

To: Taxation WG
From: Personal & general insurance department
cc:
Date: 22-12-2022
Reference: ECO-TAX-22-074

Subject: For guidance - OECD published two public consultations on Pillar 2

Guidance requested

On 20 December, the Organisation for Economic Co-operation and Development (OECD) published [two consultations](#) on Pillar Two, concerning the following topics:

- GloBE Information Return
- Tax Certainty for the GloBE Rules

The OECD is accepting answers until 3 February.

The secretariat asks the members if they deem a common Insurance Europe's response to the consultations necessary. The guidance and, in case of positive answers, the initial members' inputs concerning the consultations, can be sent to the secretariat (franco@insuranceeurope.eu) by **Tuesday 17 January cob**.

Summary

More specifically, OECD released three documents on Pillar Two.

- A consultation document on the Global Anti-Base Erosion (GloBE) Information Return which seeks input on:
 - The amount and type of information that Multinational enterprises (MNE) Groups should be expected to collect, retain, and/or report for the application of the GloBE Rules.
 - Possible simplifications that could be incorporated in the GloBE Information Return.
 - The ability of the MNE Group to provide alternative data points.
- A consultation document on Tax Certainty for the GloBE Rules which outlines various mechanisms, including dispute prevention and dispute resolution, for achieving tax certainty under the GloBE Rules.
- A [document](#), which is not open for consultation, on Safe Harbours and Penalty Relief which includes the agreed terms of a Transitional Country-by-Country Reporting Safe Harbour.
 - Transitional Country-by-Country Reporting Safe Harbour has the purpose to effectively remove the obligation of calculating the GloBE effective tax rate for an MNE's operations in lower-risk jurisdictions in the initial years, to provide relief to MNEs in respect of their GloBE compliance obligations as they implement the rules. The document also includes:
 - The framework for the development of Permanent Safe Harbours as simplified income and tax calculations.
 - A common understanding as to a Transitional Penalty Relief Regime.
- Notably, among the three published documents there is not a technical administrative guidance that interprets the Model Rules and Commentary.

Next steps

The Inclusive Framework expects to release administrative guidance on the interpretation or administration of the global minimum tax on a rolling basis, with the first package of administrative guidance to be released in early 2023. Work is also ongoing on the finalisation of the subject to tax rule and the related multilateral instrument to assist its implementation.