



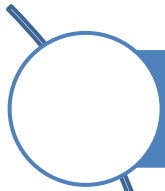
REGIONAL SEMINAR ON INTERNATIONAL TAX DEVELOPMENTS FOR EUROPE AND CENTRAL ASIA

Vienna, 18-20 March 2025

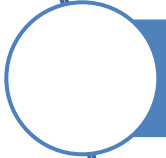
Session 6: Update on the Global Anti-Base Erosion (GloBE) Rules



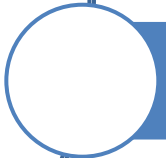
Selected Topics



GloBE Information Return



EOI Framework



Tax Certainty and Co-ordinated Administration



Amsterdam Dialogue



GLOBE INFORMATION RETURN



Policy rationale

Art. 8.1.4

- Basis for the development of a standardised GIR
- Outline of the information items to be included in the GIR / flexibility

Why do we need a standardised GIR?

- MNEs – reduce compliance burden and avoid proliferation of different information requirements
- Tax administrations – common basis for tax risk assessment / consistent and coordinated application of the GloBE Rules

Balance

- Providing tax authorities with info needed for compliance activities / reducing compliance costs on MNEs



Original Release (2023) and Update (2025)

GloBE Information Return

- GIR was originally approved by IF and published in July 2023 ([link](#))
- Updated GIR was published in January 2025 ([link](#))
 - Annex A1 (Data Points)
 - Annex A2 (Explanatory guidance)
 - Annex B (Notification that the GIR will be received through exchange)
 - Annex C (Transitional Penalty Relief)



GIR filing and EOI

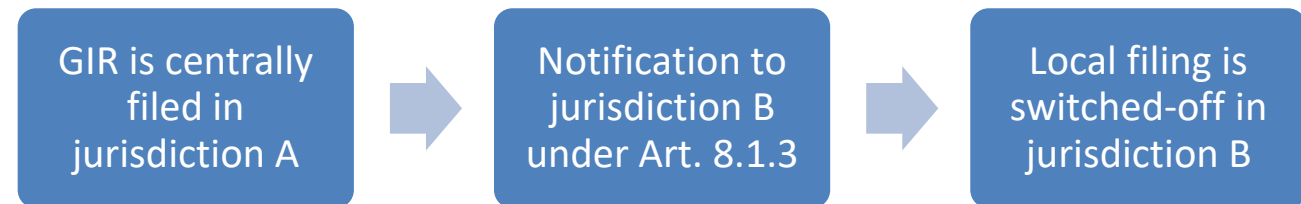
Central filing vs local filing

- Default obligation on each CE to file GIR with local tax administration
- Local filing obligation is switched off where the UPE or the Designated Filing Entity files GIR and there is a QCAA in effect for the Reporting Fiscal Year

Dissemination Approach

- Rules that determine which jurisdiction gets what part of the GIR
- Designed to ensure that each jurisdiction only gets information relevant to determination of MNE's Top-up Tax liability in that jurisdiction
- Equally applies where GIR is locally filed

Art. 8.1.3 – GIR received through exchange





GIR Structure

General Section

1. MNE Group Information

- Filing CE
- General info
- Corporate Structure
- High-level summary of GloBE information

Jurisdictional Sections

2. Jurisdictional Safe Harbours and Exclusions

- Info on Safe Harbours elected
- De-minimis election
- Initial phase of international activity Art 9.3 (if applicable)

3. GloBE Computations

- Template to be completed for each jurisdiction
 - ETR computation (jurisdictional and CE-by-CE)
 - Top-up Tax computation
 - Top-up Tax allocation and attribution (if any)



Simplified Reporting and Tax Consolidation

Transitional Simplified Reporting Framework

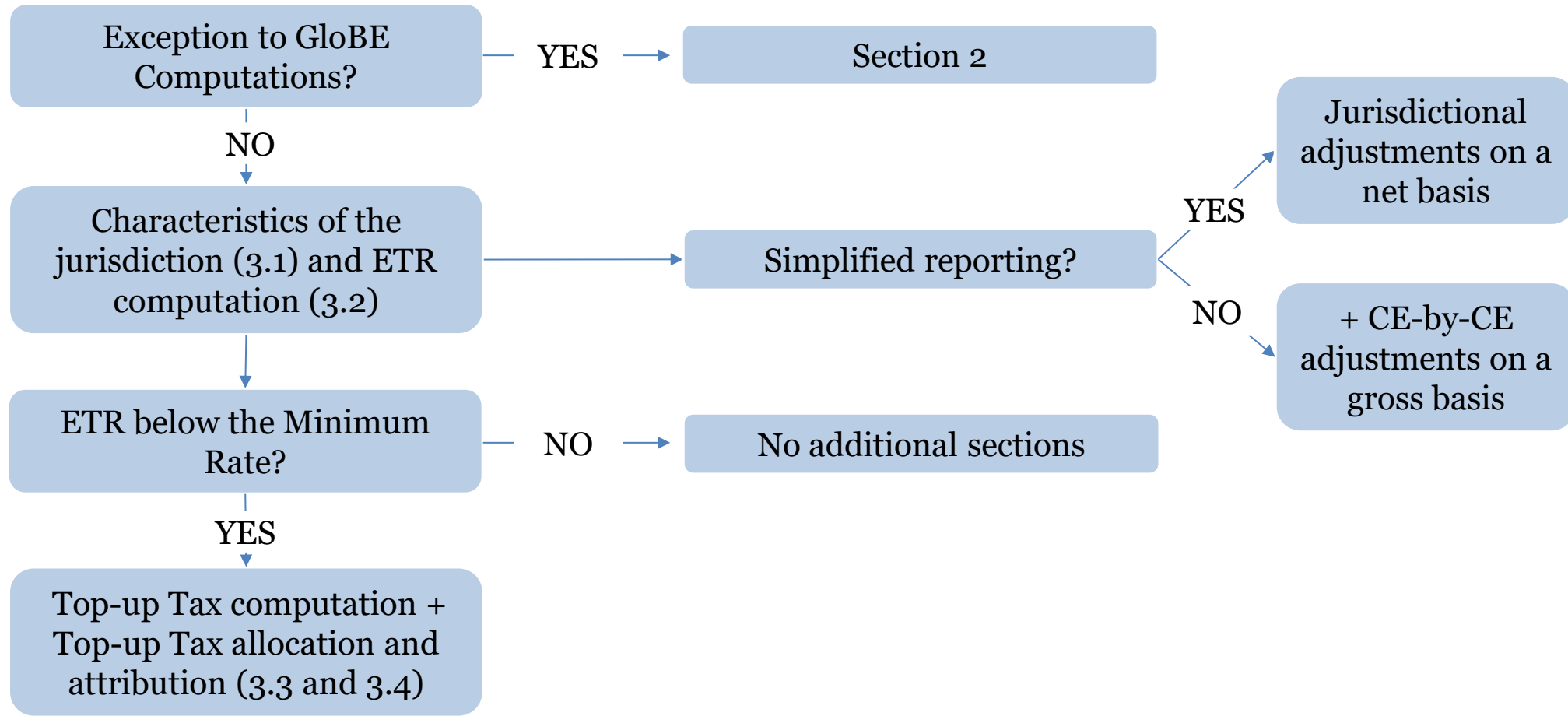
- FYs beginning on/before 31.12.2028
- Adjustments to FANIL and Tax expense can be reported on a net/jurisdictional basis only
- Jurisdictions where no Top-up Tax liability arises or there is no need to allocate Top-up Tax on a CE-by-CE basis

Aggregate Reporting (Tax Consolidated Groups)

- Election to treat a tax consolidated group as a single CE for computations where:
 - a. Taxable profits/losses are aggregated to compute single tax liability
 - b. CEs are wholly-owned by the consolidating Entity
 - c. CEs are in the same jurisdiction
 - d. Filing CE made an election under Art. 3.2.8



How to report GloBE computations

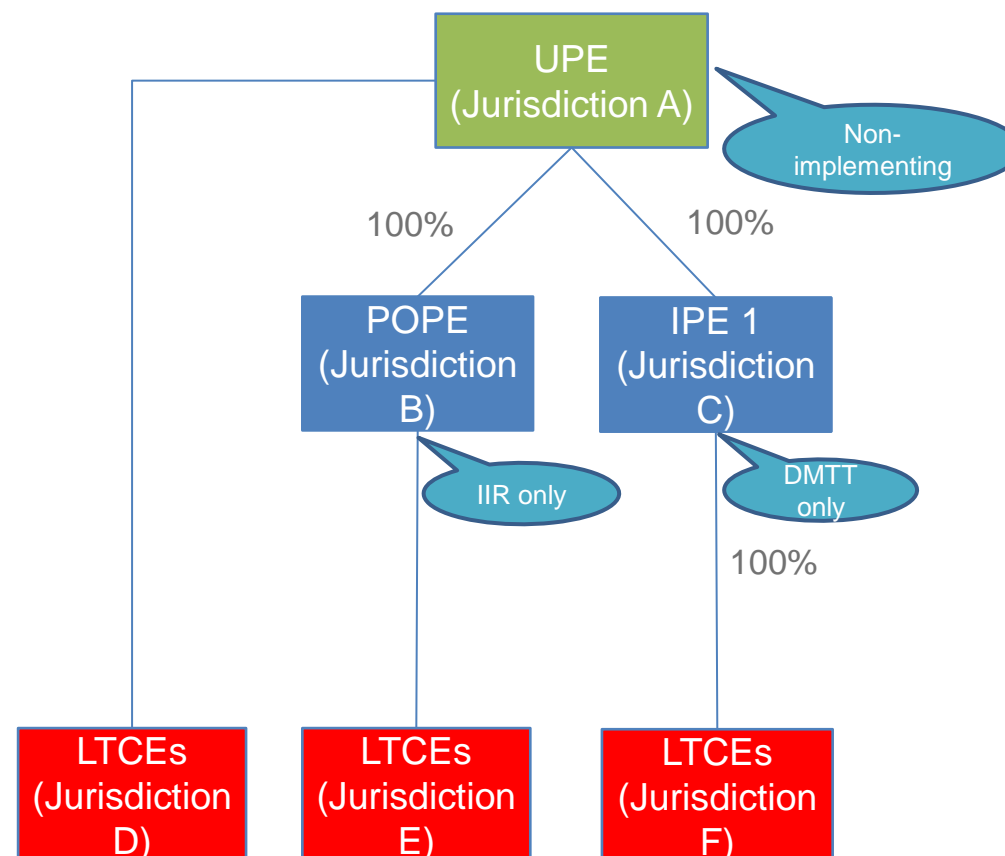




GIR Update (2025) – No Taxing rights

Jurisdictions in respect of which no other Jurisdiction has taxing rights

- The High-level summary of GloBE Information (Section 1.4) is not completed
- The Jurisdictional Sections (Section 2 or 3) are also not completed because no jurisdiction is entitled to receive them under the dissemination approach
- MNEs are therefore not required to perform GloBE computations with respect to those jurisdictions





GIR Update (2025) – Exceptions to GloBE Computations

2.1. Characteristics of the jurisdiction

1. Name of the jurisdiction	
2. Type of subgroup (if any)	
3. Identification of subgroup (if any)	
4. Jurisdiction with taxing rights	
5. Existence of reportable differences (Yes/No)	

Reportable differences

- Row 2.1.5 is completed separately for each jurisdiction with taxing rights
- If the MNE Group has reported that a jurisdiction/subgroup is eligible for a Safe Harbour or exclusion, but it is not eligible under the law of the relevant jurisdiction with taxing rights (or viceversa)
 - Section 2 is completed with respect to the relevant SH or exclusion
 - Section 3 is completed with respect to the relevant jurisdiction or subgroup



GIR Update (2025) – GloBE Computations

3.1 Characteristics of the jurisdiction

1. Name of the jurisdiction	
2. Type of subgroup (if any)	
3. Identification of subgroup (if any) for the ETR and Top-up Tax computation	
4. Jurisdictions with taxing rights	
5. ETR	
6. Adjusted Covered Taxes	
7. Net GloBE Income or Loss	
8. Substance-based Income Exclusion	
9. Additional Current Top-up Tax	
10. Top-up Tax amount under domestic legislation	
11. Elections	
12. Aggregate current tax expense with respect to Covered Taxes after allocations in Article 4.3	
13. Qualified Refundable Tax Credits or Marketable Transferable Tax Credits (tax expense)	
14. Other tax credits (tax expense)	
15. Deferred tax expense amount	
16. Qualified Refundable Tax Credits or Marketable Transferable Tax Credits (income)	
17. Excess Negative Tax Expense Carry Forward	
18. Transition Rules	

Reportable differences

- Rows 3.1.5 to 3.1.18 are not to be completed if a single jurisdiction has taxing rights or if the QDMTT SH applies
- Rows 3.1.5 to 3.1.18 are completed separately for each jurisdiction with taxing rights
- Disclosure of differences between the GloBE Model Rules and the legislation of the relevant jurisdiction(s) with taxing rights



GIR Update (2025) - Additional Annexes

Art. 8.1.3 Notification Template (Annex B)

- Best practice (jurisdictions are not required to use the template)
- Standardised template expected to reduce compliance burden
- Filed annually or only for changes to info previously submitted
- Info on MNE Group, UPE/DFE, Covered Entities, Contact persons

Transitional Penalty Relief (Annex C)

- Originally published in December 2022 – now included as Annex C to group together all GIR-related materials
- Common understanding for jurisdictions to carefully consider appropriateness of applying sanctions and penalties if MNE Group has taken reasonable measures to correctly apply the GloBE Rules or the QDMTT



AG (2025) – Basis to complete the GIR

Objective

- Ensure a balance between the compliance and coordinated benefits of a standardised GIR template and the need to provide tax authorities with information that is appropriate to evaluate the correctness of a CE's Top-up Tax liability computed according to their jurisdiction's legislation.

Guidance

- GIR is generally completed based on the GloBE Model Rules
- GIR is exceptionally completed based on the legislation of the relevant jurisdiction where:
 - Jurisdiction/Subgroup is eligible for the QDMTT Safe Harbour
 - A single jurisdiction has taxing rights with respect to jurisdiction/subgroup

Differences

- Some differences between the single source of information used to complete the GIR and the legislation of jurisdictions with taxing rights are reported in the GIR
- If needed, tax authorities should collect further information on differences through additional information requests or follow-up activity with the MNE Group (the collection of such information through additional local filing requirements is only allowed where necessary due to constitutional/administrative constraints)



EOI FRAMEWORK



GIR MCAA and XML Schema

Multilateral Competent Authority Agreement (2025)

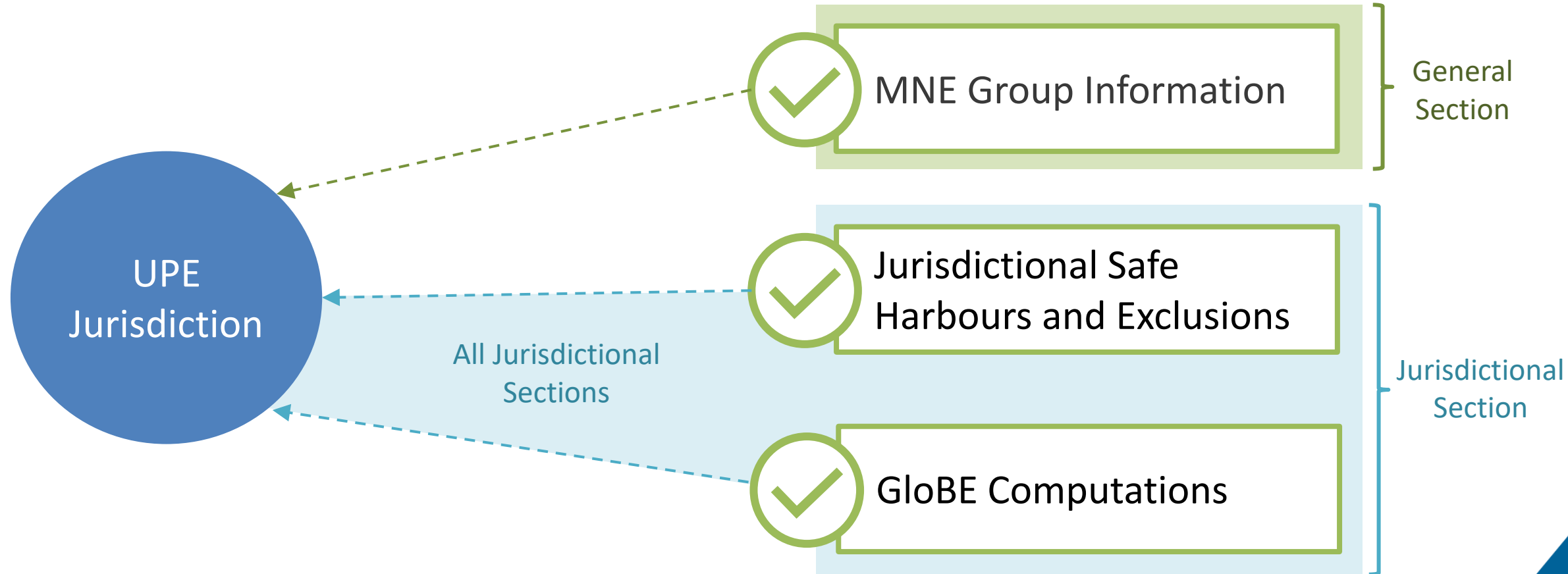
- Sets out conditions and modalities for the automatic exchange of GIR information under the MAC
- Supplements the dissemination approach for the exchange of GIR information (see next slides)
- Allows central filing in non-implementing jurisdictions

XML Schema (2025)

- GIR XML Schema and User Guide reflect the content and structure of the GIR in a common electronic format
- Primarily developed for EOI, XML Schema could also be used for local filing
- Following release of the XML Schema, WP10 ESG is now working on the development of validation rules to ensure data quality and consistency for GIR exchanges

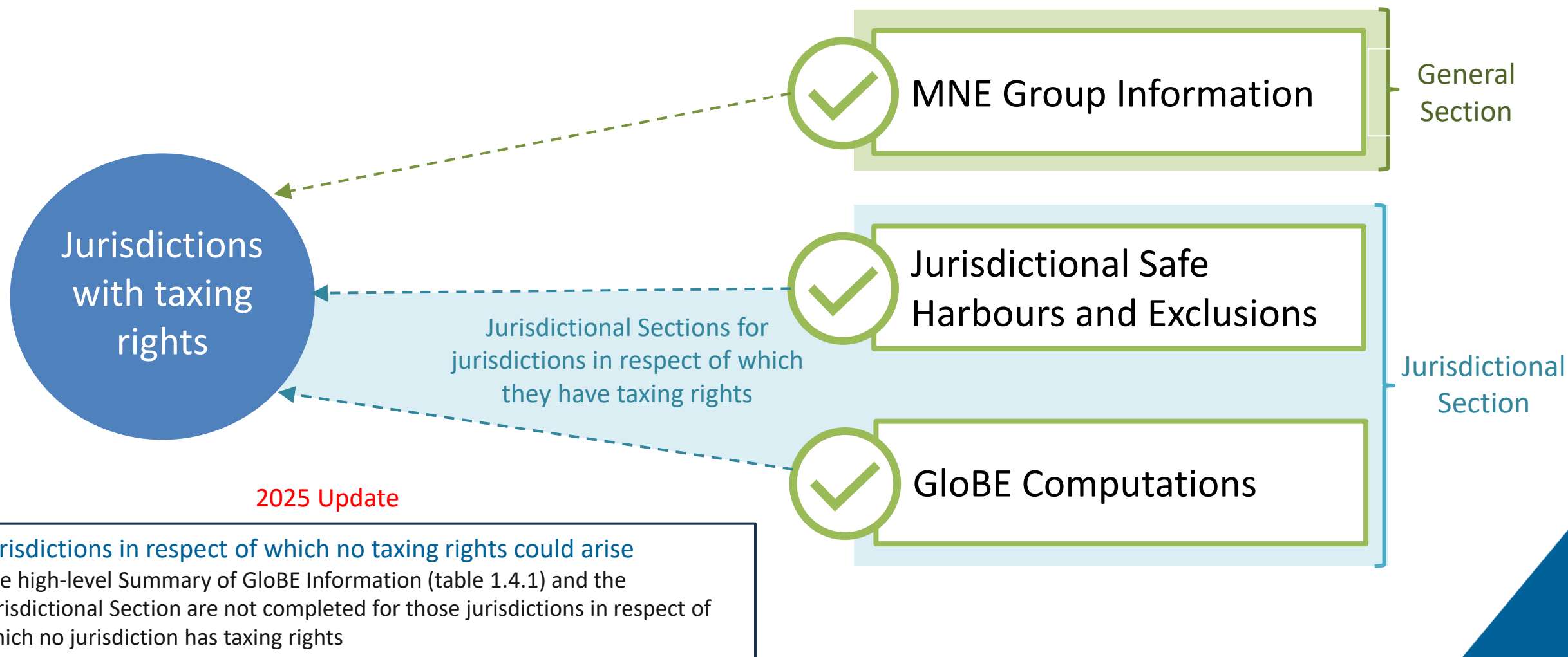


Dissemination Approach



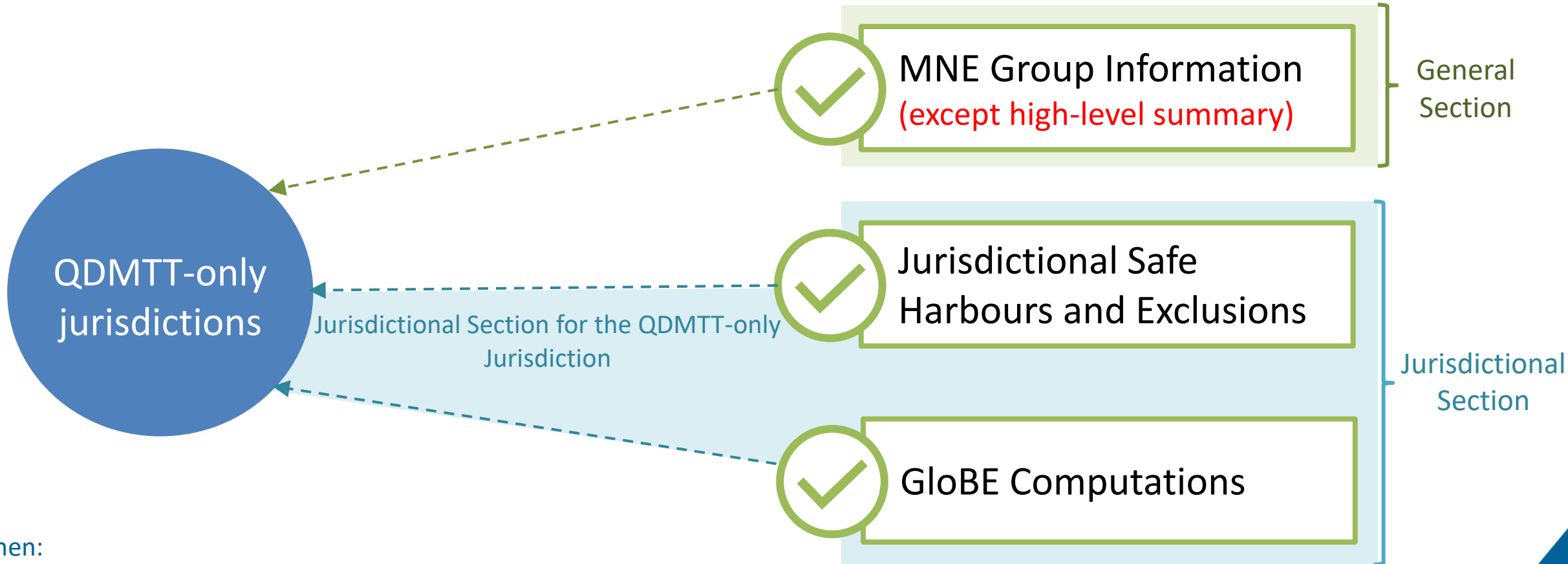


Dissemination Approach





Dissemination Approach (2025 Update)

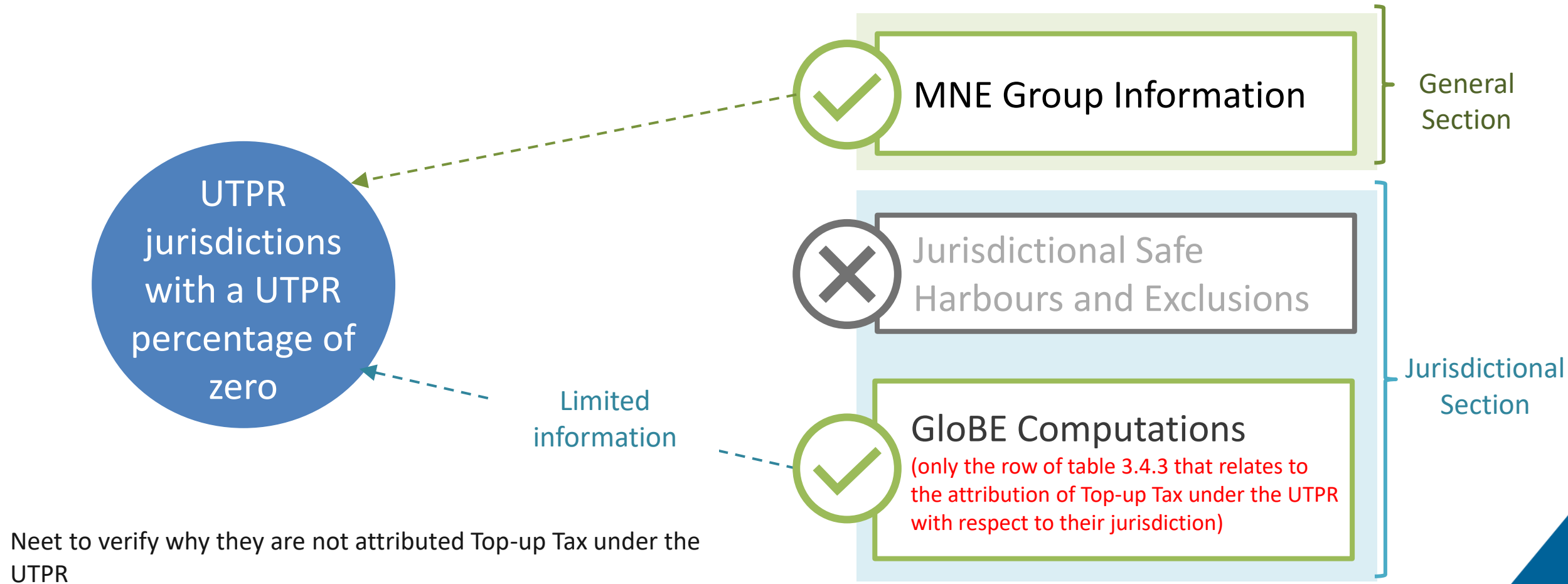


When:

- QDMTT can be imposed with respect to Constituent Entities, Joint Ventures or JV Group members of the MNE Group
- QDMTT can be imposed with respect to Stateless Constituent Entities or Stateless Joint Ventures

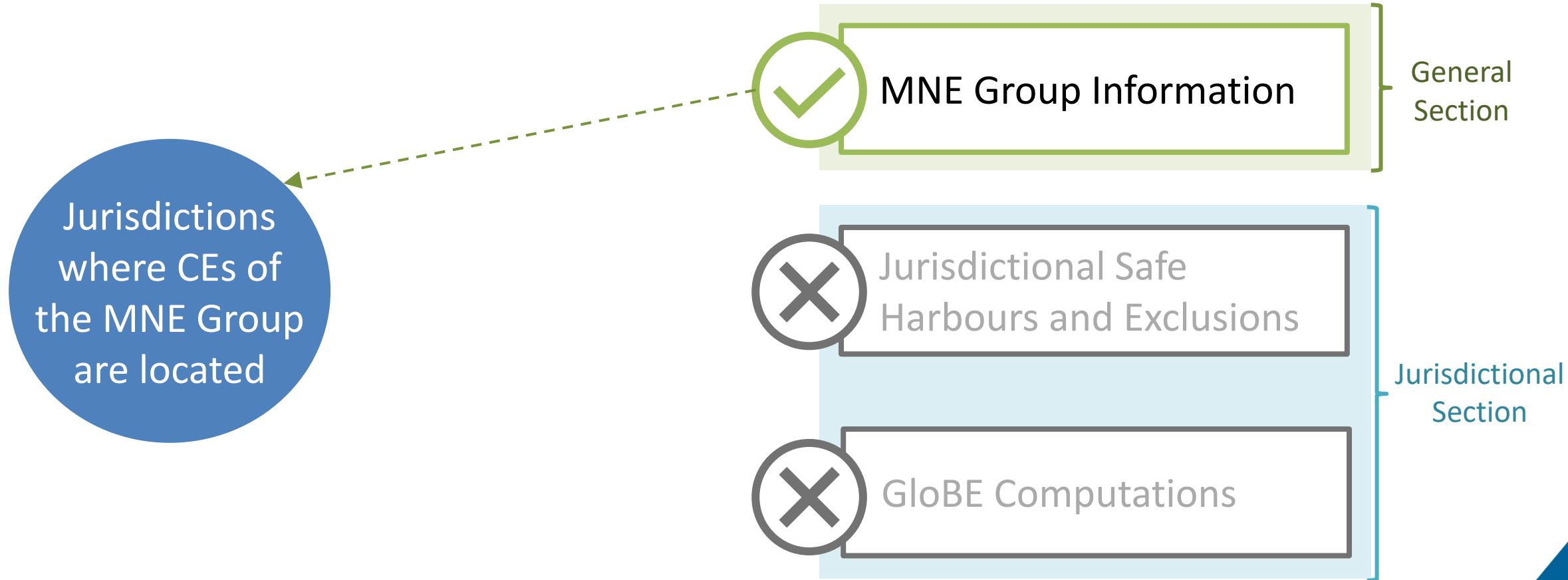


Dissemination Approach (2025 Update)





Dissemination Approach

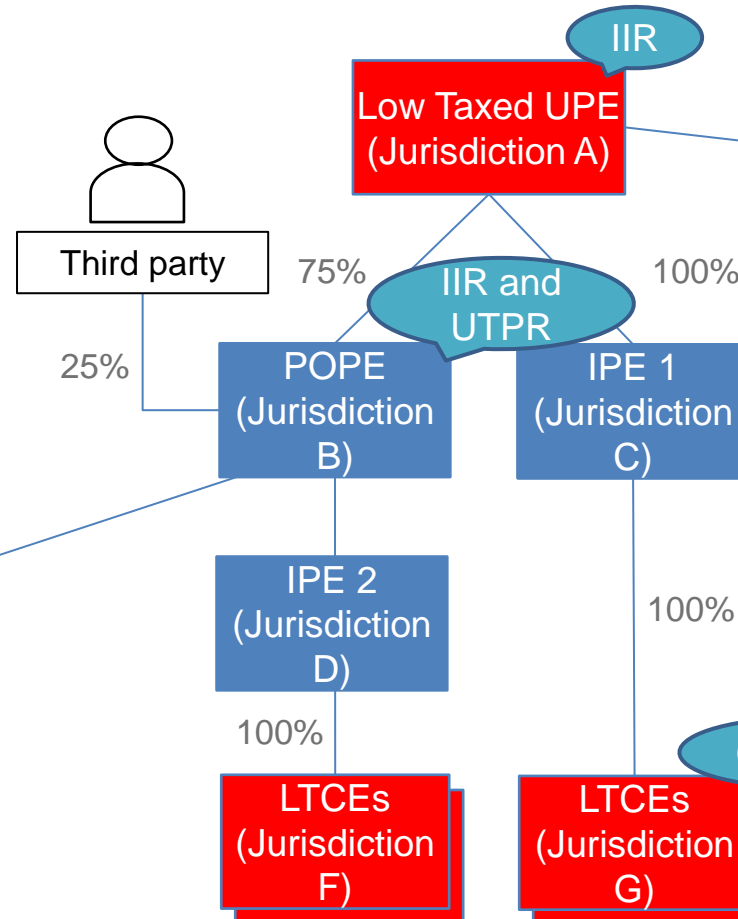




Dissemination Approach (Example)

Jurisdiction B would be provided with :

- General Section and
- Jurisdictional Section for Jurisdictions D and F, in respect of which it has a taxing right under the IIR.
- Jurisdictional Section for Jurisdiction A, in respect of which it has a taxing right under the UTPR.



Jurisdiction A would be provided with the full GIR as filed by the MNE Group.

Jurisdiction G would be provided with the General Section (except the high-level summary) and the jurisdictional section for Jurisdiction G



TAX CERTAINTY AND CO-ORDINATED ADMINISTRATION



Co-ordinated Administration and Early Certainty

Information

- Possible development of a co-ordinated approach to follow-up information requests

Risk assessment

- Possible development of a common approach to assessing the risks related to the GloBE Rules
- Joint risk assessment and comfort letter (similar to ICAP)
- Advance Certainty (could be bilateral/multilateral and could cover multiple FYs)

Tax audit

- Early co-ordination and common outcomes
- Audit practices – could include systems review



Promoting Co-ordination and Consistent Implementation

Existing Tools

- Features of the GloBE Rules (formula-based approach and rule order)
- Commentary and Administrative Guidance
- Peer Review Process
- Standardised GIR

Potential GloBE Disputes

- Inconsistencies in the transposition of the GloBE Rules into domestic law
- Inconsistencies in the interpretation and application of domestic implementing legislation
- Agreed variations



Ongoing work on Dispute Resolution

Standardised Scope

- Multiple jurisdictions involved
- Qualified rules
- Overtaxation

Optional Exclusions

- QDMTT cases?
- Source of the over taxation?

Use of the GIR: conditions are met where the Top-up Tax liability is greater than the Top-up Tax liability calculated and allocated using the single basis in the GIR



Example

Jurisdiction A

Not implemented the GloBE Rules

Jurisdiction B

Implemented the GloBE Rules

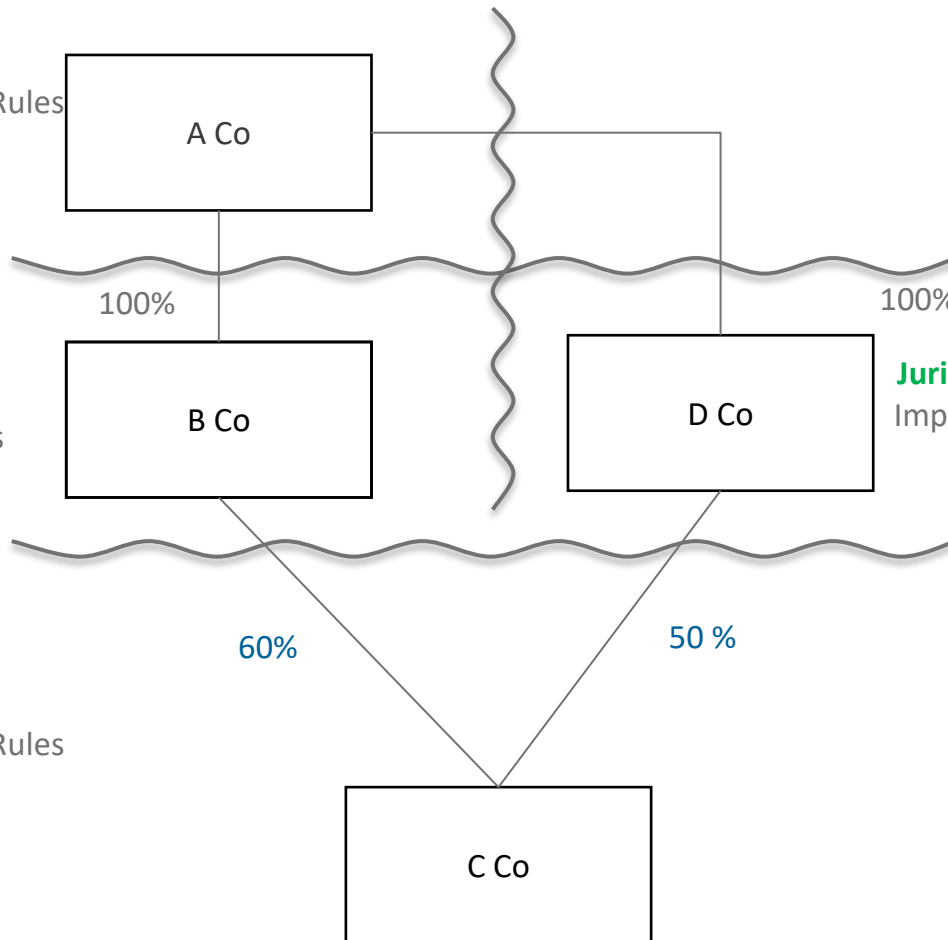
GIR filed

Jurisdiction C

Not implemented the GloBE Rules

Jurisdiction D

Implemented the GloBE Rules



- Low-tax income in Jurisdiction C
- IIR to be applied at the IPE level, 2 IPEs in the MNE Group
- Top-up tax to be allocated to each IPE in accordance with the inclusion ratio (i.e. percentage of ownership)
- Jurisdiction B takes a different approach in determination of the ownership than under the Model Rules
- Condition A met: top-up tax liability arising in more than one jurisdiction
- Condition B met: taxation greater than if computed under GloBE Model Rules and the Commentary



Example

	GIR computations Using Globe Model Rules and Commentary	Local tax return Using local legislation	GIR computations Using Globe Model Rules and Commentary	Local tax return Using local legislation
	Jurisdiction D	Jurisdiction D	Jurisdiction B	Jurisdiction B
ETR in Jurisdiction C	11%	11%	11%	11%
Top-up tax	8	8	8	8
Ownership interest determination	50 %	50 %	50 %	60 %
Allocation of top- up tax	$8 * 50\% = 4$	$8 * 50\% = 4$	$8 * 50\% = 4$	$8 * 60\% = 4.8$
Difference with GloBE Rules and Commentary	0		+ 0.8	



AMSTERDAM DIALOGUE



Tax Compliance and Minimum Tax Implementation

Background

- Amsterdam Seminar (31 October – 1 November 2024) on Tax compliance and Global Minimum Tax implementation to support all IF (FTA and WP11) stakeholders and kick off the dialogue

Stakeholders

- Government/tax administration officials
- Business
- Academia
- Partner Organisations

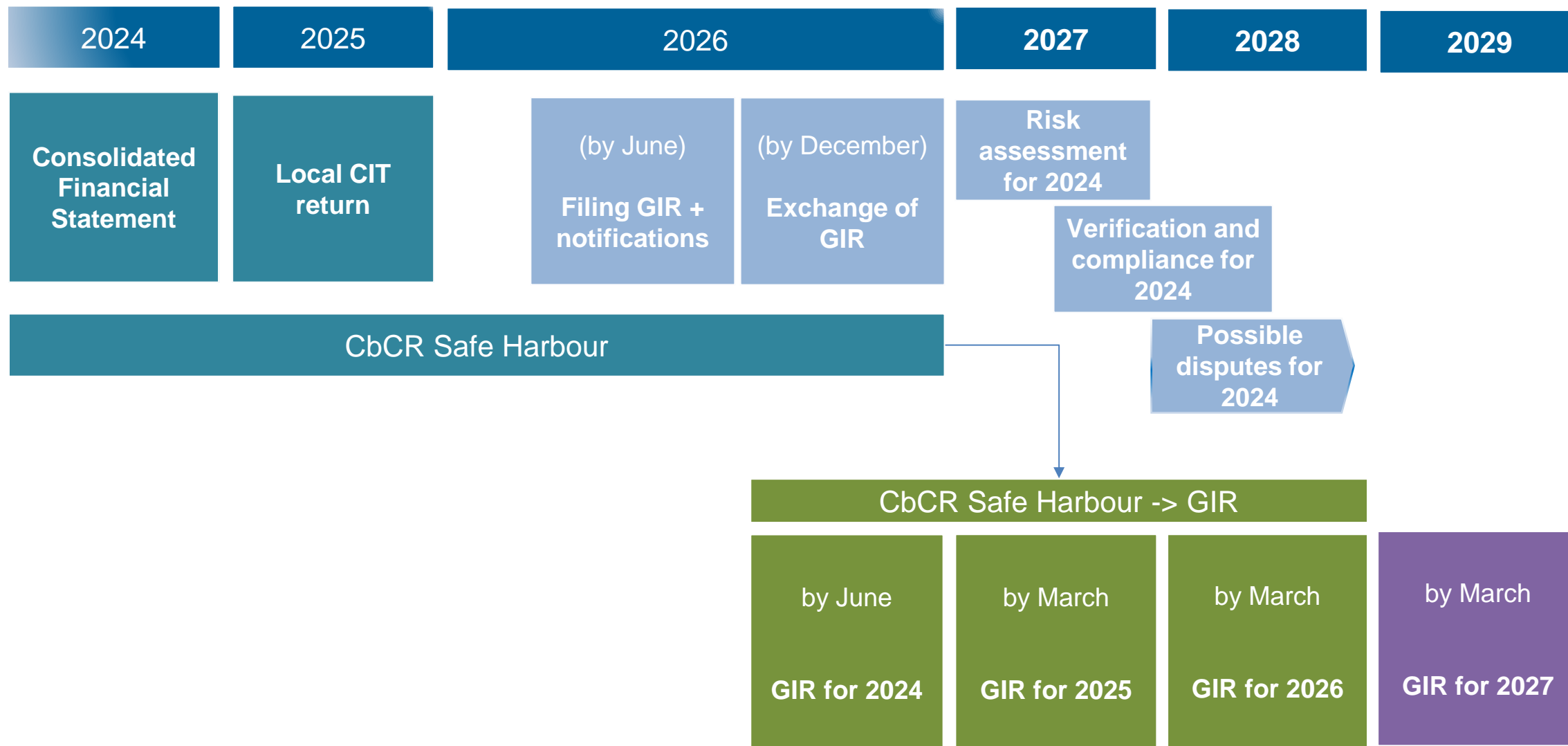
Objective

- Identification of the key areas where support is needed for GloBE implementation and compliance activities
- Development of common solutions to common needs (maximizing synergies)



Timeline

Implementation as of 2024





General Challenges and opportunities

Challenges



Understanding the rules and the return



Understanding the optional features



Understanding filing and exchange mechanisms



Coordinating with domestic CIT

Opportunities



Joint learning, joint training, sharing experiences, joint tools (e.g. implementation handbook), peer and technical assistance



General Challenges and opportunities for tax compliance - initial observations

Opportunities



Leveraging the fact that all tax administrations have the same rules, receive the same information at the same time and that its new for everyone



IT

Leveraging on the IT design and minimising onboarding costs for business and tax administrations?



Common risk filters

Leveraging commonality to inform design of risk assessment, verification and compliance approaches?



Financial accounts

Leveraging on the fact that GMT is built on financial accounts which already rely on a system of assurance?