up Tax, by referring to the GloBE Rules as approved by the Inclusive Framework on BEPS.

In the National Budget 2025-2026, it has been announced that a QDMTT will be imposed on resident subsidiaries and holding companies of MNEs resident in Mauritius on income derived as from 1 July 2025. More details will be available in the Finance Act 2025, which is expected to be published in July 2025.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

Mauritius has introduced the primary legislation for Pillar Two. Section 4 of the Income Tax Act as amended stipulates that a company forming part of an MNE group which is liable to a Top-up Tax in a year may be required by the Director-General to compute and pay a Qualified Domestic Minimum Top-up Tax in such form and manner as may be prescribed.

The 2022-23 Budget Statement cites that "as part of our actions against tax base erosion and profit shifting, we are introducing a domestic minimum top-up tax to ensure that resident companies of large multinationals are taxed at a minimum rate of 15 percent." The Statement Annex expanded this information with "The Income Tax Act will be amended to cater for any change that may be required in connection with the introduction of a domestic minimum top-up tax, applicable to companies resident in Mauritius forming part of multinational enterprise groups having a global annual revenue of 750 million euros or more, to ensure that they are taxed at the global minimum rate of 15%."

In the National Budget 2025-2026, it has been announced that a QDMTT will be imposed on resident subsidiaries and holding companies of MNEs resident in Mauritius on income derived as from 1 July 2025. More details will be available in the Finance Act 2025, which is expected to be published in July 2025.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

National Budget 2025 - 2026

Read more

PwC Contacts

Yamini Rangasamy, Director, Mauritius

Country or region: Mexico

Last update: 12 April 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

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TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Current tax priorities in Mexico

Watch here

PwC Contacts

Mario Alberto Gutierrez, Partner, PwC Mexico

Country or region: Moldova

Last update: 11 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

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QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

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Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Alina Timotin, PwC Moldova

Country or region: Mongolia

Last update: 19 September 2024

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

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QDMTT: CbCR Safe Harbour?

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QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

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Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

The jurisdiction has expressed its intent to sign the Multilateral Convention

Tax compliance and tax registration requirements

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Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Gunel Sadiyeva, PwC Azerbaijan

Enkhzul Jambal; PwC Mongolia

Country or region: Montenegro

Last update: 22 September 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

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Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

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UTPR Transitional Safe Harbour

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Permanent Safe Harbours

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Subject to Tax Rule

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Tax compliance and tax registration requirements

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Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

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Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Aleksandar Arsic, PwC Serbia

Country or region: Mozambique

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

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QDMTT: CbCR Safe Harbour?

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QDMTT: application only to wholly-owned constituent entities?

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QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

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No information available.

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Tax registration: Deadline to file. Transitional year?

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Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Patricia Quirino, Partner, PwC Mozambique

Country or region: Namibia

Last update: 14 May 2024

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

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TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

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No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Anneri Luck, PwC Namibia

Country or region: Netherlands

Last update: 2 January 2025

Status of enactment

Current status: Final law in force

On 17 September 2024, Budget Day, the government of the Netherlands announced amendments to the Dutch Minimum Tax Act 2024 (Pillar Two) as part of the government's 2025 Tax Package. On 3 October 2024 the government of the Netherlands announced additional amendments to the Dutch Pillar Two legislation via a memorandum of amendment.

The amendments incorporate the Administrative Guidance (AG) of the IF on BEPS of 2023 and 2024. The Netherlands follows the AG as closely as possible. The AG is incorporated in the Netherlands via legislative amendments to the extent that the government considers interpretative means insufficient.

The legislative changes are largely implemented retroactively to 31 December 2023. Changes considered not beneficial to taxpayers are implemented per 31 December 2024.

The draft legislative bill of 17 September 2024 provides the following amendments:

- MTTCs. The July 2023 AG on Marketable Transferable Tax Credits (MTTCs) is consistently incorporated in the Dutch Minimum Tax Act 2024 (Dutch MTA 2024). The rules apply retroactively per 31 December 2023.
- QDMTT SH. The July 2023 AG on the QDMTT and QDMTT Safe Harbour is consistently incorporated in the Dutch MTA 2024. In response to questions raised in practice supplemental clarifications have been made to secure alignment of the rules involving the Dutch QDMTT with the Pillar Two model rules, commentaries and guidance. The rules apply per 31 December 2024 and to reporting years beginning on or after this date.
- SBIE. The July 2023 AG on the calculations of the SBIE is consistently incorporated in the Dutch MTA 2024. The rules apply per 31 December 2024 and to reporting years beginning on or after this date.
- CbCR SH. The July 2023 AG on the transitional CbCR Safe Harbour is consistently incorporated in the Dutch MTA 2024. The December 2023 AG on the anti-arbitrage rules for hybrid arbitrage arrangements after 15 December 2022 is consistently incorporated in the Dutch MTA 2024. The anti-arbitrage rules apply per 31 December 2024 and to reporting years beginning on or after this date. The May 2024 CBCR guidance on mismatches is consistently incorporated in the Dutch MTA 2024; these rules apply retroactively per 31 December 2023.
- GIR. The December 2023 AG on the GIR on filing deadlines involving short fiscal years is consistently incorporated in the Dutch MTA 2024. The rules apply retroactively per 31 December 2023.
- Other. Technical amendments introduced involve: (i) investments in flow-through entities (cf. July 2023 AG); (ii) the conversion of FX-amounts (currency conversion; cf. July 2023 AG), and; (iii) the measure for Excess Negative Tax Carry-Forwards (cf. February 2023 AG), in conformity with AG releases. The rules apply retroactively per 31 December 2023 except for the rules involving Excess Negative Tax Carry-Forwards which apply per 31 December 2024.

The memorandum of amendment of 3 October 2024 provides the following amendments:

- Refreshing rule. The July 2023 AG on the refreshing rule for QDMTTs coming into effect in a subsequent year is consistently incorporated in the Dutch MTA 2024. The rule applies retroactively per 31 December 2023.
- Simplified jurisdictional reporting. The transitional simplified jurisdictional reporting framework developed in the July 2023 Report on the GIR is consistently incorporated in the Dutch MTA 2024. The rule applies retroactively

per 31 December 2023.
- Delegated act. The format developed for GIR-purposes by the OECD in its July 2023 Report on the GIR is mandatory in the Netherlands. A basis for a delegated act is introduced to impose the relevant requirements for this purpose.

The Pillar Two Rules entered into force in the Netherlands on 31 December 2023. The legislative proposal of the Netherlands to transpose Pillar Two into the Dutch company tax system entitled Minimum Tax Act 2024 proposal was adopted by the Senate on 19 December 2023 and with that the new legislation has been substantively enacted as of that date. On Wednesday 31 May 2023, the legislative proposal was submitted to the Dutch Parliament. On 13 October 2023, the State Secretary for Finance presented the Memorandum of Amendment to the Bill on the Minimum Tax Act 2024 to Dutch parliament, introducing amendments to the original legislative proposal to amongst others legislate a QDMTT Safe Harbour. In the night of 26 and 27 October 2023 the Dutch House of Representatives adopted the legislative proposal. The legislation entered into force on 31 December 2023, in alignment with Council Directive (EU) 2022/2523. On 21 December 2023 the State Secretary for Finance released a decree introducing Pillar Two advance ruling eligibility (Decree of 19 December 2023, No. 2023-0000020007).

Income inclusion rule

Entry into force: 31 December 2023

The Pillar Two Rules have entered into force in the Netherlands on 31 December 2023. The IIR in the Minimum Tax Act 2024 entered into force on 31 December 2023. The new legislation applies to fiscal years starting on or after this date.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

The UTPR in the Minimum Tax Act 2024 will into force on 31 December 2024. The new legislation will first apply to fiscal years starting on or after this date. The UTPR enters into force a year later than the IIR, on 31 December 2024, and will first apply to fiscal years starting on or after this date. In alignment with the Council Directive (EU) 2022/2523 an exception is provided in cases where a constituent entity located in the Netherlands is held by an UPE in an EU Member State that has opted for the extension available under the Directive for introducing the IIR and UTPR. In those cases the Netherlands applies the UTPR already as from the legislation's entry into force as of 31 December 2023, in alignment with the Directive provisions.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The QDMTT in the Minimum Tax Act 2024 entered into force on 31 December 2023. The new legislation first applies to fiscal years starting on or after this date. The legislative proposal was submitted to parliament on 31 May 2023. Amendments to the proposal were incorporated on 13 October 2023. The draft legislation has been adopted by the House of Representatives on 26 October 2023. The bill was adopted by the Senate on 19 December 2023. The timeframe aligns with the requirements set in Council Directive (EU) 2022/2523.

QDMTT: Accounting Standards?

The Netherlands has legislated a local financial accounting standard for QDMTT and QDMTT Safe Harbour purposes (13 October 2023 amendment to Minimum Tax Act 2024). Parliamentary history has observed that the Netherlands has chosen to allow the QDMTT calculation to be based on the local financial reporting standard. The objective the

Netherlands government is to fully align with the OECD Model Rules and the Commentary and Administrative Guidance issued by the OECD. On 20 October 2023 the Dutch Association of Tax Advisers (NOB) has published a comment letter (in Dutch) on its website, submitting that the association has observed some apparent potential uncertainties as to whether the QDMTT Safe Harbour has been implemented by the NL in a technically correct manner, i.e., despite the objective pursued to legislate in full alignment with OECD outputs. Further interpretative clarification (i.e., no legislative amendments) is anticipated.

QDMTT: SBIE applicable?

The SBIE is applicable to the QDMTT. Under the Dutch QDMTT the top-up tax percentage is multiplied with the jurisdictional excess profit to arrive at the top-up tax under the QDMTT. The jurisdictional excess profit is determined by reducing the GloBE income in the jurisdiction involved with the SBIE in the jurisdiction involved.

QDMTT: CbCR Safe Harbour?

Yes, CbCR Safe Harbour applicable for QDMTT

QDMTT: application only to wholly-owned constituent entities?

No. The Dutch QDMTT is calculated under the Dutch Minimum Tax Act 2024 without taking into account the size of the ownership interest of the MNE group or large-scale domestic group in the respective Low-Taxed Constituent Entities (LTCEs) located in the Netherlands. Contrary to the IIR this means that no references are made to the allocable share of the group involved (no pro rata parte approach). This has been explicated in parliamentary history. Dutch QDMTT in the hands of a LTCE located in the Netherlands is levied in full (100%), also in the event that the ownership interest of the UPE involved for instance is 80% while the remaining 20% shareholding interest is in the hands of third parties.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The legislation and its parliamentary history have aligned with the OECD outputs in any explications on taxes constituting covered taxes. Taxes levied on corporate income include and so do taxes in lieu of corporate income taxes, as well as dividend taxes. No formal position has been taken on the qualification of source taxes on interest and royalty payments for Netherlands' Pillar Two purposes. The same holds for the qualification of the conditional source taxes that have been in the Netherlands on certain outbound interest and royalty payments (introduced per 2021), and dividends (introduced per 2024 in addition to the existing dividend withholding tax). In some of the numerical examples in parliamentary history the conditional source taxes have been included as a covered tax on an assuming basis. In practice it has been anticipated that all these source taxes will qualify as covered taxes for purposes of the Netherlands' Pillar Two legislation. Notably, parliamentary history has forwarded that a non-qualifying top-up tax qualifies as a covered tax for Pillar Two purposes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

The Dutch Minimum Tax Act 2024 (Duch MTA 2024) has incorporated Article 4.6 Model Rules into Article 7.6 Dutch MTA 2024. The Dutch Pillar Two legislation closely adheres to the OECD/IF Pillar Two Model Rules and Commentaries thereto as well as the batches of Agreed Administrative Guidance released over the past few years by the IF. The government of the Netherlands has not unilaterally provided additional guidance on the treatment of post-filing adjustments for Dutch Pillar Two purposes.

Qualified Refundable and Marketable Transferable Tax Credits

The Netherlands has legislated its Pillar Two rules in alignment with the OECD outputs in relation to tax credits and qualified refundable tax credits (QRTCs). The Dutch Pillar Two legislation involving tax credits and QRTCs is in alignment with the OECD Model Rules and Commentary. The objective of the Netherlands government is to fully align with the issued Administrative Guidance. Parliamentary history has noted that any administrative guidance will be incorporated in Dutch tax law by means of interpretation. To the extent necessary the State Secretary for Finance has explicated that this will otherwise be done via decrees.

The Dutch Minimum Tax Act 2024 has been amended as per 31 December 2024, introducing marketable transferable tax credits (Article 6.5 Dutch MTA 2024) classifying under the Dutch Pillar Two rules as income for the ETR calculation. The modification is in alignment with the guidance of July 2023.

CbCR Transitional Safe Harbour

The Netherlands has included a temporary CBCR Safe harbour in the Dutch Minimum Tax Act 2024. The temporary safe harbour rule has been drafted in alignment with the framework as agreed upon within the Inclusive Framework in December 2022. The safe harbour rule essentially establishes that a multinational or domestic group that falls within the scope of the Pillar Two measures while meeting certain conditions is eligible to opt for applying a simplified regulatory framework instead of applying the detailed Pillar Two rules as currently proposed. Matters mainly involve the application of the rules for calculating the effective tax burden for Pillar Two purposes. The safe harbour rule allows eligible group entities to make use of existing financial data and already existing CbCR data as a basis for the Pillar Two ETR calculations. If the simplified conditions in the safe harbour rule are met, any additional top-up tax under any of the proposed top-up tax mechanisms will be set at nil for application of the detailed Pillar Two rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The government of the Netherlands has not unilaterally provided guidance about a CbCR to be considered “qualifying” for Pillar Two purposes. The Dutch Pillar Two legislation closely adheres to the OECD Model Rules and Commentaries thereto, as well as the batches of Agreed Administrative Guidance released over the past few years, including the guidance involving the various Safe Harbours and the guidance of 27 May 2024 involving the implementation of CbCR (BEPS Action 13).

In 2021, the Dutch tax authorities published a manual on the delivery of data by corporate taxpayers involving their CbCR in the Netherlands. The legal standing of the manual as to its relationship and interactions with the Dutch Pillar Two rules under the Dutch Minimum Tax Act 2024, including, for instance, the transitional CBCR Safe Harbour, is indistinct.

UTPR Transitional Safe Harbour

The Netherlands has legislated a UTPR Safe Harbour via the 13 October 2023 amendment to the Minimum Tax Act 2024. Parliamentary history has observed that it has been established within the context of the OECD that it may be undesirable to apply the UTPR in relation to states that have not timely implemented QDMTT or domestic IIR. The amendment introduces the Transitional UTPR Safe Harbour temporarily preventing the application of the UTPR. This safe harbour rule can be invoked for entities established in states with a statutory tax rate of at least 20%. The Safe Harbour has a temporary character and applies to reporting years ending before 31 December 2026, in alignment with the July 2023 administrative guidance.

Permanent Safe Harbours

The Netherlands has introduced a regulatory framework for a permanent safe harbour rule, in the legislative proposal introducing Pillar Two in the Netherlands of 31 May 2023. The safe harbour has been drafted in alignment with the framework as agreed upon within the Inclusive Framework in December 2022. The framework sets out that the manner in which the simplified calculations need to be performed under the permanent safe harbour will be laid down at some later point in time on the basis of an order of council. With this, the legislator anticipates any possible further guidelines from the Inclusive Framework and related political decision-making in this regard. Any more substantive provisions are yet to be released.

Subject to Tax Rule

The State Secretary for Finance has explicated that the Netherlands is committed to introduce an STTR upon the request of a tax treaty partner. The Netherlands has not signed the STTR multilateral instrument (not signed, not ratified, not in force).

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

The baseline scenario for GIR-filing is that each CE located in the Netherlands files the GIR in the Netherlands, i.e., a local GIR-filing requirement (GIR-filing obligation). In the presence of more than one CE located in the Netherlands the GIR can also be filed by a Designated Local Filing Entity.

A derogation to the local filing is provided if a GIR has been filed by the UPE (or a Designated Filing Entity) on behalf of the MNE, i.e., a central GIR-filing eligibility. Such a central filing is enabled if, for the Reporting Fiscal Year, a Qualifying Competent Authority Agreement is in effect between the Netherlands and the jurisdiction in which the filing entity involved is located. In such a case the CE/CEs located in the Netherlands, or the local filing entity on their behalf, is/are required to notify the Dutch tax authorities which of the CEs of the group involved files the GIR and in which jurisdiction. No such a Qualifying Competent Authority Agreement in relation to the Netherlands is in effect today.

Penalties apply to infringements of any of the obligations under the Dutch Minimum Tax Act 2024. Non-compliance may also lead to criminal prosecution. Penalties are put in place with regards to the: (i) general obligation to provide information; (ii) GIR-filing, and; (iii) Dutch PIllar Two Top Up Tax self-assessment procedure.

QDMTT: Separate return?

Unknown whether the QDMTT, IIR and UTPR will be formalized via separate returns or as part of a single return

QDMTT: Deadline to file. Transitional year?

20 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

17 months from fiscal year end

QDMTT: Other information?

Any Top-up tax (TPT) liability under any of the TPT mechanisms (QDMTT, NL IIR, NL UTPR) is formalized on the basis of the Pillar Two TPT self-assessment mechanism. The GIR is not part of the formalization of any TPT-liability for Dutch Pillar Two purposes. It is not yet known whether the QDMTT, IIR and UTPR will be formalized via separate returns or as part of a single return (the latter is anticipated in practice). The Dutch tax authorities have not yet made the declaration forms available yet.

The declaration and TPT due in the Netherlands need to be filed respectively paid within 2 months following the GIR-filing deadline. For the Transitional Year, the declaration and TuT due in the Netherlands need to be filed respectively paid within 20 months after the last day of the Reporting Fiscal year that is the Transitional Year. Under the standard rule the declaration and TuT due in the Netherlands need to be filed respectively paid within 17 months after the last day of the Reporting Fiscal year that is the Transitional Year.

The rules establishing the taxable entity, i.e., the entity subject to TPT-liability are as follows: subject to QDMTT is a CE located in the Netherlands that is a Low-Taxed Constituent Entity (LTCE) under the Dutch Pillar Two rules. In the presence of more than one of such LTCEs located in the Netherlands NL, QDMTT is levied as if there were a single taxable entity for Dutch Pillar Two purposes. In that case the taxable entity for QDMTT purposes is the highest-tiered parent entity that is located in the Netherlands. In the absence of such a highest-tiered parent entity (e.g., in the presence of equally tiered sister companies) the taxable entity is: (i) the CE located in the Netherlands that is designated as the taxable entity for NL QDMTT purposes by the MNE group or large-scale domestic group involved, or; (ii) the CE located in the Netherlands that is designated as the taxable entity for NL QDMTT purposes by the Dutch tax inspector (who will issue an administrative decision to this end).

Top-up Tax liabilities that are not self-assessed and paid in due time will, upon the discovery of such by the Dutch tax authorities, be formalized on the basis of an additional tax assessment imposed by the Dutch tax inspector. Late TPTs accordingly formalized carry simple interest. The interest charge on the TPT accordingly levied is calculated over a period starting on the first day after the expiry of the payment period by reference to the self-assessment mechanism (i.e., two months following the GIR-filing deadline) up to and including the day prior to the day on which the additional assessment becomes due. Late payments of self-assessed Dutch TPTs carry simple interest as well, starting on the first day after expiry of the payment period. The interest rate is 10% (2024).

TPT (IIR/UTPR): Separate return?

Unknown whether the QDMTT, IIR and UTPR will be formalized via separate returns or as part of a single return

TPT: Deadline to file. Transitional year?

20 months from fiscal year end

TPT: Deadline to file. Standard rule?

17 months from fiscal year end

TPT return: Other information?

Any Top-up tax (TPT) liability under any of the TPT mechanisms (QDMTT, NL IIR, NL UTPR) is formalized on the basis of the Pillar Two TPT self-assessment mechanism. The GIR is not part of the formalization of any TPT-liability for Dutch Pillar Two purposes. It is not yet known whether the QDMTT, IIR and UTPR will be formalized via separate returns or as part of a single return (the latter is anticipated in practice). The Dutch tax authorities have not yet made the declaration forms available yet.

The declaration and TPT due in the Netherlands need to be filed respectively paid within 2 months following the GIR-filing deadline. For the Transitional Year, the declaration and TPT due in the Netherlands need to be filed respectively paid within 20 months after the last day of the Reporting Fiscal year that is the Transitional Year. Under the standard rule the declaration and TPT due in the Netherlands need to be filed respectively paid within 17 months after the last day of the Reporting Fiscal year that is the Transitional Year.

The rules establishing the taxable entity, i.e., the entity subject to TPT-liability are as follows:

- Subject to Dutch IIR is a CE located in the Netherlands that is an UPE, an IPE held by a UPE located in a third country (i.e., a non-EU Member State) or held by a UPE located in an EU Member State that is an Excluded Entity, or a POPE. In order to be subject to IIR the respective UPE located in the Netherlands should either: (i) hold a direct or indirect ownership Interest in one or more Low-Taxed Stateless Constituent Entities (LTCEs) located in another Jurisdiction; (ii) hold a direct or indirect ownership Interest in one or more LTCEs located in the Netherlands, or; (iii) constitute a LTCE itself. An IPE located in the Netherlands is not subject to IIR if: (i) the UPE is required to apply a qualifying IIR, or; (ii) another IPE that directly or indirectly holds a Controlling Interest in the IPE involved is required to apply a qualifying IIR. A POPE located in the Netherlands is not subject to IIR if another POPE that directly or indirectly wholly owns the POPE involved is required to apply a qualifying IIR.

- Subject to Dutch UTPR - per 31 December 2024 - is a CE located in the Netherlands, which is not an Investment Entity (IE), and that is part of an MNE group for Dutch Pillar Two purposes comprising one or more LTCEs, whereas the UPE of the CE involved is located in an EU Member State that elected for a delayed application of the IIR and UTPR for six consecutive fiscal years beginning from 31 December 2023 under Article 50 EU

Minimum Tax Directive. In the presence of more than one CE located in the Netherlands, not IE(s), of such an MNE group, the taxable entity for UTPR purposes is the highest-tiered parent entity that is located in the Netherlands. In the absence of such a highest-tiered parent entity (e.g., in the presence of equally tiered sister companies) the taxable entity is: (i) the CE located in the Netherlands that is designated as the taxable entity for UTPR purposes by the MNE group involved, or; (ii) the CE located in the Netherlands that is designated as the taxable entity for UTPR purposes by the Dutch tax inspector (who will issue an administrative decision to this end). The CE that is subject to UTPR on this basis is subject to UTPR only with regards to fiscal years beginning before 31 December 2029.

- Subject to Dutch UTPR - per 31 December 2025 - is a CE located in the Netherlands, which is not an Investment Entity (IE), and that is part of an MNE group for Dutch Pillar Two purposes comprising one or more LTCEs, whereas the UPE of the CE involved is: (i) an Excluded Entity; (ii) located in a third country (i.e., a non-EU Member State) that is (a) not applying a qualified IIR to LTCEs in another jurisdiction, or (b) not applying a qualified IIR to that UPE or any CEs in that third-country while the third-country involved itself is a low-taxing jurisdiction for Dutch Pillar Two purposes, or; (iii) located in an EU Member State that elected for a delayed application of the IIR and UTPR for six consecutive fiscal years beginning from 31 December 2023 under Article 50 EU Minimum Tax Directive. The CE that is subject to NL UTPR on the last-mentioned basis (EU MS delayed IIR UTPR application election) is subject to NL UTPR only with regards to fiscal years beginning before 31 December 2029.

Top-up Tax liabilities that are not self-assessed and paid in due time will, upon the discovery of such by the Dutch tax authorities, be formalized on the basis of an additional tax assessment imposed by the Dutch tax inspector. Late TPTs accordingly formalized carry simple interest. The interest charge on the TPT accordingly levied is calculated over a period starting on the first day after the expiry of the payment period by reference to the self-assessment mechanism (i.e., two months following the GIR-filing deadline) up to and including the day prior to the day on which the additional assessment becomes due. Late payments of self-assessed Dutch TPTs carry simple interest as well, starting on the first day after expiry of the payment period. The interest rate is 10% (2024).

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

N/A. Outside the requirements involving the general obligation to provide information, the GIR-filing, and the Dutch PIllar Two top-up tax self-assessment mechanism, as elaborated above, no further specific tax registration requirements apply under the Dutch Minimum Tax Act 2024.

Other relevant information?

N/A.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

The Minimum Tax Act 2024 establishes sanctions and fines for non-compliance, for instance in cases of violations of the administrative information and filing obligations. In the parliamentary history to the Dutch Minimum Tax Act it is noted that the Netherlands take into account the Transitional penalty relief regime. It has been explicated in parliamentary history that the tax authorities adopt prudency when it comes to imposing sanctions in the transition period, in alignment with OECD output on the matter. However, fines and penalties will be imposed in cases involving fraud and legal intent. Fines will for instance also be imposed in cases of non-compliance involving GIR-reporting and top-up tax payment.

Application of OECD guidance to Pillar Two local rules

The Netherlands is committed to adhere to OECD outputs. The legislation explicitly refers to the OECD Model Rules and the Commentary (first edition) thereto. The legislative act has incorporated the CbCR Safe Harbour, the UTPR Safe Harbour, the QDMTT Safe Harbour, and a regulatory framework for a permanent safe harbour rule. Parliamentary history says that the OECD's Administrative Guidance and any further updates of the Commentary will be incorporated in the Netherlands via interpretation, unless matters concerned involve rule making interventions. If and to the extent alignment with commentaries and guidance cannot be established via interpretation alignment will be secured, if and to the extent necessary, by means of decrees for instance. It may be anticipated that in case of any potential future legislative interventions these may also deal with matters involving any (non-)retroactivity. Notably, no such decrees have been issued yet. The Dutch legislation does not yet include all Administrative Guidance. It is expected that the Administrative Guidance (at least up to the December 2023 Guidance) will be included in the updated legislation that will be published in September 2024

PwC Thought Leadership

Netherlands Minimum Tax Executive Decree 2024 published

Read more

Pillar Two in the Netherlands (in Dutch)

Read more

Memorandum of amendment Dutch Pillar Two bill

On 13 October 2023, the Dutch State Secretary of Finance presented the Memorandum of Amendment to the Bill on Minimum Taxation 'Minimum Tax Act 2024 (Pillar Two)' to the Dutch Parliament. Read more

Memorandum in response of draft bill Minimum Taxation Act 2024 (Pillar Two bill)

On 11 September 2023, the Dutch State Secretary published the Memorandum of response to the Bill on Minimum Taxation 'Minimum Tax Act 2024 (Pillar Two)'. In it, the State Secretary of Finance answers the questions from various parliamentary factions. Read more

Pillar Two Bill submitted to Dutch Parliament

On Wednesday 31 May 2023, the legislative proposal of the Netherlands to transpose Pillar Two into the Dutch company tax system entitled 'Minimum Tax Act 2024 (Pillar Two)' was submitted to the Dutch Parliament. The Netherlands is the first country within the European Union to have released its domestic Pillar Two legislation. By doing so, the Netherlands takes the next step in implementing Pillar Two as per 31 December 2023. The proposal aims to implement EU Directive 2022/2523 of 14 December 2022 (the Directive), published by the European Commission on 14 December 2022. The proposal is almost entirely in alignment with the Directive. Read more

The Netherlands publishes draft Pillar Two legislation

On Monday 24 October 2022, the Dutch Government submitted the draft legislative proposal 'Minimum Tax Act 2024 (Pillar 2)' to public consultation. Read more

PwC Contacts

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PwC Netherlands Pillar Two website

Country or region: New Zealand

Last update: 27 May 2024

Status of enactment

Current status: Final law in force

New Zealand enacted legislation on 28 March 2024, containing an IIR and a UTPR. It also contains a Domestic Income Inclusion Rule (DIIR) which will apply when a New Zealand headquartered MNE has undertaxed income in New Zealand - similar to a QDMTT but with some differences. New Zealand is implementing the IIR and UTPR on 1 January 2025 and DIIR on 1 January 2026.

The New Zealand legislation incorporates the OECD's Model Rules, Commentary and Administrative Guidance into New Zealand law by reference. The legislation provides for future amendment intended to ensure consistency with additional guidance to be published by the OECD.

Income inclusion rule

Entry into force: 1 January 2025

1 January 2025 as per legislation enacted on 28 March 2024

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: 1 January 2025

1 January 2025 as per legislation enacted on 28 March 2024

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2026

QDMTT: Accounting Standards?

New Zealand’s version of the QMDTT (the Domestic Income Inclusion Rule, DIIR) only applies to New Zealand headquartered groups; as such, it is based on local accounting standards.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion is applicable to the Domestic Income Inclusion Rule.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

The definition of covered taxes in the enacted legislation as of 28 March 2024 aligns to the definition of covered taxes according to the OECD model rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

Entities making payments under a QDMTT will be eligible for a foreign tax credit in New Zealand. Payments made under the DIIR will be eligible for imputation credits in New Zealand, but credits will not be available for payments under the IIR or UTPR.

CbCR Transitional Safe Harbour

The legislation enacted on 28 March 2024 incorporates any safe harbour thresholds according to the OECD model rules and guidelines.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

The legislation enacted on 28 March 2024 incorporates any safe harbour thresholds according to the OECD model rules and guidelines.

Permanent Safe Harbours

The legislation enacted on 28 March 2024 incorporates any safe harbour thresholds according to the OECD model rules and guidelines.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Every New Zealand CE should file a GIR unless their UPE is filing a GIR in a country that has an information-sharing agreement with New Zealand. Timing to file the GIR (within 15 months of the end of the reporting year (or 18 months for the first year).

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

20 months from fiscal year end

TPT: Deadline to file. Standard rule?

16 months from fiscal year end

TPT return: Other information?

All in-scope MNEs must file an annual 'Multinational Top-Up Tax Return'. The Multinational Top-Up Tax return should be filed within 16 months of the end of the reporting year (or 20 months for the first year).

Tax registration: Deadline to file. Transitional year?

New Zealand constituent entities registration: 6 months from the first fiscal year end

Tax registration: Deadline to file. Standard rule?

New Zealand constituent entities registration: 6 months from the first fiscal year end

Tax registration: Other information?

In general, every New Zealand CE must register with Inland Revenue within 6 months of the end of the first income year that they are in scope of New Zealand's GloBE rules. In July 2023 the New Zealand Accounting Standards Board issued the amending standard "International Tax Reform - Pillar Two Model Rules" in relation to NZ IAS 12: Income Taxes. The standard introduces requirements to recognise and disclose information about deferred tax assets and liabilities arising from Pillar Two.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

The New Zealand legislation incorporates the OECD's Model Rules, Commentary and Administrative Guidance into New Zealand law by reference. The legislation provides for future amendment intended to ensure consistency with additional guidance to be published by the OECD.

PwC Thought Leadership

Global minimum effective tax rate: New Zealand draft legislation released

Read more

Consultation opens on New Zealand's potential implementation of the OECD's global minimum tax rate

In May 2022 New Zealand opened the floor for public consultation on if, when and how New Zealand should adopt a new international tax framework to impose a global minimum effective tax rate of 15% on large multinational enterprises. Read more

PwC Contacts

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Allison Curle, PwC New Zealand

Country or region: Nicaragua

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Alejandro Fernandez, Director, PwC Dominican Republic

Country or region: Nigeria

Last update: 7 July 2025

Status of enactment

Current status: Pillar Two plans announced

There are 4 tax reform bills currently working their way through the legislative process in Nigeria. The process is at an advanced stage and there are indications that the bills could become effective this year

One of the bills provides for a minimum effective tax rate (ETR) of 15% to be payable by all Nigerian companies that are constituent entities of a multinational group or have aggregate annual turnover of NGN 20 billion (about USD30m) and above. Companies enjoying incentives such as those operating in Export Processing Zones/Free Trade Zones are also not excluded. A Nigerian parent company is exposed to a top up tax if its foreign subsidiary's tax is lower than the minimum ETR. ETR is defined as “the rate produced by dividing the aggregate covered tax paid by a company for a year of assessment by the qualifying profits before tax of the company”. The misalignment with the OECD's Pillar Two framework may lead to reporting differences for multinationals with operations in Nigeria.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

The Nigerian Tax Reform Acts

Read more

PwC Contacts

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Ugochi Ndebbio, Director, PwC Nigeria

Country or region: North Macedonia

Last update: 21 January 2025

Status of enactment

Current status: Final law in force

On December 27, 2024, the North Macedonian parliament approved the country's global minimum tax law, introducing a domestic top-up corporate income tax effective retroactively for tax years starting January 1, 2024

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

Domestic top-up corporate income tax retroactively for tax years starting January 1, 2024

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Introduction of minimum global tax and its effects in North Macedonia - Pillar Two

Read more

PwC Contacts

Ana Shajnoska, PwC North Macedonia

Eli Bocevska Grueska, PwC North Macedonia

Country or region: Norway

Last update: 27 May 2025

Status of enactment

Current status: Final law in force

The Norwegian Top-up Tax Act related to IIR and QDMTT is implemented as of 1 January 2024. The secondary law entered into force on 26 March 2024.

On 24 November 2023, the Norwegian Ministry of Finance had presented the new law proposal related to the IIR and QDMTT.

In the 2025 National Budget, the Norwegian government proposes to introduce the UTPR into Norwegian law. The proposal to introduce the UTPR was sent out for consultation on 19 June 2024, with a deadline 2 September 2024. The UTPR will be implemented by adding new provisions to Chapter 2 of the Supplementary Tax Act with supplementary regulatory provisions. The changes are proposed to take effect from the 2025 income year (for fiscal years starting after 31 December 2024). The proposal to introduce the UTPR is, as expected, based on the OECD's model framework.

Income inclusion rule

Entry into force: 1 January 2024

The Norwegian Top-up Tax Act related to IIR rules is implemented as of 1 January 2024. The secondary law entered into force on 26 March 2024.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 1 January 2025

The UTPR rules are implemented in the local tax legislation with effect from the income year 2025 (i.e 1 January 2025), for fiscal years beginning after 31 December 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

The QDMTT is calculated in the same way as the IIR rule according to the Norwegian Top-up Tax Act, unless otherwise specified. The Norwegian DMTT is considered to be qualified. The following covered taxes have been specifically excluded from the calculation of the QDMTT: i. tax paid by the Constituent Entity according to CFC rules, ii. tax paid by a head office for income earned by the Constituent Entity if this is a permanent establishment, iii. tax paid by the Constituent Entity's owning entity, if the Constituent Entity is a hybrid entity located in Norway, and iv. tax paid by the Constituent Entity's owning entity, except for withholding taxes imposed in Norway on distributions from the Constituent Entity.

QDMTT: Accounting Standards?

The QDMTT is based on the same rules for calculation as the calculation of the IIR, i.e. the QDMTT will be based on the UPE's accounting standard with the exception for using a local accounting standard which is an accepted or authorized accounting standard and subject to certain conditions being met.

QDMTT: SBIE applicable?

Yes, the QDMTT is calculated in the same way as the IIR, according to the Norwegian Top-up Tax Act, unless otherwise specified. There is no exception from applying the SBIE to the QDMTT.

QDMTT: CbCR Safe Harbour?

The QDMTT is, with some minor exceptions, calculated in the same way as the IIR. This implies that the Safe Harbours are applicable to the QDMTT. The secondary law includes rules regarding Safe Harbors in line with the model rules.

QDMTT: application only to wholly-owned constituent entities?

No. The QDMTT applies to all Norwegian entities part of a group subject to Pillar Two.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

In line with the model rules article 4.2.1, the following are considered covered taxes according to the Norwegian top-up tax act: Taxes recorded in the financial accounts of a Constituent Entity with respect to its income or profits or its share of the income or profits of a Constituent Entity in which it owns an Ownership Interest; Taxes on distributed profits, deemed profit distributions, and non-business expenses imposed under an Eligible Distribution Tax System; Taxes imposed in lieu of a generally applicable corporate income tax; and Taxes levied by reference to retained earnings and corporate equity, including a Tax on multiple components based on income and equity.

Covered Norwegian taxes will be corporate income tax, tax on natural resources and economic rent according to the Norwegian Tax Act. Taxes according to the Petroleum Tax Act will also be covered taxes. Economic rent and natural resource taxes are partly based on different principles than ordinary income tax, which can be important when interpreting the regulation. Municipal property tax is a property tax, and will not be covered. Nor will indirect taxes such as value added tax and excise duties be covered by the law. Taxes imposed instead of a general company tax must be considered covered taxes, in accordance with the model rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The Ministry has confirmed that the SkatteFUNN R&D tax incentive scheme is a Qualifying Refundable Tax Credit as the tax deduction will be settled in cash if the taxpayer is not in a payable tax position.

CbCR Transitional Safe Harbour

The secondary law includes rules on Safe Harbour in line with the Model Rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

The UTPR Safe Harbour rule will be proposed in connection to the UTPR law proposal. In the published White Paper on 19 June 2024, the Ministry of Finance suggested implementing the UTPR Safe Harbour rules.

Permanent Safe Harbours

The secondary law includes rules on Permanent Safe Harbour in line with the Model Rules.

Subject to Tax Rule

On 19 September 2024, Norway's ambassador to the OECD signed a declaration of support for the STTR. By signing the declaration of support, Norway acknowledges the importance of this tax treaty rule for developing countries' adherence to Pillar Two, even though Norway does not need to implement the STTR rule in our own tax treaties.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

The deadline for submission of GIR is 15 months from the end of the financial year for the UTPR. In the first financial year after the rules have been implemented, the deadline has been extended to 18 months.

QDMTT: Separate return?

Top up tax return (QDMTT, IIR, UTPR)

QDMTT: Deadline to file. Transitional year?

19 months from fiscal year end (filing) / Three weeks after the deadline for submitting the return (payment)

QDMTT: Deadline to file. Standard rule?

16 months from fiscal year end / Three weeks after the deadline for submitting the return (payment)

QDMTT: Other information?

Filing entity: The QDMTT return must be submitted by each entity having a top-up tax liability to Norway

Deadline: The deadline for submission of the QDMTT return is one month after the deadline for GIR. The first applicable deadline will therefore be 31 July 2026

Payment timing (at return or installments): Within three weeks after the deadline for submitting local tax return

Penalties: The legislation does not include any new specific rules or fines in the introduction phase (i.e until 2028 in line with the OECD Guidance). However, existing penalty rules will apply

TPT (IIR/UTPR): Separate return?

Top up tax return (QDMTT, IIR, UTPR)

TPT: Deadline to file. Transitional year?

19 months from fiscal year end

TPT: Deadline to file. Standard rule?

16 months from fiscal year end

TPT return: Other information?

The delivery deadline for the Norwegian Tax return is set to one month after GIR. The first filing deadline will be 30 June 2026 at the earliest.

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Norway has adopted the exclusion of MNE groups in the initial phase of their international activity in accordance with the model rules.

Transitional Penalty Relief

No special sanctions related to the Pillar Two rules have been proposed, and the ordinary rules for penalty tax etc. in the Norwegian Tax Administration Act will apply. Norway aligns itself with the OECD guidelines and will be restrained from imposing sanctions during the transition period.

Application of OECD guidance to Pillar Two local rules

In the White Paper, the Ministry emphasizes its aim that the Top-up Tax Act will continue to provide an updated and correct picture of the substantive rules, so that there is no contradiction between the Norwegian regulations and the OECD regulations. Further, the Ministry acknowledges that a legal development in this area must be expected as new clarification needs and issues arise, and new administrative guidelines may be issued. The Ministry will monitor developments and seek to ensure that the regulations are kept up-to-date through legislative and regulatory changes. The Ministry underlines that even if legal and regulatory texts are kept up to date, comments and administrative guidelines will remain an important complementary source of law to the regulations themselves.

PwC Thought Leadership

The Norwegian Ministry of Finance presented a new law proposal related to IIR and QDMTT.

The new act will be implemented as of 1st of January 2024. Read more

PwC Norwegian National Budget 2023

The Norwegian National Budget was presented on 6 October 2022 and, according to the budget, the goal is for the Norwegian Pillar Two rules to be ready during 2023, and to be in force from 2024. Read more

PwC Contacts

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Gjermund Furevik, Director, PwC Norway

Jenny Mikkelsen, PwC Norway

Solveig Østerud, PwC Norway

Julie Andersen, PwC Norway

Country or region: Oman

Last update: 21 January 2025

Status of enactment

Current status: Final law in force

The Sultanate of Oman issued royal decree 70/2024 that introduces a Top-up Tax. The Top-up Tax takes the form of an Income Inclusion Rule (“IIR”), and will apply to MNEs that are in scope of Pillar Two. The IIR is effective from 1 January 2025. There is no indication on whether Oman will also introduce a Domestic Top-up Tax

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Oman implements Pillar Two

Read more

PwC Contacts

Hanan Aboud, Partner, PwC Middle East

Chris Maycroft, Director PwC Middle East

PwC Oman Pillar Two website

Country or region: Pakistan

Last update: 11 August 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Arshad Javaid, Partner, PwC Pakistan

Hunain Khalid, PwC Pakistan

Country or region: Panama

Last update: 11 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Francisco Barrios, Partner, PwC Panama

Country or region: Papua New Guinea

Last update: 11 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

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Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

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GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

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QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

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TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Peter Burnie, Partner, PwC Papua New Guinea

Country or region: Paraguay

Last update: 30 July 2024

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

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QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

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Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

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QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

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TPT (IIR/UTPR): Separate return?

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TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Belen Rasmussen, PwC Paraguay

Hugo Escobar, PwC Paraguay

Country or region: Peru

Last update: 13 April 2023

Status of enactment

Current status: No public announcement yet

In 2016, the Peruvian Congress formed the Special Commission for Monitoring the Incorporation of Peru into the OECD (CESIP - OECD) with the main purpose of supervising the political control of the actions carried out by the Executive Power in the matter. In March 2023, the Executive Power formed the Multisectoral Commission of a permanent nature to promote follow-up actions aimed at a greater vinculation between Peru and the OECD, to supervise the accession process of Peru to the OECD under the Presidency of the Council of Ministers. Likely, as part of this process, Peru will introduce the Pillar Two rules although there has been no formal announcement yet.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

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TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Gabriela Haro, Director, PwC Peru

Country or region: Philippines

Last update: 28 August 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Lawrence Biscocho, Tax Partner, PwC Philippines

Rachel Sison, Tax Senior Manager, PwC Philippines

Country or region: Poland

Last update: 18 November 2024

Status of enactment

Current status: Final law in force

On 15 November 2024, the Polish Act implementing the provisions of the EU global minimum tax Directive into the Polish legal system was signed by the President. The law will introduce IIR, UTPR, and QDMTT.

The law generally intends to come into effect from 1 January 2025. Transitional provisions provide for the optional possibility of retroactive application of the provisions of the law from 1 January 2024 (with some exceptions - UTPR rules).

The planned amendment of the Polish Pillar Two has been announced. The changes would incorporate OECD Administrative Guidance from June 2024 and January 2025 and clarification of the: (i) CbCR safe harbour rules so that the result of the interpretation of this provision is unambiguous and consistent with the guidelines on safe harbors, (ii) provisions on the submission of the returns and making elections in order to clarify the procedures related to reporting, (iii) conditions for the application of the local accounting standard for the purposes of the calculation of QDMTT. The draft of the changes would be published in Q3 2025.

Income inclusion rule

Entry into force: 1 January 2025

IIR would be applied for financial years starting on January 1, 2025. However, it is provided that, in the period from March 1, 2026 to May 30, 2026, the group may submit a statement, in the form of a notarial deed, on the choice to apply the provisions of the Act regarding IIR in relation to the tax year starting on January 1, 2024 and this choice is irrevocable.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: 1 January 2025

UTPR would be applied for financial years starting on January 1, 2025.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

QDMTT would be applied for financial years starting on January 1, 2025. However, it is provided that in the period from March 1, 2026 to May 30, 2026, the group may submit a statement, in the form of a notarial deed, on the choice to apply the provisions of the Act regarding QDMTT in relation to the tax year starting on January 1, 2024 and this choice is irrevocable.

QDMTT follows mainly the Pillar Two Model Rules, Administrative Guidance and the EU minimum tax Directive. QDMTT applies to constituents entities irrespective of the ownership percentage held by the UPE.

QDMTT: Accounting Standards?

Based on the legislation, in order to calculate QDMTT, taxpayers will be obliged to take into account the items recognized in books kept pursuant to the Polish Accounting Act and financial statements prepared pursuant to the Polish Accounting Act or IAS/IFRS. However, it is not clear if you may calculate QDMTT based on the IFRS if the based on the Polish Account Act you may apply IFRS but you are not obliged to do this.

QDMTT: SBIE applicable?

Substance Based Income Exclusion is expected to apply equally to the IIR, UTPR and QDMTT.

QDMTT: CbCR Safe Harbour?

Yes. The legislation includes also certain safe harbors, i.e. permanent (e.g QDMTT safe harbor) and transitional (e.g. CbCR and UTPR safe harbors).

QDMTT: application only to wholly-owned constituent entities?

No, QDMTT applicable to non-wholly owned entities too

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

The Act specifies two conditions for taxes to be eligible covered taxes of a given constituent entity. First, they must be allocated to the constituent entity in accordance with the provisions of the Act. Secondly, this entity must take into account the income taxed on them when calculating qualifying income (loss). The Act regarding the catalog of taxes considered covered taxes implements article 20(1) EU Directive. Taxes are considered covered taxes only if they constitute public law, obligatory, non-payment and non-refundable benefits, their amount results from the regulations in force in the country of location of a given entity, and they are included in the books of the constituent entity for the tax year. Therefore, fines, penalties, interest and similar fees charged in connection with such covered taxes will not be eligible covered taxes.

During work on the bill, an open catalog of covered taxes was added, which refers to the taxes indicated in the Polish CIT Act, including withholding tax, diverted profits tax, income tax on controlled foreign corporations, etc.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No special guidance released yet

Qualified Refundable and Marketable Transferable Tax Credits

The legislation is broadly in line with the EU Directive's definition on Qualifying Refundable Tax Credits. The act provides also for the special treatment regarding Transferable Tax Credits included in the July Administrative Guidance.

On 21 February 2025, Finance Minister Andrzej Domański met with business representatives and tax advisors as part of a consultation on proposals to adapt the R&D tax incentive to the GloBE system. The discussion confirmed the issue's importance from taxpayers’ perspective. The Ministry stated that it would continue the dialogue to better understand the expectations of stakeholders regarding the shape of target solutions.

CbCR Transitional Safe Harbour

The Act includes provisions on the applicability of the following CbCR safe harbour rules: (i) De minimis test; (iii) Simplified ETR test; (iii) Routine profits test.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

Polish legislation generally follows OECD guidance.

UTPR Transitional Safe Harbour

The regulations provide for the UTPR Safe Harbor in accordance with the Administrative Guidance issued in July 2023.

Permanent Safe Harbours

The legislation provides for the Permanent Safe Harbor in terms of calculation simplifications for Non-Material Constituent Entities and de minimis exclusion.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end (not applicable if group subject to Pillar Two in 2024)

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

In case of more than one group entity is located in Poland, the GIR could be submitted only by one designated entity. There would be also an option to submit the return by the UPE located in a jurisdiction that has a Qualifying Competent Authority Agreement in effect with Poland or the Designated Filing Entity located in a jurisdiction that has a Qualifying Competent Authority Agreement in effect with Poland.

The legislation provides that a constituent entity located in Poland will be obliged to submit the GIR for the tax year to the competent tax office by the end of the 15th month following the end of this tax year. An exception in this respect applies to the first tax year of application of the Act by a given group. GIR for such a year will be submitted by the end of the 18th month after the end of the tax year. Extended deadline does not apply if the group is subject to Pillar Two rules in other country starting from 1 January 2024.

Individuals may be subject to the fiscal penal responsibility for the lack of submission of GIR to the Polish tax authority, by means of electronic communication or for providing false information or conceals the truth in the GIR, Entities excluded from the scope of application of the Act will not submit GIR.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

21 months from fiscal year end (not applicable if group subject to Pillar Two in 2024)

QDMTT: Deadline to file. Standard rule?

18 months from fiscal year end

QDMTT: Other information?

In case of more than one group entity is located in Poland, the local tax return could be submitted only by one designated entity.

The legislation provides for the obligation to submit a QDMTT return to the competent tax office and pay it within 18 months of the end of the tax year. An exception in this respect concerns the first year in which a given group began to apply the Act in relation to its constituent entities located in Poland. For such a tax year, the settlement deadline will be extended by 3 months (i.e. 21 months). Extended deadline does not apply if the group is subject to Pillar Two rules in other country starting from 1 January 2024.

The amount of QDMTT allocated to particular entity would be calculated based on the GloBE income of particular constituent entity. Alternatively it is possible to delegate one entity to pay the QDMTT. Unpaid top-up tax resulting from a collective Polish tax return may be demanded by the tax authority from each taxpayer separately, regardless of the part of the top-up tax amount due from that taxpayer. Taxpayers covered by the collective Polish tax return will be obliged to notify the relevant head of the tax office of this fact no later than the deadline for filing the return for the first tax year covered by the period for which this choice was made.

Individuals may be subject to the fiscal penal responsibility for the lack of submission of QDMTT return to the Polish tax authority, by means of electronic communication or for providing false information or conceals the truth in the QDMTT return. Entities excluded from the scope of application of the Act will not submit QDMTT returns.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

21 months from fiscal year end (not applicable if group subject to Pillar Two in 2024)

TPT: Deadline to file. Standard rule?

18 months from fiscal year end

TPT return: Other information?

In case of more than one group entity is located in Poland, the local tax return could be submitted only by one designated entity.

The legislation provides for the obligation to submit a IIR/UTPR return to the competent tax office and pay it within 18 months of the end of the tax year. An exception in this respect concerns the first year in which a given group began to apply the Act in relation to its constituent entities located in Poland. For such a tax year, the settlement deadline will be extended by 3 months (i.e. 21 months). Extended deadline does not apply if the group is subject to Pillar Two rules in other country starting from 1 January 2024.

It is possible to delegate one entity to pay the IIR or UTPR. Unpaid top-up tax resulting from a collective Polish tax return may be demanded by the tax authority from each taxpayer separately, regardless of the part of the top-up tax amount due from that taxpayer. Taxpayers covered by the collective Polish tax return will be obliged to notify the relevant head of the tax office of this fact no later than the deadline for filing the return for the first tax year covered by the period for which this choice was made.

Individuals may be subject to the fiscal penal responsibility for the lack of submission of TPT return to the Polish tax authority, by means of electronic communication or for providing false information or conceals the truth in the IIR/UTPR return Entities excluded from the scope of application of the Act will not submit IIR/UTPR returns.

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end (not applicable if group subject to Pillar Two in 2024)

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end

Tax registration: Other information?

Lack of separate registration for Pillar Two purposes.

The legislation provides for a closed list of grounds for submitting corrections to the above-mentioned returns.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

It also includes an exemption from QDMTT (however the exemption does not work if IIR is being applied in the other jurisdiction).

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

The Act is based on the assumptions of the EU Directive, which in turn refers to the OECD Model Rules. The Act incorporates also Administrative Guidance (February, July and December). The planned amendments of the Polish Pillar Two rules (April 2025) will incorporate also June 2024 and January 2025 Administrative Guidance.

PwC Thought Leadership

Pillar Two: introduction of regulations implementing the global minimum tax in Poland

Read more

Implementation of Pillar 2 – Latest Announcements from the Ministry of Development and Technology regarding changes in the Polish Investment Zone

Read more

Changes in the Polish draft regulations Pillar Two (in Polish)

Read more

Pillar Two: Publication of draft Act implementing the global minimum tax in Poland

Read more

The Act implementing the global minimum tax on the list of legislative work

Real more

EU council adopted the EU minimum tax Directive

Although Poland and Hungary were initially blocking the proposal for a global minimum taxation, both countries eventually agreed to adopt this regulation. Nevertheless, Hungary abstained from the final vote whereas Sweden raised objections to one of the provisions of the Directive. Read more

PwC Contacts

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PwC Poland Pillar Two website

Country or region: Portugal

Last update: 12 June 2025

Status of enactment

Current status: Final law in force

The Portuguese Pillar Two regime, published under Law no. 41/2024, was approved by the Portuguese Parliament on 18 October 2024 and was published in the Portuguese Official Gazette on 8 November 2024.

The transposition follows several contacts and feedback at the level of the Large Taxpayers Forum, as well as a public consultation held during the latter half of July 2024.

Income inclusion rule

Entry into force: 1 January 2024

Portugal will apply the IIR as foreseen in Council Directive (EU) 2022/2523, of 15 December 2022, with effect beginning in 1 January 2024.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: 1 January 2025

Portugal will apply the UTPR as foreseen in Council Directive (EU) 2022/2523, of 15 December 2022, with effect beginning in 1 January 2025, except with respect to constituent entities from groups headquartered in a Member State which applied the election foreseen in Article 50 of the Directive, in which cases the UTPR applies from 1 January 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

The Portuguese QDMTT will generally apply on the same grounds as the IIR mandated by Council Directive (EU) 2022/2523 and the general rules suggested by the Inclusive Framework, with effect beginning in 1 January 2024.

QDMTT: Accounting Standards?

The Portuguese QDMTT is foreseen to be applicable based on the UPE's accounting standards, similarly to the IIR.

QDMTT: SBIE applicable?

Substance Based Income Exclusion is foreseen to be applicable to the QDMTT, similarly to the IIR.

QDMTT: CbCR Safe Harbour?

The CbCR Safe Harbours established by the Inclusive Framework are foreseen to be applicable to the Portuguese QDMTT.

QDMTT: application only to wholly-owned constituent entities?

No, QDMTT applicable to non-wholly owned entities too

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

The Portuguese regime approved by the Portuguese Parliament closely follows the EU Directive's definition of "covered taxes". No specific remarks have yet been issued regarding the Pillar Two classification of the several existing Portuguese special contributions and levies, although both state and municipal surcharges are expected to be considered covered taxes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The definition of "Qualifying Refundable Tax Credits" follows the EU Directive. Subsequent Inclusive Framework administrative guidance, namely with respect to transferable tax credits, is also already incorporated.

CbCR Transitional Safe Harbour

The Portuguese regime foresees the applicability of the CbCR Safe Harbour rules in accordance with the Inclusive Framework guidance.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No specific guidance is provided about the conditions for a CbCR to be considered "qualifying". However, the regime clearly states that no adjustments (beyond those foreseen) should be made to the information contained in the CbCR or the financial statements in order for the Safe Harbours to apply.

UTPR Transitional Safe Harbour

The Portuguese regime foresees the applicability of the UTPR Safe Harbour in accordance with the Inclusive Framework guidance.

Permanent Safe Harbours

The Portuguese regime already foresees the future possibility to apply Permanent Safe Harbour rules when those become established by the Inclusive Framework.

Subject to Tax Rule

According to the OECD, Portugal has expressed the intention to sign the Multilateral Convention to Facilitate the Implementation of the Pillar Two Subject to Tax Rule.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

The Portuguese regime approved by the Portuguese Parliament foresees a separate return whereby the constituent entities shall present the top-up tax payable in Portugal, despite the possibility for the GIR to be filed in a jurisdiction with an agreement for the exchange of information in place.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

The Portuguese regime approved by the Portuguese Parliament foresees a separate return whereby the constituent entities shall present the top-up tax payable in Portugal, despite the possibility for the GIR to be filed in a jurisdiction with an agreement for the exchange of information in place.

Tax registration: Deadline to file. Transitional year?

12 months from the transitional year end

Tax registration: Deadline to file. Standard rule?

9 months from the fiscal year end

Tax registration: Other information?

Each constituent entity must file a statement to identify itself as well as the designated local entity, if any, and the UPE (or the designated filing entity) of the Group, in case the latter is located in a different jurisdiction and an autommatic exchange of information agreement is in place. The constituent entity or the designated local entity will also notify to the Portuguese Authorities of the applicability of the Initial phase of exclusion from the IIR and UTPR of MNE groups and large-scale domestic groups, as foreseen in Article 49 no. 5 of the Directive.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

The Pillar Two regime approved by the Portuguese Parliament foresees a transitional penalty relief that follows the one established by the Inclusive Framework.

Application of OECD guidance to Pillar Two local rules

The Portuguese regime explicitly foresees that Inclusive Framework guidance on Pillar Two, including the Commentary and subsequent Administrative Guidance, should be considered relevant for the purposes of the interpretation of the local rules.

PwC Thought Leadership

Portugal adopts the Global Minimum Tax

Read more

PwC Contacts

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Country or region: Puerto Rico

Last update: 21 January 2025

Status of enactment

Current status: Pillar Two plans announced

During 2024 the PR Legislature did not consider a Pillar two bill that had been under discussion. There were talks around considering such bill during an extraordinary session in November/December 2024 but that did not finally happen. There is a new governor in Puerto Rico as of 2025 who committed to examine the potential to come up with a new proposal for Pillar Two. The governor created a tax committee with the task of coming up with recommendations for a broad tax reform including Pillar Two.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Denisse Flores, Tax Managing Partner, PwC Puerto Rico

Country or region: Qatar

Last update: 31 March 2025

Status of enactment

Current status: Final law in force

On 4 December 2024, Qatar's Council of Ministers announced their approval of a draft law amending certain provisions of Law No. (24) of 2018 on Income Tax Law. The amendments include the introduction of a QDMTT. The Shura Council approved the law in December 2024. The amended law was published in the Official Gazette in March 2025.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

Qatar's Official Gazette, dated 2 February 2023, included details of Law No (11) of 2022 amending existing Income Tax Law in relation to the application of Pillar Two GloBE rules. Article (34) announces the plans to set a QDMTT or minimum tax for entities located in the country subject to the regulations. It is expected that executive regulations would be issued that would provide details on Qatari Pillar Two rules, and will also specify the scope, conditions and procedures for their application.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Qatar publishes Law No. 11 of 2022 amending several provisions of the Income Tax Law No. 24 of 2018, and it includes a commitment to introducing Global Minimum Tax

Read More

PwC Contacts

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PwC Qatar Pillar Two website

Country or region: Republic of Congo

Last update: 4 April 2024

Status of enactment

Current status: Pillar Two plans announced

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Country or region: Romania

Last update: 23 June 2025

Status of enactment

Current status: Final law in force

Law no. 431/2023 transposes the provisions of Directive (EU) 2022/2523 to introduce into the Romanian legislation a complex system of rules for an effective minimum taxation of 15% for multinational enterprise groups and large-scale domestic groups with annual consolidated revenues of at least EUR 750 million in at least two of the four previous financial exercises. The President of Romania promulgated the Law on 29 December 2023. It became Law no. 431/2023 and was published in the Official Gazette no. 8 dated 5 January 2024. Law no. 431/2023 applies to financial exercises starting as of 31 December 2023.

Income inclusion rule

Entry into force: 31 December 2023

IIR rules were implemented and apply for fiscal years starting as of 31 December 2023

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

UTPR rules were implemented and apply for fiscal years starting as of 31 December 2024

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The Romanian legislation introduces a QDMTT, which will apply starting as of 31 December 2023 and will be calculated on a priority basis before applying the IIR and UTPR rules.

QDMTT: Accounting Standards?

For calculating the QDMTT, the qualifying income or loss is that recorded in the individual accounting of the constituent entity according to the applicable local (Romanian) accounting regulations if i) all the Romanian constituent entities of the group apply the same national accounting regulations and ii) the fiscal year of the Romanian constituent entities is the same as that in the group consolidated financial statements. If not, the qualifying income or loss of a constituent entity is determined based on the accounting standard used in preparing the consolidated financial statements of the UPE of the respective group.

QDMTT: SBIE applicable?

Substance Based Income Exclusion follows the rules from the Directive (EU) 2022/2523

QDMTT: CbCR Safe Harbour?

Safe Harbours follow the rules from the Directive (EU) 2022/2523

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The definition of covered taxes closely follows the principles of the OECD under Pillar Two. Romanian corporate taxes and other taxes in lieu of the corporate income taxes should qualify as covered taxes. There is no specifc guidance available beyond the guidance available at the level of the OECD.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The definition of the "qualifying refundable tax credit" is in line with OECD GloBE rules. No further clarifications/ guidance was provided by the tax authorities in this respect.

CbCR Transitional Safe Harbour

The Romanian law includes CbCR Safe Harbour tests (i.e. de-minimis test, ETR test, routine profts test) that are in line with the OECD rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

The Romanian law includes a UTPR Safe Harbour that is in line with OECD rules.

Permanent Safe Harbours

The Romanian law includes a Permanent Safe Harbour that is in line with OECD rules.

Subject to Tax Rule

Multilateral Convention signed on 19 September 2024

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

For the transition year 2024, the reporting deadline for the top-up tax is 18 months from the last day of the reporting financial exercise. For the following years, the deadline will be 15 months.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

The same deadline as the GIR deadline would apply for payment of the top-up tax.

Tax registration: Deadline to file. Transitional year?

Top-up tax filing entity appointment: 6 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

Top-up tax filing entity appointment: 6 months from fiscal year end

Tax registration: Other information?

In case there are several constituent entities in Romania, there is an election that has to be exercised in 6 months after the end of the FY (i.e. until 30 June 2025, in case of a calendar FY24), based on which a constituent entity can be designated to perform the top-up tax return submission for all Romanian constituent entities, instead of each constituent entity having to submit a return for itself. If there is only one Romanian constituent entity within a Pillar Two group, this election is not needed.

On 20 June 2025 the tax authorities released a draft procedure and template for making this designation. The draft procedure specifies that the notification must be filed electronically, through the portal provided by ANAF, the Romanian National Agency for Fiscal Administration ("Agenția Națională de Administrare Fiscală"), which is responsible for tax enforcement and compliance. The form is submitted electronically as a PDF with an XML attachment, maintaining standardized electronic communication. It includes essential sections such as taxpayer identification (i.e. name, tax identification number, address, etc.), details on the Romanian companies within the Pillar Two group (i.e. name, address, tax identification number for each of them), details on the designated entity, in case it is different than the afore-mentioned taxpayer that submits the form (i.e. name, tax identification number, address, etc.), contact information, and fiscal reporting periods. The notification form must be signed electronically with a qualified digital certificate, which guarantees the authenticity and security of the process.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

The Romanian law does not include transitional penalty relief provisions.

Application of OECD guidance to Pillar Two local rules

The Romanian law specifically provides that the explanations and the examples from the OECD GloBE Model Rules document as well as the framework of implementation of the GloBE rules, respectively the related administrative Guidelines, including the rules regarding the safe-harbour regimes, as well as any additional guidance provided by

OECD as a source of illustration or interpretation, to the extent that they are compliant with Directive (EU) 2022/2,523, should be taken into account when interpreting the provisions of Law 431 (which tranposed the Pillar Two rules in Romania).

PwC Thought Leadership

Rules for the effective minimum taxation of 15% were transposed in Romania through Law no. 431/2023

Read more

PwC Romania Tax Talks: 3 different corporate taxes for companies, starting 2024. Which one will they pay?

Listen here

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PwC Romania Pillar Two website

Country or region: Saint Kitts and Nevis

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Sophia Weekes, Partner, PwC Barbados

Amanda Layne, PwC Barbados

Javier Lemoine, PwC Barbados

Country or region: Saint Lucia

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Sophia Weekes, Partner, PwC Barbados

Amanda Layne, PwC Barbados

Javier Lemoine, PwC Barbados

Country or region: Saint Vincent and the Grenadines

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Sophia Weekes, Partner, PwC Barbados

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Javier Lemoine, PwC Barbados

Country or region: Saudi Arabia

Last update: 13 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Imran Dawjee, Director, PwC KSA

[PwC Saudi Arabia Pillar Two website](PwC Jordan Pillar Two website

Country or region: Senegal

Last update: 19 September 2024

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

The jurisdiction has expressed its intent to sign the Multilateral Convention

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Makhtar Ndiaye, PwC Senegal

Alhassane Sagna, PwC Senegal

Country or region: Serbia

Last update: 22 September 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Aleksandar Arsic, PwC Serbia

Country or region: Sierra Leone

Last update: 21 September 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Mary Kwarteng, Director, PwC Ghana

Issahaku Ibrahim, PwC Ghana

Country or region: Singapore

Last update: 31 January 2025

Status of enactment

Current status: Final law in force

In the 2024 Budget presented in Parliament on 16 February 2024, Singapore announced that it will implement the IIR and a Domestic Top-up Tax for in-scope multinational enterprises from their financial year beginning on or after 1 January 2025. The legislation was passed in Parliament in October 2024. On 27 November 2024 the Income Tax (Amendment) Act 2024 and Multinational Enterprise (Minimum Tax) Act were published in the country's official gazette.

Income inclusion rule

Entry into force: 1 January 2025

Singapore will implement IIR for fiscal years starting on or after 1 January 2025.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

UTPR will be considered at a later stage.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

Singapore will implement a Domestic Top-up Tax for in-scope multinational enterprises from their financial years beginning on or after 1 January 2025.

QDMTT: Accounting Standards?

Local accounting standards

QDMTT: SBIE applicable?

Yes

QDMTT: CbCR Safe Harbour?

Yes

QDMTT: application only to wholly-owned constituent entities?

No, QDMTT applicable to non-wholly owned entities too

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available yet. The only direct tax imposed in Singapore is corporate income tax, which makes unlikely the existence of any other covered tax.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

It is stated in the 2024 Budget presented in Parliament on 16 February 2024 that Singapore will introduce a Refundable Investment Credit scheme. The scheme is intended to be consistent with the GloBE rules for QRTC. The provisions relating to the scheme have been included in the Income Tax Amendment Act 2024 passed in Parliament in October 2024.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing of MTT (multinational enterprise top-up tax) return, DTT return, GIR / GloBE, notification, no later than 15 months from the UPE's FYE (18 months if it is the transition year), ie., by 31 March 2027 (30 June 2027 if it is the transition year).

The payment of the MTT and DTT is due no later than 1 month from the filing due date, i.e., by 30 April 2027 (31 July 2027 if it is the transition year).

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end (filing) / 19 months from fiscal year end (payment)

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end / 16 months from fiscal year end (payment)

QDMTT: Other information?

Filing of MTT (multinational enterprise top-up tax) return, DTT return, GIR / GloBE, notification, no later than 15 months from the UPE's FYE (18 months if it is the transition year), ie., by 31 March 2027 (30 June 2027 if it is the transition year).

The payment of the MTT and DTT is due no later than 1 month from the filing due date, i.e., by 30 April 2027 (31 July 2027 if it is the transition year).

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

18 months from fiscal year end (filing) / 19 months from fiscal year end (payment)

TPT: Deadline to file. Standard rule?

15 months from fiscal year end / 16 months from fiscal year end (payment)

TPT return: Other information?

Filing of MTT (multinational enterprise top-up tax) return, DTT return, GIR / GloBE, notification, no later than 15 months from the UPE's FYE (18 months if it is the transition year), ie., by 31 March 2027 (30 June 2027 if it is the transition year).

The payment of the MTT and DTT is due no later than 1 month from the filing due date, i.e., by 30 April 2027 (31 July 2027 if it is the transition year).

Tax registration: Deadline to file. Transitional year?

6 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

6 months from fiscal year end

Tax registration: Other information?

The first registration willl be due on 30 June 2026 for in-scope MNE group with financial year ending on 31 December 2025. The UPE of the MNE group within the scope of the Singapore Multinational Enterprises (Minimum Tax) Act must file to register the group with the IRAS and provide certain information such as the identities of the MNE group's constituent entities located in Singapore, the identities of the MNE group's excluded entities located in Singapore, the identities of the MNE group's UPE, intermediate parent entities, and partially-owned parent entities located in Singapore, etc. The MNE group will need to designate a Designated Local DTT Filing Entity and a Designated Local GIR Filing Entity.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Global minimum tax - what's beyond the horizon?

Read more

Singapore Budget 2023 - Key Budget Changes for Businesses

With the announcement that Singapore plans to implement the GloBE rules and DTT for in-scope businesses for financial years beginning on or after 1 January 2025, the Finance Minister has provided much needed certainty to the business community in the Singapore Budget 2023. Read more

PwC Contacts

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Ching Ne Tan, Partner, PwC SIngapore

Tay Lek Tan, Partner, PwC SIngapore

PwC Singapore Pillar Two website

Country or region: Seychelles

Last update: 31 March 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

The jurisdiction has expressed its intent to sign the Multilateral Convention

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Yamini Rangasamy, Director, Mauritius

Country or region: Slovakia

Last update: 12 June 2025

Status of enactment

Current status: Final law in force

The Law on minimum Slovak top-up tax for for multinational enterprise groups and large-scale domestic groups was approved by the parliament on 8 December 2023 with effective date as of 31 December 2023, i.e. for all accounting periods starting after this date. On 28 November 2024 the Slovakia parliament approved a draft bill to amend the Pillar Two legislation to incorporate 2022 and 2023 OECD Administrative Guidance.

In August 2023 the Ministry of Finance of the Slovak Republic released a draft of the Qualified Domestic Top Up Tax Act for comments. No announcement related to the IIR and UTPR has been released yet.

Income inclusion rule

Entry into force: Six year extension

The Slovak Republic has claimed an exemption under Article 50(1) of the EU minimum tax Directive, under which it postpones the implementation of the IRR. The exact date when the IRR will be implemented has not yet been published, but the rule will be implemented by 31 December 2029 at the latest.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: Six year extension

The Slovak Republic has claimed an exemption under Article 50(1) of the EU minimum tax Directive, under which it postpones the implementation of the UTPR. The exact date when the UTPR will be implemented has not yet been published, but the rule will be implemented by 31 December 2029 at the latest.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

On 8 December 2023 the Slovak parliament has approved the wording of the Law on Slovak domestic Top-up Tax. The principles of the Top-up tax calculation are in line with the calculation under the EU Directive rules (other GAAP).

QDMTT: Accounting Standards?

The computation of the Slovak Domestic Top-up Tax is intended to be in line with the calculation under the EU

Directive rules (other GAAP).

QDMTT: SBIE applicable?

The Slovak domestic Top-up Tax Act enables the application of Substance Based Income Exclusion.

QDMTT: CbCR Safe Harbour?

The Slovak domestic Top-up Tax Act enables the application of Transitional CbCR Safe Harbor and Permanent Safe Harbour.

QDMTT: application only to wholly-owned constituent entities?

No, QDMTT applicable to non-wholly owned entities too

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

Covered taxes are defined as taxes reported in the financial statements of the constituent entity in connection with its income, profit, or in connection with its share in the income or profit of the constituent entity in which it holds an ownership interest, the tax levied instead of the generally applicable corporate income tax, and the tax levied in connection with undistributed profit or other part of equity, including tax on multiple components based on income and equity, while the included tax of the constituent entity does not include the top-up tax, tax paid by the insurance company in connection with the returns paid to policyholders, and non-qualified refundable imputation tax.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

Qualifying Refundable Tax Credits are not recognized by the Slovak tax system

CbCR Transitional Safe Harbour

The law establishes a transitional CbCR Safe Harbour in line with the OECD:

- The total amount of income of the constituent entities reported in the qualified report by individual states of the multinational group of companies for the relevant accounting period is less than EUR10,000,000 and the total amount of profit or loss of the constituent entities before taxation reported in this report is less than EUR1,000,000 or;
- The simplified ETR of constituent entities in the accounting period is equal to or higher than the transitional tax rate (15% for accounting periods beginning in 2023 and 2024, 16% for accounting period beginning in 2025 and 17% for accounting period beginning in 2026) or;
- The amount of profit or loss of the constituent entities before taxation reported in the qualified report by individual state is equal to or lower than the amount of income excluded based on the economic substance calculated for the constituent entities.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The CbCR must be prepared in accordance to the consolidated GAAP, however no specific guidance was provided.

UTPR Transitional Safe Harbour

Not applicable

Permanent Safe Harbours

Based on the wording of the law the local top-up tax of the constituent entities would equal to zero, if for the specific accounting period:

- a) the average eligible revenues of the constituent entities are less than EUR 10,000,000 and the average eligible income or average eligible loss of the basic entities are less than EUR 1,000,000,
- b) the effective tax rate of the constituent entities is higher than 15%, or
- c) the net eligible income of the constituent entities is equal to or less than the amount of income excluded on the basis of economic substance.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: Taxpayers who are part of the same multinational group of companies or a large national group, or who are part of a joint venture group, can authorize one of these taxpayers who has a registered seat in the Slovak Republic to fulfill the GloBE Information Return reporting obligation on their behalf (hereinafter referred to as "locally designated entity") . This does not affect the responsibility of other taxpayers for fulfilling the reporting obligation.

Deadline: Under Slovak law, the taxpayer is required to file a GloBE Information Return no later than 15 months after the last day of the fiscal year being reported. If the reporting fiscal year is considered a transitional reporting fiscal year, the statutory filing deadline is extended by 3 calendar months.

Penalties: The deadline cannot be extended and in case of non-compliance the taxpayer is liable to a fine of between EUR 1,500 and EUR 50,000 (This fine can be imposed repeatedly).

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

Filing entity: Taxpayer - a constituent entity that is not a permanent establishment; the main subject of a permanent establishment that is a constituent entity; a joint venture and an entity associated with a joint venture

Deadline: The deadline to file a QDMTT return is the same as the GloBE Information Return. Thus, each taxpayer is required to file the return no later than 15 months after the last day of the fiscal year being reported. If the reporting fiscal year is considered a transitional reporting fiscal year, the statutory filing deadline is extended by 3 calendar months.

Payment timing (at return or installments): The QDMTT is payable by the deadline for filing the QDMTT return. Slovak law does not require the payment of QDMTT advances. If the taxpayer does not pay the QDMTT within the deadline and in the correct amount, tax administrator will levy late payment interest. The interest shall be calculated at four times the basic interest rate of the European Central Bank valid on the date when the tax became payable (at minimum 15% p.a.).

Paying entity / legal liability for tax: The taxpayer is legally responsible for paying the tax.

Penalties: The deadline cannot be extended and, in case of non-compliance, the taxpayer is liable to a fine of between EUR 1 500 and EUR 50 000 (this fine may be imposed repeatedly).

Other relevant details: The tax return will be filed electronically (forms are not yet available). The tax return must be filed even if the tax is zero.

TPT (IIR/UTPR): Separate return?

N/A

TPT: Deadline to file. Transitional year?

N/A

TPT: Deadline to file. Standard rule?

N/A

TPT return: Other information?

The Slovak Republic made use of the derogation contained in Article 50 of the EU global minimum tax Directive, under which it postponed the implementation of the IIR and UTPR. The planned date of implementation of the IIR and UTPR has not yet been published.

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end

Tax registration: Other information?

Under Slovak law, no specific registrations or other filings are required from the taxpayer with respect to Pillar Two (other than the GIR and the QDMTT return).

GIR notification to be filed within the same deadlines of the GIR.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Not applicable

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

The Explanatory Report to the law introducing Pillar Two in Slovakia contains a provision that the OECD guidelines are to be used as an interpretative tool.

PwC Thought Leadership

OECD recommends Pillar II rules enter into force as early as 2023

Read more

PwC Contacts

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PwC Slovakia Pillar Two website

Country or region: Slovenia

Last update: 15 January 2024

Status of enactment

Current status: Final law in force

The Slovenian Official Gazette published on 22 December 2023 a Law, ensuring a global minimum tax rate for Slovenian constituent members of multinational enterprises and large domestic groups, under the OECD's Pillar Two approach and Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union.

On 28 December 2023 also a brochure presenting steps in calculation of the top-up tax was published on the website of Slovene Financial Administration.

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Income inclusion rule

Entry into force: 31 December 2023

The Income Inclusion Rule ("IIR") came in force in December 2023 and applies to fiscal years beginning on or after 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

The Undertaxed Payments Rule ("UTPR") came in force in December 2023 and applies to fiscal years beginning on or after 31 December 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The Qualifying Domestic Minimum Top-up Tax came in force in December 2023 and will apply to fiscal years beginning on or after 31 December 2023. Slovenia transposed into its national legislation rules pertaining to the QDMTT as per the Directive., thus no major discrepancies between the Directive and Slovene legislation have been noted so far.

QDMTT: Accounting Standards?

QDMTT can be based on accounting standards used by UPE to consolidate the financial statements or based on IFRS / generally accepted local accounting standard.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion would be applicable.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The following are considered to be covered taxes of the constituent entity:

1. taxes recorded in the financial statements of the constituent entity in respect of its income or its share of the

income or profits of a constituent entity in which it has an ownership interest;
2. taxes imposed in lieu of generally applicable corporate income tax;
3. taxes levied in respect of retained earnings and equity, including other taxes based on income and equity; and
4. taxes on distributed profits, deemed profit distributions and non-business expenses imposed under an eligible tax distribution system.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

Based on a transitional safe harbour, the Law introduces a right which stipulates that the additional tax that the group must pay in a certain jurisdiction is equal to zero if:

- a) De minimis test: the MNE or large-scale domestic Group reports in CbCR, average qualifying revenues lower than EUR10 million, and average qualifying income (loss) of less than EUR1 million before taxation for the financial year in the jurisdiction, or
- b) ETR test: the Group has a simplified ETR that is equal to or higher than the transitional rate in the jurisdiction in that financial year, or
- c) Routine profits test: the profit or loss of the Group is before taxation equal to or less than the amount of the SBIE of the constituent entities residents in that jurisdiction according to CbCR.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Generally, a constituent entity in Slovenia would submit the GIR to the Slovene Tax Authorities within 15 months from the fiscal yearend for which the return is prepared (18 months in transitional period). In case the group decides that another designated CE will be submitting a GIR on behalf of the CEs within the jurisdiction, the Slovene Tax Authorities shall be notified of the decision on the appointment within the same deadline of 15 months (via a QDMTT return form).

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end (filing) / 30 days following the submission of the QDMTT return (payment)

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end / 30 days following the submission of the QDMTT return (payment)

QDMTT: Other information?

The deadline to file a QDMTT return is the same as the GIR. Thus, each taxpayer is required to file the return no later than 15 months after the last day of the fiscal year being reported. If the reporting fiscal year is considered a transitional reporting fiscal year, the statutory filing deadline is extended to 18 months.The domestic top-up tax must be paid within the next 30 days, following the submission of the QDMTT return.

There is a possibility to appoint a designated Slovene filling entitiy (i.e. CE) that will file the QDMTT return for all Slovene CEs.

TPT (IIR/UTPR): Separate return?

No

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

18 months from fiscal year end (via QDMTT return)

Tax registration: Deadline to file. Standard rule?

15 months from fiscal year end (via QDMTT return)

Tax registration: Other information?

In case the group decides that another designated CE will submit the GIR on behalf of the CEs within the jurisdiction, the Slovene Tax Authorities shall be notified of the decision on the appointment within the same deadline of 15 months (via a QDMTT return form).

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

Based on the introduction to the newly adopted law, the published OECD administrative guidelines shall be treated as an interpretation / guidance. Also, the law specifically directs to the OECD guidelines and Pillar II related materials to facilitate the interpretation of local Pillar II rules.

PwC Thought Leadership

PwC Contacts

Aleksander Ferk, Director, PwC Slovenia

Country or region: South Africa

Last update: 10 January 2025

Status of enactment

Current status: Final law in force

On 24 December 2024 the South Africa's legislation that partially implements the Pillar Two rules was published in the government gazette after receiving President's assent. The Global Minimum Tax Act, 2024 provides for an IIR and a DMTT that apply to fiscal years starting on or after January 1, 2024. It does not include an undertaxed profits rule.

In the 2024 Budget Review documentation, published on 22 February 2024, it was announced that the Pillar Two rules, in the form of an Income Inclusion Rule ('IIR') and Domestic Minimum Top-up Tax ('DMTT'), are to enter into force in South Africa for fiscal years starting on or after 1 January 2024. To give effect to this, the Draft Global Minimum Tax Bill and Draft Global Minimum Tax Administration Bill were published on the same day, together with an Explanatory Memorandum. It is expected that the legislation will be finalised and enacted following a process of public consultation, subject to any amendments arising from the public consultation process. The draft legislation is stated as incorporating the OECD Model Rules, Commentary and Administrative Guidance issued by the OECD, subject to certain specified departures.

Income inclusion rule

Entry into force: 1 January 2024

The IIR enters into force for fiscal years starting on or after 1 January 2024.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

The DMTT enters into force for fiscal years commencing on or after 1 January 2024.

The DMTT follows the OECD Guidance - whilst certain provisions of the Model Rules are disapplied, these are primarily textual as they relate to references to the IIR and UTPR. The draft legislation notes that foreign taxes should not be taken into account in the determination of Adjusted Covered Taxes for DMTT purposes - specially, that the adjusted covered taxes of a South African Constituent Entity should exclude the reallocation of foreign CFC, PE and hybrid entity taxes, as well as foreign withholding tax on income accruing to a South African Constituent Entity. The qualifying status of the DMTT is dependent on the OECD Inclusive Framework recognising it as such, which will be subject to peer review and monitoring.

QDMTT: Accounting Standards?

No specific reference has been noted in the draft legislation, therefore the Model Rules and Guidance will apply. It is anticipated that IFRS, being the Authorised Financial Accounting Standard, will be preferred by the South African tax authorities.

QDMTT: SBIE applicable?

The SBIE applies per the Model Rules.

QDMTT: CbCR Safe Harbour?

On the basis that the DMTT incorporates the OECD Guidance, the Transitional CbCR Safe Harbours as set out per the Model Rules and Guidance should apply.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

There is no specific reference to 'covered taxes' in the draft legislation - as such, the term will be applied as set out in the Model Rules and guidance.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

There is no specific reference to 'qualifying refundable tax credits' in the draft legislation - as such, the term will be applied as set out in the Model Rules and guidance.

CbCR Transitional Safe Harbour

No specific mention on the Transitional CbCR Safe Harbour in the draft legislation - as such, the Transitional CbCR Safe Harbours will be applied per the Model Rules and guidance.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Unless the GIR is to be filed with an overseas tax authority as contemplated above, a designated local entity must be appointed at least 6 months prior to the filing deadline, and must submit the GIR on behalf of all South African Constituent Entities. The GIR must be filed within 15 months of the first Fiscal Year in question (18 months in the case of the first year), and payment must be made at the same time. The designated filing entity may pay the top-up tax on behalf of all domestic Constituent Entities - if this is not done the South African SARS may estimate the top-up tax and assess one or more domestic Constituent Entities for such tax. There is no provision in the draft legislation for advance payments. Non-compliance penalties are set at R50,000 (approximately USD2,500). Records must be retained for 6 years, and the prescription period is also set as 6 years.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

South African domestic CEs are jointly and severally liable for the DMTT. No separate announcement has been made on the filing obligations in respect of the DMTT.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No announcement yet.

Tax registration: Deadline to file. Transitional year?

6 months prior to the first submission date

Tax registration: Deadline to file. Standard rule?

6 months prior to the first submission date

Tax registration: Other information?

A designated filing entity needs to be nominated (and the South Africa Revenue Authority notified thereof) 6-months prior to the first submission date (eg, 31 December 2025 for companies with a 31 December 2024 year-end). If no such nomination is made, then all CE's are required to submit a Globe Return.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

The SA legislation is adopted with reference to the Model Rules, Commentary and Administrative Guidance, other than where specific departures are stipulated. The draft legislation proposes to adopt an ambulatory approach to applying the Model Rules and Commentary, i.e. the most recent version of the Commentary will apply (updated by any Administrative Guidance that had been published before the start of the fiscal year in question).

PwC Thought Leadership

Tax Alert Budget 2024 — For Our Humanity

In October 2021, SA committed to the new international tax framework developed by the Inclusive Framework ("IF") to Address the Tax Challenges Arising from the Digitalisation of the Economy. Government proposes to introduce two measures to effect the IF's Pillar Two proposals, namely an income inclusion rule ("IIR") and a domestic minimum top-up tax ("DMTT") for qualifying multinationals from 1 January 2024.

The IIR will enable SA to apply a top-up tax on profits reported by qualifying SA multinationals operating in other countries with effective tax rates below 15 per cent. The DMTT will enable SARS to collect a top-up tax for qualifying multinationals paying an effective tax rate of less than 15 per cent in SA.

Government has published an Explanatory Memorandum and a Draft Global Minimum Tax Bill that contain more details on these proposals for public comment. Read more

2023 Budget Review Highlights — Major Tax Announcements

National Treasury will publish (during 2023) a draft position paper to implement the OECD's 'Pillar Two' proposals, i.e. a global minimum corporate tax of 15%. The draft paper will inform legislation to be included in the 2024 tax amendments — which presumably means that SA could implement Pillar Two from 2025. Read more

PwC Contacts

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Country or region: South Korea

Last update: 12 June 2025

Status of enactment

Current status: Final law in force

The revised LCITA law was announced on 31 December 2024, and is enforced starting 1 January 2025. This law finalizes the draft content that was announced on 25 July 2024.

On 25 July 2024, the Korean Ministry of Economy and Finance released tax reform proposals, which include additional provisions that have not yet been incorporated into the Law for Coordination of International Tax Affairs ('the LCITA'). These provisions include the GloBE Safe Harbour, UTPR Transitional Safe Harbour rules and other aspects covered in the Model Rules, Commentary, and Administrative Guidance.

On 22 March 2024, the Enforcement Regulations of the LCITA were enacted, incorporating many aspects covered in the Model Rules, Commentary, and Administrative Guidance into domestic tax law.

On 25 January 2024, the Korean Ministry of Economy and Finance released a subsequent draft Presidential Decree of the LCITA for public consultation in relation to the Pillar Two rules. The draft Presidential Decree provides more elaborate guidance on the Pillar Two Rules related to allocation of GloBE Income or Loss and Covered Taxes between Constituent Entities (especially PEs and Investment Entities), calculation of Top-up tax, new requirements for the qualified UTPR and QDMTT, compliance for Korean Constituent Entities responsible to pay the UTPR Top-up tax, and transitional penalty relief for noncompliance with the GIR submission.

On 21 December 2023, South Korea's parliament approved a delay of Korea's UTPR for one year (i.e., to take effect on 1 January 2025. It was originally scheduled to take effect on 1 January 2024). The IIR will remain in force from 1 January 2024.

On 9 November 2023, the Korean Ministry of Economy and Finance released a draft Presidential Decree for public consultation in relation to the Pillar Two rules that were enacted as a new chapter to the LCITA at the end of 2022. The draft Presidential Decree provides additional guidance on the Pillar Two rules from Article 100 to Article 167 of the Presidential Decree of the LCITA. The draft was promulgated on 29 December 2023.

The Pillar Two rules were adopted in the amended LCITA which was approved by the Korean parliament on 23 December 2022. The rules are in line with the OECD Model Rules.

Income inclusion rule

Entry into force: 1 January 2024

IIR rules enter into force in tax years beginning on or after 1 January 2024.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 1 January 2025

On December 31, 2023, the amendment to the LCITA confirmed that the UTPR will take effect on January 1, 2025.

On July 27, South Korea's Ministry of Finance released a 2023 Tax Law Amendment Bill, which includes a delay of Korea's UTPR for one year (i.e., to take effect on January 1, 2025. It was originally scheduled to take effect on January 1, 2024). The bill must pass the Congress to be in force.

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

Korea already has in place a domestic minimum tax rule which might not be regarded as a QDMTT from GloBE tax standpoint. The GloBE rules announced in the Korean's budget bill on December 2022 do not include a QDMTT.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

On March 22, 2024, the Enforcement Regulations of the LCITA, detailing more technical and specific aspects related to the application of the CbCR Transitional Safe Harbour, were enacted.

On February 29, 2024, the Presidential Decree of the LCITA, containing detailed provisions regarding the application of the CbCR Transitional Safe Harbour, was enacted.

On December 31, 2023, the LCITA was enacted, introducing provisions related to the CbCR Transitional Safe Harbour.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

On March 22, 2024, the Enforcement Regulations of the LCITA, detailing more technical and specific aspects related to the allocation and adjustment of Covered Taxes, were enacted.

On December 29, 2023, the Presidential Decree of the LCITA, containing detailed provisions related to the allocation and adjustment of Covered Taxes, was enacted.

Article 67 of the LCITA includes the definition of 'covered taxes' which is identical with the definition in the Article 4.2.1.(a) of the OECD Model Rules. According to the LCITA, detailed regulations regarding the definition of covered tax are delegated to the Presidential Decree of the LCITA.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

On March 22, 2024, the Enforcement Regulations of the LCITA, providing more technical and specific details regarding Qualifying Refundable Tax Credits, were enacted.

On December 29, 2023, the Presidential Decree of the LCITA, containing detailed provisions regarding Qualifying Refundable Tax Credits, was enacted.

CbCR Transitional Safe Harbour

On March 22, 2024, the Enforcement Regulations of the LCITA, detailing more technical and specific aspects related to the application of the CbCR Transitional Safe Harbour, were enacted.

On February 29, 2024, the Presidential Decree of the LCITA, containing detailed provisions regarding the application of the CbCR Transitional Safe Harbour, was enacted.

On December 31, 2023, the LCITA was enacted, introducing provisions related to the CbCR Transitional Safe Harbour.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

In line with the OECD model rules (Article 86 of enforcement decree of the LCITA). Qualified Financial Statements means: a. the accounts used to prepare the Consolidated Financial Statements of the UPE; b. separate financial statements of each Constituent Entity provided they are prepared in accordance with either an Acceptable Financial Accounting Standard or an Authorised Financial Accounting Standard if the information contained in such statements is maintained based on that accounting standard and it is reliable; or c. in the case of a Constituent Entity that is not included in an MNE Group’s Consolidated Financial Statements on a line-by-line basis solely due to size or materiality grounds, the financial accounts of that Constituent Entity that are used for preparation of the MNE Group’s CbCR.

UTPR Transitional Safe Harbour

In accordance with the revised tax law on 31 December 2024, the UTPR Top-up Tax Amount calculated for the UPE Jurisdiction shall be deemed to be zero for each Fiscal Year during the Transition Period if the UPE Jurisdiction has a corporate income tax that applies at a rate of at least 20 percent. The Transition Period means the Fiscal Years which run no longer than 12 months that begin on or before 31 December 2025 and end before 31 December 2026.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Filing entity: Each Korean constituent entity must file a GIR unless a designated Korean filing entity is appointed. When a foreign constituent entity located in a jurisdiction that has a Qualifying Competent Authority Agreement in effect, Korean constituent entity is not obligated to file a GIR.

Deadline: The GIR needs to be electronically filed to tax administration no later than 15 months after the last day of the Reporting Fiscal Year (18 months for Transitional Year) The due date for filing and notification obligations for any Fiscal Year shall not be before 30 June 2026.

Payment timing (at return or installments) : Same as return. Korea may provide for installment payments subject to the amount of the additional top up tax amount.

Paying entity / legal liability for tax : Each Korean constituent entity is responsible for filing the return and paying the tax unless a designated Korean filing entity is appointed. The entity responsible for filing the return is also legally liable for the tax, including ensuring compliance with filing requirements and paying any due tax.

Penalties : Korean constituent entity who is obligated to file a GIR fails to submit data by the deadline without any unavoidable cause or submits false data shall be subject to an administrative fine not exceeding 100 million won (for transitional penalty relief, please see below)

Other relevant details: In line with the OECD model rules (Article 83~85 of the LCITA).   Where the GIR is filed by a foreign constituent entity, a notification must be made to the Korean tax authorities informing about the foreign constituent entity. The notification has the same deadline as the GIR.

QDMTT: Separate return?

Unknown

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

Filing entity: In line with the OECD model rules (Article 83~85 of the LCITA).
Deadline: The due date for in-scope Korean companies with 31 December fiscal year-ends to file and pay the Top-up Tax in Korea (article 84 of the LCITA)– assuming they qualify from 2024 – would be 30 June 2026. Payment timing (at return or installments) : please see above Paying entity / legal liability for tax : Please see above Penalties: Please see above Other relevant details: Please see above

Tax registration: Deadline to file. Transitional year?

GIR notification: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

GIR notification: 15 months from fiscal year end

Tax registration: Other information?

GIR notification. No other separate registration requirement

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

On December 31, 2023, the LCITA was enacted, including Transitional Penalty Relief provisions stating that the penalties for non-filing and excessive refunds due to underreporting will not be applied, and the late payment penalties will be reduced to 50% of the existing penalties under Korean regulations.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Government’s Bill to Amend Presidential Decrees of Tax Laws

Read more

Pillar Two early movers: South Korea and Japan

Watch here

Proposed Refinements to the Global Minimum Tax Rules

Read more

Pillar Two in South Korea: Effective dates and much more (CBTT podcast - July 12, 2023)

Doug McHoney is joined by Michael Kim, a PwC International Tax Partner and South Korea’s Outbound Tax Leader, to discuss South Korea’s enactment of Pillar Two. Liste more

South Korea becomes first to pass Pillar Two global minimum tax rules in its domestic legislation

South Korea's budget bill for 2023, approved by parliament on 23 December 2022, includes the Korean rules on a global minimum tax (the GloBE Rules). The rules include an IIR and ‘Supplementary rules for income inclusion’ (referred to as the UTPR in the OECD Model Rules).
Read more

PwC Contacts

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Country or region: Spain

Last update: 27 January 2025

Status of enactment

Current status: Final law in force

On 21 December 2024, Law 7/2024 of 20 December was published in the Official State Gazette (BOE), which, among others, transposes Council Directive (EU) 2022/2523 in Spain introducing a complementary tax to guarantee a minimum global level of taxation for multinational groups and large national groups.

Income inclusion rule

Entry into force: 31 December 2023

IIR will be applicable to fiscal years beginning on or after 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

For MNE Groups where the UPE is subject to a Corporate Income Tax at a nominal rate of at least 20%, the UTPR rule will apply to fiscal years beginning on or after 31 December 2025, for the rest of groups, the UTPR rule will be applicable to fiscal years beginning on or after 31 December 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

The Spanish QDMTT (National Complementary Tax) intends to be a QDMTT. It is calculated following the same rules as the IIR. It is applicable for fiscal years beginning on or after 31 December 2023.

For Spanish large scale domestic groups the QDMTT will be deemed zero for the 5 first years of application of the tax.

QDMTT: Accounting Standards?

As a general rule, QDMTT is based on UPE's accounting standards. When it is not possible to reasonably determine the accounting result of the constituent entity in accordance with the UPE's accounting standards, the accounting result of the entity, for the tax period, will be determined in accordance with the generally accepted accounting principles in Spanish territory used in the preparation of the financial statements of the constituent entity.

QDMTT: SBIE applicable?

Yes

QDMTT: CbCR Safe Harbour?

Safe Harbours are applicalbe to the QDMTT in the same terms as the IIR.

QDMTT: application only to wholly-owned constituent entities?

No.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The definition of covered taxes is in line with the EU Directive and the Model Rules. The Spanish law does not contains a specific list of what will constitute "covered taxes".

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

Post-filing adjustments treatment in line with the EU Directive and the Model Rules.

Qualified Refundable and Marketable Transferable Tax Credits

The legislation is broadly in line with the EU Directive's definition on Qualifying Refundable Tax Credits. Regulation of the Marketable Transferrable Tax Credits is included in the Draft of the Regulations on the Law.

For Spanish tax purposes, the bonification on the total amount of the Corporate Tax provided for in Article 34, point 2, of Law 20/1990, of December 19, on the Tax Regime of Cooperatives, and applicable to specially protected cooperatives, will be considered an "Qualified Refundable Tax Credit," consequently increasing the covered taxes of the entity in the tax period.

A similar treatment will be given to the deductions and/or bonifications on the total amount specifically established for specially protected cooperatives in the respective Provincial Regulations that govern the Tax Regime of Cooperatives in the Historical Territories of the Basque Autonomous Community and in the Foral Community of Navarre.

CbCR Transitional Safe Harbour

Spanish law includes the transitional safe harbour based on the CbCR, broadly in line with the OECD Guidance.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

In line with the OECD Guidance.

UTPR Transitional Safe Harbour

Spanish Law includes the Transitional UTPR Safe Harbour, by means of which UTPR shall be deemed zero for fiscal years that begin on or before 31 December 2025 and end before 31 December 2026 if the UPE Jurisdiction has a corporate income tax that applies at a rate of at least 20 percent.

Permanent Safe Harbours

Spanish Law foresees that the top-up tax shall be deemed zero in relation to entities subject to a QDMTT in another jurisdiction (QDMTT Safe Harbour).

Spanish Law also foresees, in relation to Permanent Safe Harbours, the complementary tax will be zero in relation to those constituent entities located in a jurisdiction that meets the conditions of an "admissible international safe harbor agreement," under the terms established in said international agreement.

An "admissible international safe harbor agreement" shall be understood as an international set of rules and conditions that all jurisdictions have accepted and that guarantees the groups included within the scope of the OECD Model Rules the possibility of opting to benefit from one or more safe harbors for a jurisdiction.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Each Spanish CE has the obligation to file the GIR. Notwithstanding the above, the GIR would not need to be filed if it has been been filed by the UPE or a designated entity in Spain or in a jurisdiction with which Spain has an exchange of information agreement with.

Where the GIR is filed by a foreign Constituent Entity, each Spanish CE must file a notification to the Spanish local authorities to identify the Entity that is filing the GIR, the jurisdiction in which it is located, and the start and end dates of the tax period.

This obligation will be considered fulfilled through the submission of a single communication that includes the information for all Spanish CEs that are part of a group required to file the informational return.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

Within 25 calendar days following the 18th month after the end of the tax period.

QDMTT: Deadline to file. Standard rule?

Within 25 calendar days following the 15th month after the end of the tax period.

QDMTT: Other information?

The self-assessment filing and payment of tax liability must be carried out by the respective Constituent Entity or, where appropriate, by the entity designated by the legislator as a substitute.

The following entity will be considered a substitute (obligated to do the filing and pay the top-up tax), based on this priority order:

- the UPE in Spain, unless it is an excluded entity,
- if not the above, the parent entity in Spain with the highest net book value of tangible assets, unless it is an excluded entity,
- if neither of the above, the local constituent entity with the highest net book value of tangible assets, unless it is an excluded entity.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

Within 25 calendar days following the 18th month after the end of the tax period.

TPT: Deadline to file. Standard rule?

Within 25 calendar days following the 15th month after the end of the tax period.

TPT return: Other information?

The self-assessment or self-assessments shall be submitted electronically in the manner determined by the person holding the position of Minister of Finance, regardless of whether the resulting amount is positive or zero.

Tax registration: Deadline to file. Transitional year?

16 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

12 months from fiscal year end

Tax registration: Other information?

Where the GIR is filed by a foreign Constituent Entity, each Spanish CE must file a notification to the Spanish local authorities to identify the Entity that is filing the GIR, the jurisdiction in which it is located, and the start and end dates of the tax period. This obligation will be considered fulfilled through the submission of a single communication that includes the information for all Spanish CEs that are part of a group required to file the informational return. The notification of the entity filing the GIR must be made at least three months before the deadline for submitting the GIR return (2 months for FY25) (i.e., the communication must be made within 16 months after the end of the Reporting Fiscal Year for FY25, and within 12 months after the end of the Reporting Fiscal Year for the rest of the years). For the first year, if the tax year ends before March 31, 2025, the notification must be filed within the two months before June 30, 2026.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

Spanish law does not contain a Transitional penalty relief.

Failing to submit the GIR or submitting incomplete, inaccurate, or false information is classified as a severe tax infraction. A fixed penalty of €10,000 for each missing item or set of items required in the GIR return would be imposed, capped at 1% of the net turnover of the group.

Failing to submit the communications required under the Spanish Minimum Tax Act within the deadline is also classified as a severe infraction. The penalty for such infractions is a fixed fine of €10,000.

Certain reductions may apply on the penalties above where the taxpayer has voluntarily regularized the due Pillar Two filings (i.e., with no prior notice issued by the Tax Authorities).

Application of OECD guidance to Pillar Two local rules

The Preamble of the Spanish Law explicitly foresees that the OECD Model Rules and the criteria derived from the Commentaries, Administrative Guidance, and other principles or criteria developed and publicly disclosed by the OECD or by the European Union should be taken into account as interpretative criteria.

Further, it is expressly stated for these purposes that, where applicable, such criteria may be expressly recognized and publicized as such through resolutions to be issued by the Director General of Taxes of the Ministry of Finance.

PwC Thought Leadership

PwC Contacts

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Country or region: Sweden

Last update: 22 October 2024

Status of enactment

Current status: Final law in force

In February 2023 a first proposal implementing the global minimum tax under the OECD GloBE rules and the EU Directive 2022/2523 of 14 December 2022 was released and in March, a supplement was issued. On 31 August 2023 the proposal to transpose the implementation of the global minimum tax was referred to the Legislative Council for their review. In substance, the Legislative Council proposal did not contain any major changes in relation to the previous proposals. On 17 October 2023, the Legislative Council's opinion on the draft bill was published. The Council was highly critical of the fact that the time taken to prepare the proposal had been far too short and raised a number of linguistic and structural comments. On 26 October 2023, the Government submitted the bill to the Swedish parliament. On 13 December 2023 the Swedish Parliament voted to implement Pillar Two into Swedish law. The rules went into force on 1 January 2024.

The Swedish rules include provisions covering the main elements of the rules which have been agreed by the Inclusive Framework. The Swedish rules contain a QDMTT, an IIR, and a UTPR. The Swedish rules currently in force do not, however, take fully into account the Administrative Guidance published by the OECD throughout 2023. To that end, proposed changes to the Swedish law were suggested on 19 March 2024. This concerns, for example, the measures necessary to ensure that the Swedish QDMTT meets the conditions for benefiting from another country's QDMTT safe harbour rules. Among other changes suggested in the promemoria issued on 19 March 2024, one can mention modifications to the foreign tax credit act that enable offsetting foreign QDMTTs against taxes due under the Swedish CFC rules.

The proposed legislative changes are proposed to take effect on 1 January 2025, and apply for the first time for tax years beginning immediately after 31 December 2024. However, it is proposed that the reporting entity may request that all or certain of the proposed provisions be applied already for tax years beginning immediately after 31 December 2023, if it would be advantageous for the group.

The amendments suggested on 19 March 2024 have been subject to a public consultation in Sweden and are expected to be adopted, possibly with some modifications, during 2024.

Income inclusion rule

Entry into force: 1 January 2024

Applicable to tax years beginning after 31 December 2023.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 1 January 2025

The legislation includes a UTPR that will apply to tax years beginning after 31 December 2024. However, when a UPE is located in a EU jurisdiction that has elected for a delayed application of the IIR and UTPR according to article 50(1) of the Directive, the other Member States must ensure that the CEs of that MNE group are subject to the UTPR top-up tax amount allocated to that Member State for years beginning from 31 December 2023.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

Applicable to tax years beginning after 31 December 2023. The legislation includes a QDMTT. The QDMTT is determined based on the same calculation methods as for the IIR. The provisions correspond to the Directive and the Model Rules and should therefore be deemed as qualified.

QDMTT: Accounting Standards?

According to the law adopted on 13 December 2023, when applying the QDMTT the accounting standard can either be based on the UPE's accounting standard or on another generally accepted accounting standard than the one used in the consolidated financial statements. The amendments suggested on 19 March 2024 would imply that the Swedish QDMTT be based on a national accounting standard provided that all Swedish constituent entities use the same standard.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion is applicable to the QDMTT.

QDMTT: CbCR Safe Harbour?

The CbCR Safe Harbour is applicable for QDMTT purposes, in which case the Top-Up Tax is deemed to be zero.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The Swedish legislation follows the EU Directive regarding what constitutes Covered Taxes. Corporate taxes and other taxes levied in lieu of the corporate income taxes and tax levied under a qualified dividend tax system should qualify as covered taxes according to the Directive.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The law follows the EU Directive but needs to be modified and supplemented in order to be fully compliant with the OECD Administrative Guidance. This would be done through the amendments suggested on 19 March 2024, which recommend the implementation of the OECD Administrative Guidance from July 2023 with respect to Tax Credits.

CbCR Transitional Safe Harbour

The Swedish legislation includes the Transitional CbCR Safe Harbour, i.e. the De Minimis test, Simplified ETR and Routine Profits Tests. Completing rules to the CbCR Transitional Safe Harbour are provided in the amendments suggested on 19 March 2024.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

The Swedish legislation does not yet include a UTPR Transitional Safe Harbour. However, such rules are included in the amendments suggested on 19 March 2024. Consistently with the OECD Model Rules, the suggested UTPR Transitional Safe Harbour implies that the Top-Up Tax for the UPE be deemed to be zero in the UPE Jurisdiction for each fiscal year during a transition period if the UPE Jurisdiction has a corporate income tax rate of at least 20%. The transition period means the Fiscal Years which run no longer than 12 months, begin on or before 31 December 2025, and end before 31 December 2026.

Permanent Safe Harbours

The Swedish legislation does not yet include Permanent Safe Harbour rules. Such rules were proposed on 19 March 2024 for Non-material Constituent Entities. In addition, the amendments suggested on 19 March 2024 would modify the Swedish QDMTT so as to meet the conditions for benefiting from another country’s QDMTT Safe Harbour rules. It is also suggested that Sweden shall accept the position of the Inclusive Framework regarding the domestic rules that qualify for the QDMTT Safe Harbour.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

According to the Swedish legislation, the filing obligations laid out in the EU Directive are to be fulfilled by submitting a GIR. The obligation rests with the individual CE, but there are rules that allow for joint reporting in the group.

Swedish CEs can appoint one CE to be the representative of the MNE Group. This representative will be responsible for submitting the GIR and the top-up tax return, paying any top-up taxes and representing all Swedish CEs with regard to Pillar Two. There is an obligation to notify the Swedish Tax Agency if another CE than the UPE is filing the

GIR.

QDMTT: Separate return?

No

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

The Swedish QDMTT is subject to the same filing requirements as the IIR and the UTPR. There is no additional filing requirement for the QDMTT on the top of these two requirements.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

19 months from fiscal year end (filing) / 90 days after the date of the decision (payment)

TPT: Deadline to file. Standard rule?

16 months from fiscal year end (filing) / 90 days after the date of the decision (payment)

TPT return: Other information?

The Swedish QDMTT, IIR, and UTPR are subject to two filing requirements: the GIR ("tilläggsskatterapport") and the Top-Up Tax Return ("tilläggsskattedeklaration"). The GIR will contain the information necessary to assess whether a group is subject to a Top-Up Tax. However, the report will not contain all the information needed to determine which CE is liable for tax and how much Top-Up Tax each CE should pay.

For Fiscal Years ending before 31 March 2025, the GIR must be submitted no later than 30 June 2026.

A Top-Up Tax Return is to be filed by each CE required to pay a Top-Up Tax.

The Top-Up Tax Return shall be filed with the Swedish Tax Agency no later than a month after the GIR is due. The Swedish Tax Agency shall decide on Top-Up Tax if the CE has submitted a Top-Up Tax Return. Top-Up Tax must be paid within 90 days after the date of the decision and shall be paid in the same way as other taxes and charges in Sweden, i.e. to the tax account of the CE liable for the tax. Top-Up Tax is not subject to any preliminary tax payments.

Tax registration: Deadline to file. Transitional year?

Registration: 15 months from fiscal year end Appointment of Swedish CE representative: 18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

Registration: 15 months from fiscal year end Appointment of Swedish CE representative: 15 months from fiscal year end

Tax registration: Other information?

Each CE located in Sweden is obliged to register with the Swedish Tax Agency within 15 months after the financial year ends from the time the registration obligation arose.

Swedish CEs to appoint one CE to be the representative of the MNE Group. This should be done no later than 18 months after the financial year for the transitional year and 15 months after the financial year the following financial years

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

Sweden has not implemented a transitional penalty relief regime into the Swedish legislation. However, according to the Swedish rules, the penalty charged in case of incorrect information provided in the GIR is meant to apply only if the information is clearly incorrect.

Application of OECD guidance to Pillar Two local rules

The preparatory works acknowledge that the current Swedish implementation has not taken into consideration all of the OECD Administrative Guidance. However, although the Commentary to the Model Rules and the Agreed Administrative Guidance are not explicitly implemented in the Swedish legislation, they may be taken into account for interpretation purposes: according to the preparatory works and the guidance issued by the Swedish Tax Agency, such material may be referred to for interpretative purposes as long as this does not conflict with the domestic Swedish rules, the Directive, or EU law in general. This situation is meant to be temporary, as the amendments suggested on 19 March 2024 would implement the OECD Administrative Guidance issued throughout 2023.

PwC Thought Leadership

The bill with supplementary provisions is decided (in Swedish)

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Pillar Two Proposal to the Council

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Pillar Two - new provisions (in Swedish)

Read more

Pillar Two - Third set of OECD guidelines published (in Swedish)

Read more

Pillar Two - The government has submitted the legislative proposal to the Parliament (in Swedish)

Read more

Accounting implications of Pillar Two (in Swedish)

Read more

EU's Pillar II directive is about to be introduced in Sweden (in Swedish)

Through an interim report (SOU 2023:6) from the 2021 investigation on certain international corporate tax issues, a

Swedish legislative proposal has been published where it is proposed that the EU Directive be transposed into Swedish law through a separate special law (the Supplementary Tax Act). The Act is proposed to consist of ten chapters covering both substantive and procedural rules. Read more

PwC Contacts

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Country or region: Switzerland

Last update: 12 June 2025

Status of enactment

Current status: Final law in force

The Swiss government (Federal Council) decided on 22 December 2023 to implement the Pillar Two rules in Switzerland. The respective Federal ordinance was published in the Federal gazette on 28 December 2023. Switzerland implemented a QDMTT from 1 January 2024.

During its meeting on 4 September 2024, the Federal Council decided to bring the IIR into force with effect from 1 January 2025. In contrast, the Federal Council has decided not to bring the UTPR into force for the time being.

Income inclusion rule

Entry into force: 1 January 2025

During its meeting on 4 September 2024, the Federal Council decided to bring the IIR into force with effect from 1 January 2025.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

During its meeting on 4 September 2024, the Federal Council decided not to bring the UTPR into force for the time being.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

Switzerland implemented a QDMTT from January 1, 2024. The Swiss Pillar Two Ordinance includes a direct reference to the OECD Model Rules / Commentary / Guidance. As such, the Swiss QDMTT is closely aligned with the OECD framework.

QDMTT: Accounting Standards?

The Swiss Pillar Two Ordinance allows using the local accounting standard Swiss GAAP FER for the calculation of the QDMTT if certain conditions (as set by the OECD) are met.

QDMTT: SBIE applicable?

The Substance Based Income Exclusion follows the OECD Model Rules, Commentary and Guidance.

QDMTT: CbCR Safe Harbour?

Safe Harbours are applicable for QDMTT purposes as well.

QDMTT: application only to wholly-owned constituent entities?

No, QDMTT applicable to non-wholly owned entities too

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

There is no official list of which Swiss taxes should qualify as Covered Taxes.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

The Swiss Pillar Two Ordinance includes a direct reference to the OECD Model Rules published in December 2021, which are to be applied in analogy for the Swiss QDMTT. Furthermore, the Swiss Pillar Two Ordinance states that OECD Model Rules are to be interpreted based on the respective OECD Commentary and Administrative Guidance. As such, Switzerland has not published additional guidance on the Treatment of post-filing Adjustments.

Qualified Refundable and Marketable Transferable Tax Credits

Cantons are currently analyzing to what extent compensation measures could be introduced; these could potentially also take the shape of Qualifying Refundable Tax Credits.

CbCR Transitional Safe Harbour

The Swiss Pillar Two Ordinance includes a direct reference to the OECD Model Rules published in December 2021, which are to be applied in analogy for the Swiss QDMTT. Furthermore, the Swiss Pillar Two Ordinance states that OECD Model Rules are to be interpreted based on the respective OECD Commentary and Administrative Guidance. Therefore, the CbCR Safe Harbour is applicable in Switzerland as well.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

The Swiss Pillar Two Ordinance includes a direct reference to the OECD Model Rules published in December 2021, which are to be applied in analogy for the Swiss QDMTT. Furthermore, the Swiss Pillar Two Ordinance states that OECD Model Rules are to be interpreted based on the respective OECD Commentary and Administrative Guidance.

As such, Switzerland has not published additional guidance about a CbCR and / or financial Statements to be considered "qualifying".

UTPR Transitional Safe Harbour

No UTPR implemented yet.

Permanent Safe Harbours

See above with respect to Switzerland's interpretation of the OECD Model Rules in line with the OECD Commentary and Administrative Guidance. The topic of a Permanent Safe Harbour will only be of relevance in Switzerland once such rules have been developed and published by the OECD.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Further developments in terms of the GIR will be monitored and would be built into the ordinance once available. The relevant Swiss filing entity will be the top-tier company in Switzerland. In case no such top-tier company exists, the economically most relevant Swiss company has the respective filing obligation (relevance being measured by reference to the highest average net income throughout the last three tax periods or the highest average equity during the same period). The Pillar Two tax returns 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. Paying entity / legal liability for tax: one-stop shop entity

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

Filing entity: Based on the Swiss Pillar Two Ordinance, the Swiss QDMTT will be levied based on a "one-stop shop" concept in Switzerland. This means that only one canton will levy the top-up tax and distribute the respective funds to the Federation / other cantons. As such, a taxpayer will file the Pillar Two tax returns with one canton only;

Deadline: 18 months following the end of the transition year / 15 months following year-end thereafter Payment timing (at return or installments): The top-up tax amounts will become due at the same dates (i.e., alignment between filing and payment deadlines).
Paying entity / legal liability for tax: one-stop shop entity Other relevant details: 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 One-stop shop Canton. The declaration will be done electronically on a portal designed specifically for Pillar Two purposes (OMTax - https://www.omtax.ch/en/navigation/omtax).

TPT (IIR/UTPR): Separate return?

Yes (IIR)

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

Determination of a so-called One-Stop Shop Entity according to the Swiss Pillar Two Ordinance. The One-Stop Shop Entity is the entity, which is also liable for IIR purposes. If more than one Swiss Constituent Entities would be subject to an IIR, the filing entity is generally the company with the highest average balance sheet total of the previous three fiscal years. All Swiss Constituent Entity have a joint liability for the Top-up Tax that is allocable to them. The payment of IIR is in line with the filing of the IIR return. Penalties are possible based on the Swiss Pillar Two Ordinance in case of infringing procedural duties or in case of tax evasion / tax fraud.

UTPR: not appplicable at the moment as Switzerland does not implement a UTPR for the time being.

Tax registration: Deadline to file. Transitional year?

18 months from fiscal year end

Tax registration: Deadline to file. Standard rule?

15 months from fiscal year end

Tax registration: Other information?

A tax registration is required ahead of the filing on the designated electronic platform (OMTax - https://www.omtax.ch/en/navigation/omtax). The deadline is in line with the filing of the QDMTT return and the GIR (first registration no later than 30 June 2026)

Other relevant information?

All filings are to be made via an electronic platform, which is hosted by the Swiss Federal Tax Authorities

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Yes, Switzerland adopted the art. 9.3 Model Rules, but does not apply the optional provision of art. 9.3.5 Model Rules.

Transitional Penalty Relief

The Swiss Pillar Two Ordinance follows the OECD transitional penalty relief.

Application of OECD guidance to Pillar Two local rules

The Swiss Pillar Two Ordinance includes a direct reference to the OECD Model Rules published in December 2021, which are to be applied in analogy for the Swiss QDMTT. Furthermore, the Swiss Pillar Two Ordinance states that OECD Model Rules are to be interpreted based on the respective OECD Commentary and Administrative Guidance.

PwC Thought Leadership

Pillar 2 compliance: publication of GIR-related documents

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A comprehensive approach - Navigating BEPS Pillar II challenges

This article identifies the challenges intrinsic to implementing BEPS Pillar II and proposes a comprehensive approach to tackle them. Read more

Limitation on selected tax benefits granted after 30 November 2021 (Article 9.1 Model Rules). OECD releases further Administrative Guidance for Pillar 2.

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Flight forwards recommended

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The Pillar Two die is cast. Switzerland will implement QDMTT as per 1 January 2024 and postpones the implementation of IIR and UTPR to a later date

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####Global minimum tax in Switzerland – the Swiss voters clearly say yes With a majority of roughly 78%, Swiss voters approved the new constitutional provision on the implementation of the OECD/G20 project on the taxation of large corporate groups (BEPS 2.0 project) in the public vote on 18 June 2023. This positive outcome enables Switzerland to continue with the work on the global minimum tax implementation plan. Read more

####Global minimum tax in Switzerland - the Swiss voters have to act now The next milestone in this regard will be the upcoming public vote on 18 June 2023 where Swiss voters will decide on the required constitutional change that would then allow the Federal Council to enact the rules in Switzerland by way of an ordinance. Read more

####Switzerland reaches next milestone for implementation of the OECD minimum taxation rules The constitutional article on the implementation of the OECD minimum taxation at 15% for multinational groups with an annual consolidated revenue of EUR 750 million or more was signed and sealed on 16 December 2022. Read more

####Pillar 2: Second draft ordinance for the Swiss implementation published On May 24, 2023, the Swiss Federal Council released the 2nd draft ordinance governing the implementation of Pillar 2 in Switzerland (the English version of the press release can be found here). The ordinance is open for consultation until September 14, 2023. Read more

####Pillar Two: Swiss draft ordinance published for consultation On 17 August 2022, the Swiss Federal Council launched the public consultation with respect to the ordinance laying out the material aspects of the Pillar 2 implementation in Switzerland. Read more

PwC Contacts

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PwC Switzerland Pillar Two website

Country or region: Taiwan

Last update: 6 September 2024

Status of enactment

Current status: No public announcement yet

Taiwan's Ministry of Finance has confirmed on 30 August, 2023 that there is no predefined timeline for the implementation of the Pillar Two rules in Taiwan. Instead, they propose the following steps:

In the short term, the primary focus should be on reviewing Taiwan's tax system, offering modest tax incentives to maintain a 15% ETR for MNEs, and reducing compliance costs for MNE groups operating in Taiwan. On 28 August 2024, the Ministry of Finance issued a draft amendment to the Income Basic Tax Act. This amendment will adjust the Alternative Minimum Tax ("AMT") rate applicable to profit-making enterprises located in Taiwan that belong to multinational enterprise groups meeting the applicable threshold of Pillar Two, raising it from 12% to 15% from 2025 onward. For profit-making enterprises located in Taiwan that do not fall under the previous provision, the AMT rate will remain at 12%. This adjustment is in line with the ability-to-pay tax principle and aims to balance the tax burden between large and small enterprises.

In the medium term, considering a QDMTT is advisable to prevent other jurisdictions from imposing top-up taxes on low-taxed entities based in Taiwan.

In the long term, the potential adoption of the Inclusive Framework's IIR and UTPR aspects of the GloBE rules will be assessed, depending on the progress of international implementation.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available yet. Taiwan's current tax incentives, including the R&D investment tax credit and 5G, smart machine and cyber security investment tax credit, etc., may not be considered as the QRTC for Pillar Two purposes since they could only be used to credit against the income tax and is not refundable within four years.

CbCR Transitional Safe Harbour

No information available yet

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available yet

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

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Country or region: Thailand

Last update: 10 January 2025

Status of enactment

Current status: Final law in force

The Emergency Decree on Top-up Tax, B.E. 2567 (2024) was promulgated in Thailand on 26 December 2024. The legislation brings all three charging mechanism, the IIR, the UTPR, and the Thai DMTT to apply for accounting periods beginning on or after 1 January 2025.

Income inclusion rule

Entry into force: 1 January 2025

The Emergency Decree on Top-up Tax, B.E. 2567 (2024) was promulgated in Thailand on 26 December 2024. The legislation introduces an IIR, which applies to Thai entities of in-scope multinational enterprises that are parent entities of foreign affiliates, whether directly or indirectly, for accounting periods beginning on or after 1 January 2025.

The Thai legislation is generally aligned with the OECD Model rules, commentary and administrative guidance, and the legislation includes provision for future amendment to ensure consistency with additional guidance to be published by the OECD.

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: 1 January 2025

The Emergency Decree on Top-up Tax, B.E. 2567 (2024) was promulgated in Thailand on 26 December 2024. The legislation introduces a UTPR, which applies to Thai entities of in-scope multinational enterprises for accounting periods beginning on or after 1 January 2025.

The Thai legislation is generally aligned with the OECD Model rules, commentary and administrative guidance, and the legislation includes provision for future amendment to ensure consistency with additional guidance to be published by the OECD.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2025

The Emergency Decree on Top-up Tax, B.E. 2567 (2024) was promulgated in Thailand on 26 December 2024. The legislation introduces a Domestic Minimum Top-up Tax (DMTT), which applies to Thai entities of in-scope multinational enterprises for accounting periods beginning on or after 1 January 2025.

The Thai legislation is generally aligned with the OECD Model rules, commentary and administrative guidance, and the legislation includes provision for future amendment to ensure consistency with additional guidance to be published by the OECD.

Based on the legislation enacted, the mechanism of adjusting GloBE Income and Covered Taxes are not prescribed within the provisions of the Decree, but instead to be prescribed in future regulations and must conform with the mechanism as intended by the OECD Model Rules, Commentary, and Administrative Guidance.

QDMTT: Accounting Standards?

Based on the legislation enacted, the DMTT needs to be calculated based on the UPE's accounting standard, however the provisions of Article 3.1.3 the OECD model rules are also prescribed under the law which provides that if it is not reasonably practicable to determine the DMTT per the UPE's accounting standards, then local accounting standards which must be an Authorised Financial Accounting Standard can be used.

QDMTT: SBIE applicable?

The Decree introduces the SBIE within the calculation mechanism of the top-up tax generally regardless of which charging provision is applicable.

QDMTT: CbCR Safe Harbour?

The Decree does not specifically contain the Safe Harbour provisions but includes a general provision for relief and exemptions to be introduced in subsequent regulation. As the Decree also contains a provision to align the rules to the OECD GloBE Model Rules, including the Commentary and Administrative Guidance as implemented by the Inclusive Framework, it is expected that the Safe Harbours would therefore be implemented in the form of subsequent regulation instead.

QDMTT: application only to wholly-owned constituent entities?

No.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

Corresponding provisions in the legislation enacted are in line with the definition of Covered Taxes according to the OECD Model Rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No announcement yet

Qualified Refundable and Marketable Transferable Tax Credits

No announcement yet

CbCR Transitional Safe Harbour

The Decree does not specifically contain the Safe Harbour provisions but includes a general provision for relief and exemptions to be introduced in subsequent regulation. As the Decree also contains a provision to align the rules to the OECD GloBE Model Rules, including the Commentary and Administrative Guidance as implemented by the Inclusive Framework, it is expected that the Safe Harbours would therefore be implemented in the form of subsequent regulation instead.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No announcement yet

UTPR Transitional Safe Harbour

No announcement yet

Permanent Safe Harbours

No announcement yet

Subject to Tax Rule

On 27 August 2024, the Thai Cabinet approved in principle the implementation of the Pillar Two Subject to Tax Rule (STTR) for Thailand and granted the Revenue Department the authority to undertake further action as considered necessary regarding its adoption.

On 19 September 2024, Thailand attended the first signing ceremony of the STTR MLI in Paris, France and submitted to the OECD Secretary its Letter of Intent to sign on to the STTR MLI.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from the fiscal year end

GIR: Other information?

Filing entity: The Decree prescribes that each Constituent Entity located in Thailand shall submit a GIR, unless the MNE designates a single Entity to be responsible for filing on behalf of the other entities.

Deadline: within 15 months after the last day of the reporting fiscal year, except for the transitional year for when an MNE is first subject to the Decree, which is within 18 months.

Payment timing (at return or installments): At the submission of the top-up tax return.

Paying entity / legal liability for tax: All Thai Constituent Entities and JVs are liable, but the group may designate a single filing / paying entity. There is still joint liability for any tax shortfall or tax arrears.

Penalties: 100% penalty of the top-up tax shortfall in case of incorrectly GIR filing and/or Top-Up Tax Returns. 200% penalty of the top-up tax shortfall in case of failure to file GIR and/or Top-Up Tax Returns. An additional 1.5% monthly surcharge on top-up tax shortfalls, capped at the amount of the tax shortfall. The surcharge can be reduced to be 0.75% per month subject to procedures and criteria prescribed.

Other relevant details: If there is reasonable belief that the taxpayer has made factually incorrect or incomplete filing, the draft law prescribes that the tax authorities shall have the power to issue summons within 5 years from the filing date, which may be extended an additional 2 years. The statute of limitations for the Top-up Tax is capped at 10 years from the due date in which the returns are to be filed.

QDMTT: Separate return?

Unknown

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from the fiscal year end

QDMTT: Other information?

Same as the GIR

TPT (IIR/UTPR): Separate return?

Unknown

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from the fiscal year end

TPT return: Other information?

In addition to the GIR, there will be a local top-up tax return for taxpayers to also submit; however, it is unclear at this time whether the top-up tax return for the three charging mechanism would be contained together under a single return or separately.

Other information is the same as the GIR section above.

Tax registration: Deadline to file. Transitional year?

18 months from the fiscal year end

Tax registration: Deadline to file. Standard rule?

15 months from the fiscal year end

Tax registration: Other information?

In-scope Thai entities are required under the Decree to submit a notification to the Revenue Department within 15 months from the last day of the UPE's accounting period unless all Constituent Entities designate a single Thai entity to notify the Revenue Department on its behalf.

The notification must provide detailed information about the UPE, and the designated CE responsible for filing GIR and other information as prescribed by the Director-General of the Revenue Department

Other relevant information?

If there is reasonable belief that the taxpayer has made factually incorrect or incomplete filing, the draft law prescribes that the tax authorities shall have the power to issue summons within 5 years from the filing date, which may be extended an additional 2 years. The statute of limitations for the Top-up Tax is capped at 10 years from the due date in which the returns are to be filed.

Taxpayers who incorrectly file the top-up tax returns shall be subject to a penalty of 100% of the shortfall, and taxpayers who fail to file the top-up tax returns shall be subject to a penalty of 200% of the shortfall. In addition, failure to make a payment or an incomplete payment would also result in an additional 1.5% surcharge per month, which is in line with the domestic rules applied to the income tax law.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

The proposed legislation states that it implements the GloBE model rules, the GloBE commentary and the administrative guidance in respect of the GloBE model rules approved by the Inclusive Framework. There is no announcement or interpretation yet on whether subsequent publications of Administrative Guidance would apply with retrospective effect.

PwC Thought Leadership

Thailand's Pillar Two legislation enacted

Read more

Thailand to sign on the STTR

On 27 August 2024, the Thai cabinet approved in principle the implementation of the Pillar Two STTR for Thailand.
Read more

Draft law on Pillar Two in Thailand issued for public consultation

On March 1 the Revenue Department published a consultation paper in the form of a proposed draft law concerning the Pillar Two global minimum tax rules for Thailand. Read more

BOI introduces new measures for companies affected by Pillar Two rules

On 16 May 2023, the Board of Investment (BOI) announced a new investment promotion measure to mitigate the impact of the Pillar Two rules on tax incentives granted under BOI promotion Read more

Pillar Two Global Minimum Tax Rules to be adopted in Thailand

On 7 March 2023, the Thai Cabinet approved measures to introduce the global minimum tax rules in Thailand. Read more

PwC Contacts

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Orawan Phanitpojjamarn, PwC Thailand

Sukrit Srisakulchawla, PwC Thailand

Country or region: Trinidad and Tobago

Last update: 21 September 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Country or region: Tunisia

Last update: 1 June 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Zouhour Chebaane, Tax Director, PwC Tunisia

Country or region: Turkey

Last update: 23 October 2024

Status of enactment

Current status: Final law in force

On 28 July 2024, General Assembly of the Turkish Parliament approved the law to implement the Pillar Two Rules. Subsequently, the Law numbered 7524 and titled "Law on Amendments to Tax Laws and Certain Laws and Decree Law No. 375" covering Pillar Two legislation was submitted to the Presidency for approval on July 28, 2024. The Law covering the Pillar Two rules has been published in the Official Gazette at 2 August 2024.

Income inclusion rule

Entry into force: 1 January 2024

IIR will enter into force in tax years beginning on or after 1 January 2024.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 1 January 2025

UTPR will enter into force in tax years beginning on or after 1 January 2025. The legislation generally follows the OECD Model Rules.

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

QDMTT will enter into force in tax years beginning on or after 1 January 2024. The legislation generally follows the OECD Model Rules.

QDMTT: Accounting Standards?

Consolidated financial statements of the UPE (equivalent to articles 3.1.2 and 3.1.3 of the Model Rules) are used in computing the QDMTT

QDMTT: SBIE applicable?

Yes

QDMTT: CbCR Safe Harbour?

Yes

QDMTT: application only to wholly-owned constituent entities?

No, QDMTT applicable to non-wholly owned entities too.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

Covered taxes were determined in accordance with the OECD Model Rules.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

The legislation allow an adjustment for Qualified Refundable Tax Credits. However there is no Qualified Refundable Tax Credits in the current tax system. The Minister of Finance explained that tax credits could be studied later.

CbCR Transitional Safe Harbour

Yes

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

As per the legislation, transitional UTPR Safe Harbour applies.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

Multilateral Convention signed on 19 September 2024

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

Submission and payment of GIR for FY 2024 is due (in line with the OECD timeline) in June 2026 (within 18 months after the closing of the Fiscal Year).

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

12 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

12 months from fiscal year end

QDMTT: Other information?

Submission and payment of QDMTT return is due within 12 months after the end of the financial year. For accounting years that follow calendar years, the QDMTT tax return for FY 2024 is due by 31 December 2025.

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

TPT return for FY 2024 is due (in line with the OECD timeline) in June 2026 (within 18 months after the closing of the Fiscal Year).

As far as the IIR is concerned, the taxpayer of the global minimum top-up tax is the UPE, intermediate parent entity, or partially owned parent entity resident in Turkiye.

As far as the UTPR is concerned, the taxpayer of the global minimum top-up tax is the constituent entities located in Turkiye provided that: a) UPE, intermediate parent entity or partially owned parent entity are not established in Turkiye, b) the IIR does not apply or partially applies in their relevant jurisdiction.

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

Not determined under the enacted Law. Further information is expected in upcoming secondary legislations.

Other relevant information?

Not determined under the enacted Law. Further information is expected in upcoming secondary legislations.

Initial phase of international activity - Exclusion (article 9.3 Model

Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Türkiye publishes draft legislation on implementation of Pillar Two rules effective from 2024

On 16 July 2024, the Turkish government submitted draft legislation to amend the tax laws which will- among other things- introduce into Turkish legislation Pillar Two rules which are in line with the EU Minimum Tax Directive and the Pillar Two Model Rules. Read more

PwC Contacts

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Pinar Solyali, PwC Turkey

Country or region: Ukraine

Last update: 19 September 2024

Status of enactment

Current status: No public announcement yet

Pillar Two is defined as a priority direction in the National revenue strategy 2024-2030, approved by Decree the Cabinet of Ministers of Ukraine № 1218 as of 27.12.2023. No public discussion or draft legislation yet.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

The jurisdiction has expressed its intent to sign the Multilateral Convention

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available yet

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Country or region: Uganda

Last update: 17 February 2025

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Pamela Natamba, Partner, PwC Uganda

Country or region: United Arab Emirates

Last update: 25 April 2025

Status of enactment

Current status: Final law in force

On 6 February 2025 the UAE has issued Cabinet Decision No (142) of 2024 that implements a Domestic Minimum Top-up Tax ("DMTT" or "DMTT Rules") in the UAE. The Cabinet Decision follows on from the December 2024 announcement made by the Ministry of Finance. The DMTT will apply to MNEs that are within scope of Pillar Two based on the OECD GloBE Model Rules, and will be imposed in cases where the MNE's ETR in the UAE is below 15%. The DMTT is effective for financial years starting on or after 1 January 2025. Notably, the DMTT will only apply to MNEs with global consolidated revenues (in at least two of the preceding four fiscal years) of at least EUR 750m, including MNEs headquartered in and outside the UAE. The DMTT will not apply to UAE headquartered groups with no operations outside the UAE (see other exclusions below).

The UAE introduced a Federal Corporate Tax on business profits that is effective for financial years starting on or after 1 June 2023. As part of this, the MoF released a public consultation that included their action statement for the implementation of the Corporate Tax Law alongside other matters of consideration. The public consultation document included a brief commentary on the implementation of Pillar Two "as the work is ongoing at the Inclusive Framework level, further announcements on how the Pillar Two rules will be embedded into the UAE corporate tax regime will be made in due course".

On 24 November 2023, the Cabinet of Ministers issued Federal Decree Law No (60) of 2023 with regards to amendments to the provisions of Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Business (CT Law). The amendments introduce some key terms from the GloBE Model Rules, including a definition for Top-up Tax and Multinational Enterprise; and appear to be the first step in laying the foundations for the subsequent implementation of GloBE in the UAE. Law No (60) stipulates that further details on the Top-up Tax including the rules, conditions, procedures and effective date will be determined by a decision of the Council of Ministers based on the UAE Minister of Finance's proposal, and the respective decision will be published in the Official Gazette in due course.

On 15 March 2024, the UAE Ministry of Finance (MoF) launched a digital public consultation on the Pillar Two rules based on the OECD Model Rules. The MoF states that the objective of this consultation is to gather the views of stakeholders with respect to the potential policy design options to respond to the implementation of the GloBE Rules worldwide. Responses to the public consultation are expected to help the UAE MoF arrive at the policy options that could be adopted as part of the UAE's GloBE Rules, taking into account aspects such as domestic implementation issues, interactions with the UAE's corporate tax system and ways to minimise compliance costs.

Alongside the consultation questionnaire, a separate Guidance Paper has been prepared which provides details on the specific aspects of the GloBE Model Rules. This can be accessed on the MoF's webpage and it provides an overview of the proposed rules in accordance with the OECD Model Rules, i.e. scope, GloBE calculation criteria, collection mechanisms, safe harbours etc. The consultation questionnaire provides a number of policy options that the UAE may consider as it designs the Pillar Two Rules. In general, the main purpose of the consultation process is to seek stakeholder views on the different aspects of the Pillar Two Rules from a policy aspect. However, the UAE MoF has not given any clear indication on how the UAE will implement the rules. Further details to be expected in due course. The public consultation was open until 10 April 2024.

The MoF announced that Pillar Two rules will not be implemented in 2024, the UAE has also confirmed that it intends to allow the submission of the GIR to the UAE competent authorities for 2024. Further information regarding this is expected to be released by the MoF in due course.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1-Jan-25

The DMTT is effective for financial years starting on or after 1 January 2025.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available yet

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

Ministerial Decision No. (88) of 2025 (April 2025) adopts that the Commentary and Agreed Administrative Guidance stipulated in the list attached to the Decision shall be adopted for the purposes of Cabinet Decision No. (142) of 2024 on the Imposition of Top-Up Tax On Multinational Enterprises

PwC Thought Leadership

UAE implements Pillar Two

Read more

PwC Contacts

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Jonathan Fraser, Director, PwC UAE

[PwC United Arab Emirates Pillar Two website](PwC Jordan Pillar Two website

Country or region: United Kingdom

Last update: 14 April 2025

Status of enactment

Current status: Final law in force

Legislation was enacted in the UK on 11 July 2023 which introduced an IIR, known locally as the "multinational top-up tax", and domestic minimum top-up tax (DTT), as part of Finance (No 2) Act 2023. On 20 March 2025, legislation was enacted in the UK which introduced a UTPR as part of Finance Act 2025. Both the UK IIR and the UK DTT apply for accounting periods beginning on or after 31 December 2023. The UK UTPR applies for accounting periods beginning on or after 31 December 2024.

Income inclusion rule

Entry into force: 31 December 2023

Legislation was enacted in the UK on 11 July 2023 which introduced an IIR, known locally as the "multinational top-up tax", as part of Finance (No 2) Act 2023 (along with a domestic minimum top-up tax). The UK IIR applies for accounting periods beginning on or after 31 December 2023.

The UK legislation is generally aligned with the OECD Model rules, commentary and administrative guidance, and the legislation includes provision for future amendment to ensure consistency with additional guidance to be published by the OECD.

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: 31 December 2024

Legislation was enacted in the UK on 20 March 2025 which introduced the backstop UTPR in the UK as part of Finance Act 2025. The UTPR applies for accounting periods beginning on or after 31 December 2024.

Qualified Domestic Minimum Top-up Tax

Entry into force: 31 December 2023

Legislation was enacted in the UK on 11 July 2023 which introduced a domestic minimum top-up tax (DTT) as part of Finance (No 2) Act 2023 which is intended to be a QDMTT. The qualifying status is dependent on the OECD Inclusive Framework recognising it as such, which will be subject to peer review and monitoring.

The UK DTT appears to largely follow the UK IIR rules and is effective for the same periods beginning on or after 31 December 2023. There are some specific adjustments that are required in order for the UK rules to qualify as a QDMTT, including confirmation that there is no allocation to the UK of taxes paid on UK profits under overseas CFC regimes and no allocation of overseas head office taxes to UK branches. Similarly, taxes paid in respect of overseas profits under the UK CFC regime are fully excluded from the calculations.

As previously announced, the UK DTT applies not only to multinational groups but also to UK domestic groups and UK standalone entities of sufficient size (annual revenues of more than €750 million).

UK legislation also confirms the transitional safe harbour provisions can apply to the UK DTT.

QDMTT: Accounting Standards?

The QDMTT is based on the accounting standard or the UPE.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

Yes, CbCR Safe Harbour applicable for QDMTT

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

The definition in UK legislation is broadly in line with the OECD Model Rules. However a specific list of Covered Taxes has not been published.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

A refundable tax credit is “qualifying” to the extent that, under the law of the territory in which it is given, it entitles a person to receive (by way of payment or discharge of liability) the amount of the refundable tax credit within 4 years of meeting the conditions for receiving it.

CbCR Transitional Safe Harbour

The UK legislation includes transitional safe harbour provisions comprising a 'threshold test" (de minimis test), simplified ETR test and a routine profits test. In line with the OECD safe harbour guidance, the UK legislation confirms that for a CbCR to be 'qualifying' it must be prepared using qualified financial statements, however the UK legislation also requires the CbCR to be prepared in accordance with the OECD's published guidance on CbCR, and filed in accordance with legislation implementing that guidance.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

18 months from fiscal year end

GIR: Deadline to file. Standard rule?

15 months from fiscal year end

GIR: Other information?

The filing entity of an in-scope multinational group (a qualifying multinational group or QMG) or in-scope UK consolidated group or company (a qualifying group or QG) must submit an information return to HMRC, unless an information return has been submitted for that period to an overseas tax authority which has an information sharing agreement with HMRC (in which case an overseas return notification must be submitted). The filing entity is, by default, the UPE of that QMG/QG or, if the qualifying entity is not part of a larger group, the qualifying entity itself. The UPE may nominate another member of the QMG/QG to be the filing entity in accordance with the legislation, but where a group is subject to both the Multinational Top-up Tax or MTT (the UK's IIR) and the Domestic Top-up Tax or DTT (the UK's QDMTT), the same entity must be nominated as the filing entity for both taxes. The filing member of a QMG/QG must submit an information return or overseas return notification to HMRC for each accounting period in which it is a QMG/QG. It must do so no later than the end of 15 months after the end of the accounting period in respect of which it is being submitted or, in the case of the first accounting period for which the group/entity is a QMG/QG, within 18 months of the same date. An information return is not required in the UK if a return has already been submitted to an overseas tax authority which has an information sharing agreement with HMRC. A penalty is payable if the filing entity fails to submit an information return by the deadline, unless it satisfies HMRC that it has a reasonable excuse for the failure. The penalty is:

- a fixed penalty of £100 if it is submitted less than 3 months late;
- a fixed penalty of £200 if submitted less than 6 months late; and
- if it is not submitted within 6 months of the submission deadline, a fixed penalty of £200 plus an additional daily charge of £60 per day thereafter.
  If an information return is submitted late for three successive accounting periods, and the filing entity was liable to a penalty in respect of both of the first two failures, then those fixed penalties will be increased for the third successive failure to £500 and £1,000 respectively.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

18 months from fiscal year end

QDMTT: Deadline to file. Standard rule?

15 months from fiscal year end

QDMTT: Other information?

The filing entity of an in-scope consolidated group (a qualifying group or QG) in relation to Domestic Top-up Tax (DTT, the UK's QDMTT) return is by default the QG's UPE or, if the qualifying entity is not part of a larger group, the qualifying entity itself. The UPE may nominate another group member to be the filing entity in accordance with the legislation, but where a group is subject to both the Multinational Top-up Tax (MTT, the UK's IIR) as well as DTT, the same entity must be nominated as the filing entity for both taxes. A self assessment return (or below-threshold notification) must be submitted for each accounting period in which the group/entity is a QG. It must be submitted within 15 months of the end of the accounting period to which it relates, or 18 months if the return is in respect of the first accounting period in relation to which the group/entity is a QG. DTT due must be paid within 15 months of

the end of the accounting period to which it relates, or 18 months if the return is in respect of the first accounting period in relation to which the group is a QG. Interest will accrue on amounts of DTT payable but not paid, from the day after the latest date on which the amounts were required to be paid.
If a member of a QG, a company's liability to pay DTT may be discharged by another member of the same QG and HMRC may issue a group payment notice to any member of a QG if the tax due is not paid within 3 months of the Relevant Date. A penalty is payable if the filing member fails to submit a self-assessment return or below threshold notification by the submission date, unless it satisfies HMRC that it has a reasonable excuse for the failure. The penalty is:

- a fixed penalty of £100 if it is submitted less than 3 months late;
- a fixed penalty of £200 if submitted less than 6 months late;
- the higher of £200 and 10% of the group's unpaid tax if it is submitted less than 12 months late; and
- the higher of £200 and 20% of the group's unpaid tax in any other case.
  For a third successive failure, the fixed amounts stated above will be increased to £500 and £1,000 respectively.

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

The filing entity of an in-scope multinational group (a qualifying multinational group or QMG) in relation to the MTT (the UK's IIR) return is, by default, the UPE of the QMG. The UPE may nominate another group member to be the filing entity in accordance with the legislation, but where a group is subject to Domestic Top-up Tax (DTT, the UK's QDMTT) as well as MTT, the same entity must be nominated as the filing entity for both taxes. A self assessment return (or below-threshold notification) must be submitted for each accounting period in which the multinational group is a QMG. It must be submitted within 15 months of the end of the accounting period to which it relates, or 18 months if the return is in respect of the first accounting period in relation to which the group is a QMG. MTT due must be paid within 15 months of the end of the accounting period concerned, or within 18 months of that time where the payment relates to the first accounting period in relation to which a group is a QMG. Interest will accrue on amounts of MTT payable but not paid, from the day after the latest date on which the amounts were required to be paid. If a member of a QMG, a company's liability to pay MTT may be discharged by another member of the same group and HMRC may issue a group payment notice to any member of a QMG if the tax due is not paid within 3 months of the Relevant Date. A penalty is payable if the filing member fails to submit a self-assessment return (or below threshold notification) by the submission date, unless it satisfies HMRC that it has a reasonable excuse for the failure. The penalty is:

- a fixed penalty of £100 if it is submitted less than 3 months late;
- a fixed penalty of £200 if submitted less than 6 months late;
- the higher of £200 and 10% of the group's unpaid tax if it is submitted less than 12 months late; and
- the higher of £200 and 20% of the group's unpaid tax in any other case.
  For a third successive failure, the fixed amounts stated above will be increased to £500 and £1,000 respectively.

Tax registration: Deadline to file. Transitional year?

UK filing entity registriation: 6 months from the first fiscal year end in scope

Tax registration: Deadline to file. Standard rule?

UK filing entity registriation: 6 months from the first fiscal year end in scope

Tax registration: Other information?

The filing entity of group (or a standalone entity) must register with HMRC if the group/entity becomes a qualifying multinational group (QMG) or qualifying group (QG), ie if it has:

- at least one entity located in the UK; and

- consolidated group (or standalone) annual revenues of EUR 750 million or more in at least two of the previous four accounting periods. The obligation arises even if the QMG/QG does not have any Pillar Two liability. By default, the filing entity of a QMG/QG is the group's UPE. The UPE may nominate another group member to be the filing entity in accordance with the legislation, but where a group is subject to both the Multinational Top-up Tax (MTT, the UK's IIR) and Domestic Top-up Tax (DTT, the UK's QDMTT), the same entity must be nominated as the filing entity for both taxes. Where a qualifying entity is not a member of a group, the entity itself is the filing entity. Registration with HMRC must be made within 6 months of the end of the first accounting period for which the group/entity becomes a QMG/QG. A penalty is payable if the filing member does not register within the deadline. The penalty will be a percentage of the potential lost revenue, with that percentage ranging from 30% to 100% depending on the degree of culpability. HMRC has opened an online form which must be used for registration for both MTT and DTT. If the filing member is a non-UK tax resident, it will need to register for the Government Gateway in order to obtain the user ID necessary to access the system.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Pillar Two: UK update (podcast)

Listen here

Operationalising Pillar Two and capitalising on the transformational potential

Read more

Countries begin to establish Pillar Two compliance procedures

In-scope groups must register with HMRC within six months of the end of the first accounting period that started on or after December 31, 2023, that makes them subject to the rules. Read more

Spring Finance Bill - UK draft Pillar Two legislation

On 23 March 2023, updated draft UK legislation was released for an IIR and new draft legislation for a domestic minimum top-up tax, as part of the latest installment of the UK's implementation of the OECD's Pillar Two project. Read more

Pillar 2 safe harbours: how your country-by-country report will be central to compliance

The OECD released the details of the Pillar Two safe harbour provisions on 20 December 2022. This includes a transitional safe harbour, predominantly based on CbCR data. Broadly, the safe harbour applies if the CbCR report is 'qualifying' and one of three conditions is met, but what are they, what adjustments might organisations have to make, and are there any exceptions? Read more

At Home and Abroad - UK publishes draft legislation for domestic top-up tax

Read more

PwC Contacts

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PwC United Kingdom Pillar Two website

Country or region: United States

Last update: 27 May 2025

Status of enactment

Current status: No public announcement yet

On 22 May 2025, the House of Representatives passed H.R. 1, the "One Big Beautiful Bill Act" including proposed tax law. The bill contains the proposed section 899, a retaliatory measure on a discriminatory foreign country that imposes an "unfair foreign tax." An unfair foreign tax is proposed to include an undertaxed profits rule (UTPR).

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available yet

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Senate Finance Chairman Crapo releases substitute for House-passed tax package

Read more

Overview of House passed H.R. 1, the "One Big Beautiful Bill Act"

Read more

Withholding retaliation: US Sections 891 and 899 (podcast)

Listen here

US President Trump signals day one changes in global tax and trade policy

Read more

US Election Results: What's next for tax (podcast)

Listen here

US CAMT Proposed Regs: You are no Pillar Two (podcast)

Doug McHoney and Aaron Junge discuss the similarities (and differences) between CAMT and Pillar Two. Listen here

In depth: Accounting for Pillar Two: Frequently asked questions

Read more

Treasury releases guidance on the GloBE rules and foreign tax credit

US Treasury and the IRS released Notice 2023-80, announcing their intention to issue proposed regulations to address application of the foreign tax credit and related rules and the dual consolidated loss rules to certain types of taxes described in the GloBE Model Rules. Read more

House Republicans introduce bill responding to Pillar Two and unilateral taxes

House Ways and Means Committee Chairman Jason Smith (R-MO) and all Ways and Means Republicans on 25 May introduced the Defending American Jobs and Investment Act, The bill would increase income and withholding tax rates by 5 (increasing to 20) percentage points on certain foreign taxpayers of any foreign country listes in a report submitted by the Treasury Secretary. [Read more] (https://www.pwc.com/us/en/services/tax/library/house-republicans-introduce-bill-responding-to-pillar-two.html)

Treasury releases 'FY24 Green Book' describing Biden's tax proposals for businesses

The White House released President Biden's Fiscal Year 2024 Budget on 9 March, which includes a proposal to replace the BEAT with a UTPR and a domestic minimum top-up tax. The UTPR proposal attempts to align the US rules for foreign-parented MNCs with the OECD's Pillar Two Model Rules, including setting the tax rate at 15% and using modified financial accounting concepts to determine the amount of tax paid in a jurisdiction. Read more

PwC Contacts

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PwC United States Pillar Two website

Country or region: Uruguay

Last update: 12 June 2025

Status of enactment

Current status: Pillar Two plans announced

On 21 May 2025, the Uruguayan Minister of Finance participated in a public conference where members of the Academy and the Tax Administration discussed the current international tax landscape and the impact of the potential introduction of a QDMTT in Uruguay.

During the interaction with local and foreign tax experts, the Authorities emphasized that Uruguay must proceed with caution but also with determination, aiming to strike a balance between competitiveness and the sustainability of public finances. No official draft has been released yet.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

On 21 May 2025, the Uruguayan Minister of Finance participated in a public conference where members of the Academy and the Tax Administration discussed the current international tax landscape and the impact of the potential introduction of a QDMTT in Uruguay.

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Country or region: Uzbekistan

Last update: 19 September 2024

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

The jurisdiction has expressed its intent to sign the Multilateral Convention

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

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Madina Aliyeva, PwC Uzbekistan

Country or region: Vietnam

Last update: 27 May 2025

Status of enactment

Current status: Final law in force

The Vietnam National Assembly finally approved the Resolution on Global Minimum Tax policy on 29 November 2023. The Resolution takes effect from 1 January 2024. The Resolution provides that Vietnam adopts (i) the QDMTT rule and (ii) the IIR. This aims to protect Vietnam's tax base in light of the fact that many countries that have investments in Vietnam have announced that they will introduce the IIR from 2024 (e.g., Japan, Korea, etc.).

On 15 November 2024 the Ministry of Finance in Vietnam released the draft decree on the global minimum tax with further detailed guidance. This draft decree was open for comments until 6 December 2024. Key highlights of the draft decree:

- Financial year 2024 is defined as the accounting period starting on or after January 1, 2024. However, if the UPE's financial year begins in December 2023, that period will also be considered FY2024 under this draft. The financial year for CEs in Vietnam will align with the UPE's financial year to ensure consistency and simplified compliance.
- Financial accounting standards used for consolidated financial statements will apply for QDMTT purposes. If it is not feasible to determine a CE's net income or loss using these standards, another acceptable or authorised financial accounting standard (such as the Vietnamese Accounting Standard) may be used. However, adjustments are required for permanent differences over EUR1 million that results from discrepancies between these standards and the standards used for consolidation.
- MNE groups can decide how to allocate the top-up tax liabilities among their CEs in Vietnam, which has to be declared to the tax authorities.
- If an MNE has multiple CEs in Vietnam, one entity must be nominated to pay the QDMTT within 30 days of the financial year end. The nominated CE must also submit an application for a tax code within 90 days of the financial year end and provide the General Department of Taxation with a list of CEs subject to the QDMTT within 9 months of the financial year end.

Income inclusion rule

Entry into force: 1 January 2024

Pursuant to Resolution 107 dated 29 November 2023, IIR will be implemented from 1 January 2024. However, if the UPE's financial year starts in December 2023, that financial year will also be considered FY2024 under the draft decree on global minimum tax

IIR: qualified status for a transitional period?

Yes

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

Pursuant to Resolution 107 dated 29 November 2023, QDMTT will be implemented from 1 January 2024. However, if the UPE's financial year starts in December 2023, that financial year will also be considered FY2024 under the draft decree on global minimum tax

QDMTT: Accounting Standards?

UPE's accounting standards. On 15 November 2024 the Ministry of Finance in Vietnam released the draft decree on the global minimum tax and this draft decree is open for comments until 6 December 2024. As per this draft decree, the financial accounting standards used for consolidated financial statements will apply for QDMTT purposes. If it is not feasible to determine a CE’s net income or loss using these standards, another acceptable or authorised financial accounting standard (such as the Vietnamese Accounting Standard) may be used. However, adjustments are required for permanent differences over EUR 1 million that results from discrepancies between these standards and the standards used for consolidation.

QDMTT: SBIE applicable?

In line with the OECD's recommendations.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

Yes

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

The Resolution introduces a transitional CbCR safe harbor rule that is the same as that in the OECD’s GloBE rules. Accordingly, during the transition period, top-up taxes under QDMTT rule and/or IIR in a jurisdiction are nil if one of the following conditions is met:

- The multinational group reports total revenue of less than EUR10 million and profit before tax of less than EUR1 million or loss making in such jurisdiction on its qualified CbCR for the fiscal year.
- The MNE group has a simplified ETR that is equal to or greater than the transition rate for the fiscal year. The transition rate is 15% for fiscal years beginning in 2023 and 2024; 16% for fiscal years beginning in 2025; and 17% for fiscal years beginning in 2026.
- The MNE group’s profit before tax in such jurisdiction is equal to or less than the SBIE amount, for constituent entities resident in that jurisdiction under the CbCR, as calculated under the GloBE rules.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

12 months from the transitional year end

GIR: Deadline to file. Standard rule?

12 months from the fiscal year end

GIR: Other information?

The authorized CE is not required to submit GIR to the Vietnamese tax authority if one of two conditions is met:

- - The UPE is located in a country that has an information exchange agreement with Vietnam, aligned with the global minimum tax regulations for that fiscal year.
- - The CE which is nominated by the UPE on submission of GIR is located in a country that has an effective information exchange agreement with Vietnam for that fiscal year.

However, the authorized CE which is responsible for top-up tax declarations in Vietnam must submit a Notification to the tax authorities.

QDMTT: Separate return?

Yes

QDMTT: Deadline to file. Transitional year?

12 months from the transitional year end

QDMTT: Deadline to file. Standard rule?

12 months from fiscal year end

QDMTT: Other information?

Filing entity: The authorized Constituent Entity Deadline: The submission deadline for the QDMTT return is 12 months after the fiscal year end. Payment timing (at return or installments): The tax payment deadline is the same as the filing deadline.
Paying entity / legal liability for tax: The authorized Constituent Entity Penalties: Same penalties scheme as other taxes

TPT (IIR/UTPR): Separate return?

Yes

TPT: Deadline to file. Transitional year?

18 months from fiscal year end

TPT: Deadline to file. Standard rule?

15 months from fiscal year end

TPT return: Other information?

Filing entity: UPE or POPE or Intermediate Parent Entity in Vietnam Deadline: The submission deadline for IIR return is 18 months after the fiscal year end for the first fiscal year in scope and 15 months for subsequent fiscal years in scope. Payment timing (at return or installments): The tax payment deadline is the same as the filing deadline. Penalties: Same penalties scheme as other taxes

Tax registration: Deadline to file. Transitional year?

QDMTT paying nomination: within 30 days from the financial year end. Application for a tax code: within 90 days from the financial year end List of CEs subject to the QDMTT: within 9 months from the financial year end.

Tax registration: Deadline to file. Standard rule?

QDMTT paying nomination: within 30 days from the financial year end. Application for a tax code: within 90 days from the financial year end List of CEs subject to the QDMTT: within 9 months from the financial year end.

Tax registration: Other information?

As per the draft decree published on 15 November 2024, if a MNE has multiple CEs in Vietnam, one entity must be nominated to pay the QDMTT within 30 days of the financial year end. The nominated CE must also submit an application for a tax code within 90 days of the financial year end and provide the General Department of Taxation with a list of CEs subject to the QDMTT within 9 months of the financial year end.

The draft decree has not been issued yet but an extension of the deadline to nominate the entity to pay the QDMTT is expected.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

Administrative penalties relating to tax filings will not be applied during the transition period. However, the Resolution is silent on whether late payment interest will be applied.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

Draft regulation released on global minimum tax in Vietnam

Read more

Invesment in Vietnam in a Pillar Two world

Watch here

Draft resolution on Global Minimum Tax policy in Vietnam issued for public consultation

The Ministry of Finance is preparing a draft resolution on Global Minimum Tax policy to submit to the Vietnamese National Assembly. On 25 July, a draft resolution was released for public comments. Read more

PwC Contacts

Nghiem Hoang Lan, Partner, PwC Vietnam

Judith Henry, Director, PwC Vietnam

Country or region: Zambia

Last update: 12 May 2023

Status of enactment

Current status: No public announcement yet

No announcement yet

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: To be confirmed

No announcement yet

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

No information available.

CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

No information available

UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts

Malcolm Jhala, Partner, PwC Zambia

Country or region: Zimbabwe

Last update: 23 June 2025

Status of enactment

Current status: Final law in force

Section 7 of the Finance Act No13 of 2023 gazetted the legislation that introduces the domestic minimum tax up tax of 15% in 2024. No further guidance has been provided by the revenue authorities on the interpretation of the legislation nor on the way forward. The existing wording of the domestic minimum top-up tax does not seem to be based on OECD-based Pillar Two rules.

Income inclusion rule

Entry into force: To be confirmed

No announcement yet

IIR: qualified status for a transitional period?

To be confirmed

Undertaxed Profits Rule

Entry into force: To be confirmed

No announcement yet

Qualified Domestic Minimum Top-up Tax

Entry into force: 1 January 2024

Section 7 of the Finance Act No13 of 2023 gazetted the legislation that introduces the domestic minimum tax up tax of 15% in 2024

QDMTT: Accounting Standards?

No information available.

QDMTT: SBIE applicable?

No information available.

QDMTT: CbCR Safe Harbour?

No information available.

QDMTT: application only to wholly-owned constituent entities?

No information available.

QDMTT: qualified status for a transitional period?

No information available.

Covered Taxes

No information available.

Additional guidance on the treatment of post-filing adjustments (article 4.6 Model Rules)?

No information available.

Qualified Refundable and Marketable Transferable Tax Credits

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CbCR Transitional Safe Harbour

No information available.

Guidance provided about a CbCR and/or financial statements to be considered "qualifying"?

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UTPR Transitional Safe Harbour

No information available.

Permanent Safe Harbours

No information available.

Subject to Tax Rule

No information available.

Tax compliance and tax registration requirements

GIR: Deadline to file. Transitional year?

GIR: Deadline to file. Standard rule?

GIR: Other information?

No information available.

QDMTT: Separate return?

QDMTT: Deadline to file. Transitional year?

QDMTT: Deadline to file. Standard rule?

QDMTT: Other information?

No information available

TPT (IIR/UTPR): Separate return?

TPT: Deadline to file. Transitional year?

TPT: Deadline to file. Standard rule?

TPT return: Other information?

No information available

Tax registration: Deadline to file. Transitional year?

Tax registration: Deadline to file. Standard rule?

Tax registration: Other information?

No information available.

Other relevant information?

No information available.

Initial phase of international activity - Exclusion (article 9.3 Model Rules)

Transitional Penalty Relief

No information available.

Application of OECD guidance to Pillar Two local rules

No information available.

PwC Thought Leadership

PwC Contacts