

# OECD attempts to address Global Minimum Tax compliance concerns in advance of filing and exchange deadlines

22 May 2026

## In brief

### What happened?

On 18 May 2026 the OECD released a 'common understanding' of jurisdictions that implemented a QIIR and/or QDMTT for the 2024 reporting fiscal year, aiming to mitigate the impact of potential delays in the availability of fully operational GloBE Information Return (GIR) filing portals or exchange relationships for the Global Minimum Tax. Separately, the OECD/G20 Inclusive Framework on BEPS released agreed administrative guidance on the transitional UTPR safe harbour for certain 52/53-week fiscal year multinational enterprise (MNE) groups and updated its Central Record, which lists the jurisdictions whose local implementation of the global minimum tax rules has been assessed as transitionally 'qualified.'

### Why does this matter?

The releases are intended to address practical compliance challenges facing MNEs and tax administrations as the first GIR and local filings approach, with many calendar-year groups facing a 30 June 2026 deadline. Because the common understanding is generally not self-executing in the signatory countries, and some countries have added further limitations as to its scope, the practical usefulness of the common understanding is limited without further action by implementing jurisdictions.

## Actions to consider

Businesses should monitor whether and how 2024 implementing jurisdictions give effect to the common understanding and the administrative guidance concerning the UTPR safe harbour under domestic law or administrative practice. In the meantime, businesses should continue preparing GIRs, notifications, and domestic returns, confirm where they intend to submit their central filing, and monitor local portal, notification, and exchange guidance as it is released.

## In detail

### GIR filing and exchange mechanism

The Global Minimum Tax framework envisages a centralised filing mechanism, whereby an MNE files a single GIR in one jurisdiction and some or all of that information is automatically exchanged with other relevant jurisdictions. However, implementation has lagged far behind the policy design, with many jurisdictions yet to:

- release final GIR, QDMTT, or QIIR forms, technical specifications, validation guidance, or XML necessary to establish fully operational GIR filing portals, or
- establish fully operational filing portals or activate exchange relationships under the relevant competent authority agreements.

According to the 18 May statement, the 2024 implementing jurisdictions have agreed to:

- identify jurisdictions expected to have a fully operational GIR filing portal in place by 31 May 2026, and
- use mechanisms available under domestic law to waive penalties or suspend enforcement of local GIR filing obligations before the relevant GIR exchange deadline where the GIR has been centrally filed on time in one of the listed jurisdictions and the relevant local GIR notification has been filed by the applicable deadline.

**Observation:** As of 18 May, groups had 43 days before the 30 June deadline to file the GIR and related domestic returns, while many tax administrations had not yet released the required forms, portals, or technical specifications. The central filing infrastructure is not yet fully in place, which has meant that deciding in which jurisdiction(s) to file the GIR has been a major challenge for organisations. In addition, the common understanding does not address top-up tax, IIR, and QDMTT returns, which in many countries remain unreleased. As such, while the common understanding reflects a late effort on the part of the OECD and the countries to 'mitigate the impact of any potential delays', it comes very late in the compliance process and does not address several significant issues that confront companies as they finalise their efforts to meet the upcoming deadlines.

The statement is also not self-executing, and therefore cannot assure that jurisdictions have authority, or will act, to waive penalties or suspend local filing obligations as described. Its utility will depend on what each jurisdiction can do under domestic law, how quickly local tax administrations confirm their approach, and whether elections made in a centrally filed GIR will be respected locally.

An annex to the statement includes an initial list of 33 jurisdictions expected to be ready for central GIR filing before 31 May 2026. Japan is subject to a specific limitation because its QIIR applies from 1 April 2024, and central GIR filing in Japan is available only for fiscal years beginning on or after that date. The

Bahamas, North Macedonia, the Slovak Republic, and Vietnam had not adopted the common understanding as of 12 May 2026, while Greece and Poland had adopted it only with respect to EU Member States appearing in the annexed list.

**Observation:** Several jurisdictions had not joined the common understanding, and Greece and Poland joined only for EU Member States listed in the annex. That raises immediate questions for groups filing centrally in other listed jurisdictions and, more broadly, whether local guidance will arrive in time to make the relief meaningful before the June deadlines.

## Transitional UTPR safe harbour

The OECD released IF-agreed administrative guidance on the transitional UTPR safe harbour tailored to certain MNE groups with 52/53-week fiscal years. The guidance addresses a gap for companies with a fiscal year beginning on or before 31 December 2025 and ending after 31 December 2026. Such companies would fail to qualify for the Side-by-Side (SbS) or Ultimate Parent Entity (UPE) safe harbour for 2026 because their fiscal year technically began before 1 January 2026. The guidance effectively extends the transitional UTPR safe harbour, such that it applies to fiscal years not longer than 12 months beginning on or before 31 December 2025, and ending on or before 3 January 2027.

**Observation:** This technical fix prevents affected MNE groups from inadvertently becoming subject to a top-up tax liability in their UPE jurisdictions—a result that would have been contrary to the aims of the SbS package. However, affected groups will still need to monitor when and how it is reflected in domestic law. Further, the change will only result in those companies having the benefit of the transitional UTPR safe harbour for their 2026 fiscal year, which is only relevant in each group's UPE jurisdiction.

## Central Record updated

The OECD also updated the Central Record to reflect that the Bahamas, Kenya, Kuwait, and Oman have completed the transitional qualification mechanism for their DMTTs. The Central Record now shows 44 Qualified IIR regimes and 50 Qualified DMTT/QDMTT safe harbour regimes. The Bahamas DMTT applies from 1 January 2024 on a conditional basis in 2024, while Kenya, Kuwait, and Oman apply from 1 January 2025.

## Practical considerations

Businesses should continue to assess the impact of the statement on a jurisdiction-by-jurisdiction basis. Key areas to monitor include whether the intended central filing jurisdiction is listed as operationally ready, whether required local notifications can be made on time, whether relevant exchange relationships are expected to be activated before the exchange deadline, and whether any local guidance confirms penalty relief or suspension of local GIR filing obligations. Businesses should also consider how the common understanding interacts with other domestic Pillar Two obligations. Importantly, the common understanding is limited to local GIR filing obligations and related penalties; it does **not** apply to registrations, (Q)DMTT or top-up tax returns, payments, separate local information requirements, or elections that may need to be made in the GIR by the filing deadline.

**Observation:** Despite taxpayers having raised these issues for many months, they still find themselves in a difficult position weeks away from the first critical deadline. Ultimately, the release of the common understanding reflects a recognition from the OECD and the signatory countries about their own tax

administrations' lack of readiness. But the release provides no definitive comfort to taxpayers without further guidance and further action by implementing jurisdictions. Thus, taxpayers still must confront a complex and uncertain landscape regarding both their substantive Pillar Two obligations and the associated overlapping and often inconsistent filing requirements.

## Let's talk

For a deeper discussion of how the latest Pillar Two guidance might affect your business, please contact:

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