

Deloitte Tax looks at Pillar Two administrative guidance

The OECD/G20 Inclusive Framework (IF) released a package of technical and administrative guidance on February 2 related to the 15 percent global minimum tax on multinational corporations known as Pillar Two, or the Global Anti-Base Erosion (GloBE) rules.

The guidance was agreed to by consensus of all 142 countries and jurisdictions in the OECD/G20 Inclusive Framework and forms part of the “common approach.” Under the common approach, countries are not required to adopt the GloBE rules, but, if they choose to do so, they agree to implement and administer the rules in a way that is consistent with the outcomes provided for under the Pillar Two model rules and any subsequent guidance agreed by the IF.

The publication of the administrative guidance follows the release of the Pillar Two model rules in December 2021 and commentary in March 2022, as well as rules for safe harbors and penalty relief issued in December 2022. The new administrative guidance will be incorporated into a revised version of the commentary that is expected to be published later this year.

Find out more

A new alert from Deloitte Tax LLP examines key provisions in the administrative guidance and discusses issues that taxpayers should consider as jurisdictions around the world move forward with the adoption of Pillar Two.

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/dttl-tax-alert-us-07-february-2023.pdf>

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