

To: Taxation WG, Public Affairs & Communications Committee

## OECD/G20 Inclusive Framework releases new information on key aspects of the Two-Pillar Solution

### Latest developments

On **18 December**, the OECD/G20 released a [document](#) containing technical guidance to assist governments with implementation of the global minimum tax under Pillar Two.

This new document supplements the Commentary to the Global Anti-Base Erosion Model Rules (GloBE), adding clarifications on various topics, including:

- the Transitional Country-by-Country Reporting (CbCR) Safe Harbour;
- the definition of revenues for purposes of determining whether a multinational enterprise (MNE) Group is within the scope of the GloBE Rules;
- transitional relief to file the GloBE Information Return;
- notifications for in-scope MNE Groups that have short Reporting Fiscal Years;
- guidance for applying the GloBE Rules in situations where there are mismatches between Fiscal Years or financial and tax years of Constituent Entities;
- guidance on allocating taxes arising in a Blended CFC Tax Regime when some Constituent Entities do not compute their ETR under the GloBE Rules;
- Simplified Calculations Safe Harbour for Non-material Constituent Entities.

The Administrative Guidance will be incorporated into a revised version of the commentary that will be released in 2024.

In the press release accompanying the document ([here](#)), the OECD also shared that efforts to release further guidance in response to stakeholder requests, as well as addressing aggressive tax planning, and developing simplifications for key compliance items, are ongoing. In the first half of 2024, we can therefore expect guidance regarding deferred tax liability recapture rules and the allocation of deferred taxes related to cross-border taxes. The Inclusive Framework also emphasizes a robust peer review process, ongoing work on administrative frameworks, and dispute resolution mechanisms to enhance tax certainty for stakeholders applying the rules.

### Next steps

- Secretariat to continue monitoring the OECD's work concerning the implementation of Pillar Two.

### For more info

Fabrizio Franco, Policy advisor, Personal and General Insurance, [franco@insuranceeurope.eu](mailto:franco@insuranceeurope.eu), +32 2 894 30 14  
Fabienne Zwagemakers, Senior policy advisor, Public Affairs, [Zwagemakers@insuranceeurope.eu](mailto:Zwagemakers@insuranceeurope.eu), +32 2 896 48 30