

To: Taxation WG

## OECD/G20 Inclusive Framework agreement on global minimum tax

On 5 January 2026, members of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) agreed on key elements of a package outlining the way forward on global minimum taxation. The [agreement](#), which follows months of technical and political discussions, confirms continued commitment to a 15% global minimum effective tax rate for large multinational enterprises (MNEs), while introducing a “side-by-side” approach to better align the BEPS rules with domestic minimum tax systems. This development aims to reduce profit shifting, protect national tax bases, and provide greater certainty and administrative simplicity for governments and businesses as implementation continues worldwide.

The package contains 5 key components:

- A series of simplification measures to reduce compliance burdens for MNEs and tax authorities in calculating and reporting under the global minimum tax rules.
- The introduction of a new substance-based tax incentive safe harbour to align the treatment of tax incentives globally.
- New safe harbours for MNE Groups having an ultimate parent entity located in an eligible jurisdiction which meets minimum taxation requirements.
- An evidence-based stocktake process to ensure a level playing field is maintained for all Inclusive Framework Members.
- Reinforcement of the objective that qualified domestic minimum top-up tax (QDMTT) remains a primary mechanism in the global minimum tax framework for ensuring the protection of local tax bases, particularly in developing countries.

The next phase focuses on implementation. Inclusive Framework members will need to review and, where necessary, update domestic legislation to align with the side-by-side package, including the new safe harbours and simplification measures. Countries will be expected to contribute evidence to the agreed stocktake process, with a formal review scheduled by 2029 to assess competitiveness, consistency, and the overall functioning of the regime.

In parallel, the European Commission is working on a taxation omnibus, which is envisaged to streamline and align EU tax legislation with the evolving global minimum tax framework.

### Next steps

- Q2 2026: European Commission to present taxation omnibus
- 2029: formal review of global taxation framework

### For more info

Please get in touch with Insurance Europe’s life team via [life@insuranceeurope.eu](mailto:life@insuranceeurope.eu)