



# IOTA Forum

**Implementation of Measures to Counter Base  
Erosion and Profit Shifting (BEPS)**

**Group Discussion 1  
Pillar 2 Implementation**



# Question 1

**Does your tax administration participate in any international initiative regarding Pillar 2 implementation? (EU – Fiscalis Groups, OECD/ LBIP – Amsterdam Dialogue, regional initiatives, etc.). Have you established a dedicated Pillar Two task force within your administration?**

**Have you utilized, or do you plan to request, any external capacity-building programs or technical assistance?**

**Are you going to follow the toolkit steps? Please elaborate further on your reply.**

## FEEDBACK FROM GROUP 2 (green)

### Participation in international initiatives

- Widespread engagement: Many participants reported involvement in EU and OECD fora such as Fiscalis groups, the Amsterdam Dialogue, and regional technical working groups.
- Peer learning valued: Exchanges with neighboring administrations and OECD-led dialogues were cited as important for harmonizing interpretations and sharing implementation experience.

### Dedicated Pillar Two structures

- Task forces common: A majority have created or are formalizing dedicated Pillar Two task forces combining legal, policy, audit, IT, and transfer pricing specialists.
- Cross-agency coordination: Several teams include representatives from ministries of finance, revenue authorities, and customs or statistical offices to cover fiscal, compliance, and data aspects.

### Capacity building and external assistance

- Active use of external programs: Many administrations have used or plan to request OECD technical assistance, donor-funded capacity building, and regional training programs.

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## FEEDBACK FROM GROUP 2 (green)

- Targeted training: Emphasis on training for tax auditors, IT staff, and legal teams on the GloBE rules, calculation mechanics, and reporting obligations.

### Toolkit and guidance

- Toolkit adoption: Most participants intend to follow the OECD toolkit steps as a baseline for sequencing legal changes, IT development, and stakeholder outreach.
- Local adaptation: Administrations plan to adapt toolkit steps to national timelines, legislative calendars, and existing reporting frameworks.

## Question 2

**Has an impact assessment been conducted? If so, what were the primary data sources (e.g., CbCR, financial statements) and main challenges?**

**Have you estimated the expected top-up tax revenue (as a range or precise amount)?**

**Does this assessment include the impact on existing national tax incentives?**

## FEEDBACK FROM GROUP 2 (green)

### Status of impact assessments

- Mixed progress: Some administrations completed preliminary impact assessments; others are still scoping data needs or awaiting legislative clarity.
- Phased approach: Common approach is an initial high-level estimate followed by more granular modelling as data improves.

### Primary data sources and challenges

- Key sources used: Country-by-Country Reports (CbCR), consolidated financial statements, tax returns, and national statistical data were the main inputs.
- Data quality and coverage issues: Challenges include incomplete CbCR coverage for certain MNEs, inconsistent accounting bases, lack of consolidated data for foreign affiliates, and timing mismatches between financial and tax reporting.
- Mapping and reconciliation: Significant effort required to reconcile accounting line items with GloBE definitions and to map local tax incentives into the toolkit's effective tax rate calculations.

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## FEEDBACK FROM GROUP 2 (green)

### Revenue estimates and ranges

- Preliminary estimates: Where provided, estimates were typically presented as ranges rather than precise figures due to data gaps and legal uncertainties.
- Sensitivity to assumptions: Estimates vary widely depending on assumptions about MNE structures, use of tax incentives, and the scope of domestic top-up rules.

### Impact on national tax incentives

- Assessment ongoing: Several administrations are modelling interactions between Pillar Two and existing incentives.
- Policy options considered: Options include grandfathering, targeted carve-outs, or redesigning incentives to remain effective under the GloBE framework.

## Question 3

**What are the main concerns raised by stakeholders (e.g., administrative burden, data availability, or legal uncertainty, legal uncertainty)?**

**Have you organised consultations, webinars, or working groups with taxpayers, advisors, and software providers? Were there any dialogue or meetings held with them?**

**Has your tax administration launched any tools to facilitate implementation (e.g., FAQs, guidance, helpdesks, FAQs, webinars, pilot programmes, or cooperative compliance approaches)? If yes, please provide a few examples.**

## FEEDBACK FROM GROUP 2 (green)

### Main stakeholder concerns

- Administrative burden: Taxpayers and advisors flagged complexity of calculations, documentation requirements, and potential duplication with existing reporting.
- Data availability: Concerns about access to consolidated financial data, timely CbCR access, and the ability of taxpayers to produce GIR-level information.
- Legal uncertainty: Requests for clear domestic legislation, transitional rules, and guidance on interactions with transfer pricing and withholding regimes.
- Compliance costs: Smaller in-scope entities and local branches of MNEs worry about compliance costs and the need for external advisory support.

### Engagement and consultation activities

- Consultations held: Many administrations reported stakeholder consultations, webinars, and targeted working groups with taxpayers, tax advisors, and software vendors.
- Examples of outreach: public webinars explaining the GloBE mechanics; roundtables with large taxpayers; technical workshops with software providers to discuss reporting formats.

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## FEEDBACK FROM GROUP 2 (green)

### Tools and facilitation measures

- Guidance materials launched: FAQs, draft guidance notes, and illustrative examples to clarify calculation steps and reporting expectations.
- Helpdesks and pilot programs: Several administrations set up helpdesks and pilot reporting exercises to test formats and identify practical issues.
- Cooperative compliance: A few jurisdictions are exploring cooperative compliance approaches for large MNEs to reduce disputes and improve data flows.

## Question 4

**How are you managing IT needs? (e.g., hiring specialists, reallocating internal staff, or outsourcing the development of digital reporting tools)? Do you believe that there is room for a common approach in order to facilitate IT challenges such as: introduction of CTS 3.0, exchange of GIR, harmonization of DAC 9 with IT infrastructure, etc.?**

**What are the main hurdles regarding DAC9, GIR exchanges, and data standardization?**

## FEEDBACK FROM GROUP 2 (green)

### How IT needs are being managed

- Mixed resourcing models: Approaches include hiring specialists, reallocating internal IT staff, and outsourcing development to vendors or consultants.
- Phased IT development: Many plan incremental builds: initial data collection and validation modules, followed by calculation engines and reporting/export features.

### Potential for a common approach

- Support for harmonization: Participants generally see value in a common approach for data standards, GIR exchange formats, and CTS 3.0 adoption to reduce duplication and ease cross-border exchanges.
- Practical collaboration: Interest in shared reference implementations, open-source validation tools, and regional interoperability pilots.

### Main technical hurdles

- DAC9 and GIR alignment: Challenges include mapping national reporting requirements to DAC9 fields, ensuring consistent GIR identifiers, and synchronizing timelines across jurisdictions.
- CTS 3.0 introduction: Upgrading to CTS 3.0 requires changes to message formats, validation rules, and secure transmission channels.

## Question 4

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**What are the main hurdles regarding DAC9, GIR exchanges, and data standardization?**

## FEEDBACK FROM GROUP 2 (green)

- Data standardization: Variability in accounting standards, inconsistent entity identifiers, and differing definitions of tax bases complicate automated processing.
- Security and privacy: Ensuring secure exchange of sensitive taxpayer data while complying with national data protection rules is a recurring concern.

### Practical recommendations emerging from the discussion

- Prioritize a phased implementation plan that sequences legal changes, pilot reporting, and IT rollouts to manage risk and learn iteratively.
- Establish or strengthen cross-functional Pillar Two task forces with clear mandates for legal, IT, audit, and stakeholder engagement workstreams.
- Use international toolkits and peer networks for technical guidance and to harmonize interpretations where possible.
- Run pilots and cooperative compliance arrangements to test reporting formats, validate data flows, and reduce initial compliance friction.
- Invest in interoperable IT standards and consider regional/shared solutions for GIR exchange and CTS 3.0 adoption to lower costs and improve consistency.

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## FEEDBACK FROM GROUP 2 (green)

- Engage stakeholders early and often with practical guidance, worked examples, and helpdesk support to reduce uncertainty and administrative burden.