

To: Taxation WG

From: Personal & general insurance department

Date: 8-02-2023

Reference: ECO-TAX-23-033

Subject: OECD published Agreed Administrative Guidance on the GloBE Model Rules (Pillar Two)

## Guidance requested

On 2 February, the Organisation for Economic Co-operation and Development (OECD) published a paper on [administrative guidance on the global anti-base erosion model rules](#) on Pillar Two, addressing a wide range of issues that Inclusive Framework members have identified as the issues most in need of immediate clarification and simplification for stakeholders.

Although the OECD is not consulting on this paper, the secretariat invites members to indicate if they deem it appropriate to submit comments to the initiative. If so, the input would be transmitted to the OECD through the Business at OECD (BIAC), which intends to submit a position.

Members are invited to share their guidance and, in case of positive answers, their initial views concerning the administrative guidance, to the secretariat ([franco@insuranceeurope.eu](mailto:franco@insuranceeurope.eu)) by **Friday 17 February cob**.

## Summary

The issues addressed by the administrative guidance published by the OECD on 2 February are:

- Guidance on the scope, operation and transitional elements of the GloBE rules.
- How the US Global Intangible Low-Taxed Income (GILTI) minimum tax should be treated for the purposes of the GloBE rules.
- Guidance on the design of a Qualified Domestic Minimum Top-Up Tax (QDMTT), although further work will be undertaken in relation to the operation of QDMTT as a safe harbor.

The Agreed Administrative Guidance will be incorporated into a revised version of the Commentary that will be released later this year. Further guidance will continue to be developed and released by the Inclusive Framework on an ongoing basis. The Inclusive Framework also expects to finalize the model provision for the Subject to Tax Rule and the related multilateral instrument to assist in its implementation.

## Next steps

- Friday 17 February **cob**: deadline for members to provide guidance and, if applicable, their initial views
- 2023: Agreed Administrative Guidance to be incorporated into a revised version of the Commentary and released.