Pillar II: Key Points on One Page

The 15% Global Minimum Tax is already in force in dozens of jurisdictions. If your group is within the scope of the rules, it is time to get ready for reporting.

We have brought together the key rules, deadlines and important dates across jurisdictions to help you quickly navigate the requirements.

Who is affected by the rules? Just two conditions apply

Condition 1
Multinational group of companies
≥ 2 jurisdictions

+

Condition 2
Group revenue > EUR 750M
in at least 2 of 4 periods preceding the reporting year

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At least one of the Pillar II elements is likely to apply

What does this mean in practice?

Registration (in certain jurisdictions)
Notifying the tax authorities that Pillar II applies to the group and completing the registration

Preparing and filing the GIR (GloBE Information Return) in XML format in one or more jurisdictions

The return sets out:

- The full structure of the group
- Detailed information on the parent company and the group entities
- Consolidated financial statement data
- The tax base and the Top-up Tax computation under the Pillar II rules (for details of the calculations, see our Pillar II webinar)

Payment of Top-up Tax
Top-up Tax liabilities may arise in more than one jurisdiction (under the IIR, UTPR or DMTT rules)

The key Pillar II mechanisms

Income Inclusion Rule (IIR)

- The core Pillar II rule: the parent or intermediate holding company tops up tax to the 15% minimum rate in respect of jurisdictions where the group's effective tax rate is below 15%
- For 2024, applies in some developed countries (incl. Cyprus, the Netherlands, the UK, Belgium, Luxembourg)

Under-taxed profit rule (UTPR)

- A backstop mechanism to the IIR that applies where the jurisdiction of the parent or intermediate company has no IIR
- In that case, the right to charge the Top-up Tax shifts to other entities of the group
- In most countries, starts to apply to reporting periods from 2025 onwards

Domestic minimum Top-up Tax (DMTT)

- A local mechanism which applies within a single jurisdiction
- If a company is part of a multinational group, tax is topped up to the 15% level directly in its "home" jurisdiction
- Applies even in countries that have not implemented the IIR/UTPR (including the UAE)

Pillar II status and GIR filing deadlines in selected jurisdictions

Cyprus
IIR, UTPR and DMTT in force
Reporting – **by 30 June 2026**

UAE
DMTT only
Reporting – in 2027

Hong Kong
IIR, DMTT in force
Reporting – in 2027

Netherlands
IIR, UTPR and DMTT in force
Reporting – **by 30 June 2026**

Switzerland
IIR and DMTT in force
Reporting – **by 30 June 2026**

Have a Question? Get in Touch!

Pillar II – calculation and modelling

- Calculation of the tax base, applicable tax rate and the Top-up Tax under the Pillar II rules
- Modeling the impact of Pillar II on the group and individual group entities

Methodology and complex issues

- Advising on the application of the GloBE rules (characterization of income, adjustments and allocation of taxes)
- Preparation of positions on contentious and ambiguous issues

GloBE Information Return

- Preparation or review of the GIR
- Collection of supporting documents and structuring the data required for disclosure

Reliefs and exclusions

- Assessment of the availability of key reliefs and exclusions (safe harbors, de minimis, substance-based carve-out, etc.)

Let's stay in touch

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