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OECD Makes New Tools Available for Administering Global Minimum Tax

On 15 January 2025, the OECD's Inclusive Framework on Base Erosion and Profit Shifting (BEPS) [introduced](#) new tools and guidance updates to support the administration of the Pillar 2 global minimum tax. These include a centralised record of qualified domestic rules, revisions to the GloBE Information Return, and additional technical resources.

Central Record of Transitional Qualified Rules

The global minimum tax framework includes an agreed rule order that limits the application of the minimum tax rules in one jurisdiction where there are “qualified” rules in another jurisdiction. In 2024, the Inclusive Framework introduced a fast-track process to confirm transitional qualified status for jurisdictions’ domestic legislation. The new [Central Record](#) now lists jurisdictions that have completed this process. Updates to the record will be made periodically as new entries are added.

In addition, the Inclusive Framework also published further agreed [guidance](#) on Article 9.1 of the GloBE Model Rules. This guidance excludes certain deferred tax assets from a MNE Group’s effective tax rate calculation, provided these assets arose prior to the introduction of the global minimum tax. The exclusions may result from specific governmental measures or the introduction of new corporate income tax legislation.

Revised GloBE Information Return

The Inclusive framework has also issued an updated version of the [GloBE Information Return](#), which is used by implementing jurisdictions to evaluate the application of minimum tax rules to constituent entities. The revisions aim to simplify and clarify the GloBE Information Return, including updates to address scenarios where no jurisdiction has taxing rights under the GloBE Rules. A

notification template has also been introduced, enabling jurisdictions to confirm the exchange of GIR data with MNE Groups. Further [guidance](#) has also been issued on how to complete the GIR.

Tools for GIR Data Filing and Exchange

To facilitate the central filing and sharing of GIR data, the IF has released the [GIR Multilateral Competent Authority Agreement](#) (MCAA) alongside a [GIR XML Schema User Guide](#). The MCAA establishes the conditions for the automatic exchange of information under the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The XML Schema and User Guide provide a standardised format for electronic filing and exchange. Further work is planned to implement validation rules to ensure data consistency and quality during filing and exchange processes.

These updates form part of ongoing efforts to refine the implementation and administration of the global minimum tax framework. Further details are available in the OECD's official [announcement](#).

Update on Pillar One Developments from Co-Chairs of the Inclusive Framework on BEPS

The Co-Chairs of the Inclusive Framework on BEPS have provided an [update](#) on key developments concerning Amount A & B of Pillar One of the Two-Pillar Solution, addressing the tax challenges arising from the digitalisation of the economy.

Amount A: Coordinated Allocation of Taxing Rights

Amount A introduces a system to reallocate taxing rights to market jurisdictions for a defined portion of the residual profits of the largest and most profitable multinational enterprises. This measure aims to replace Digital Services Taxes (DSTs) and similar measures with a sustainable framework. A Multilateral Convention text was released in October 2023, including an Explanatory Statement and provisions for ensuring tax certainty under Amount A.

Key Developments in 2024:

- Clarifications on the definition and application of DSTs and relevant similar measures.
- Provisions for elections by non-State jurisdictions and the States responsible for their international relations

- Adjustments to the Marketing and Distribution Profit Safe Harbour, enhancing deductions and return-on-revenue metrics for lower-income jurisdictions.

Adoption Progress

The revised MLC text was submitted for adoption in June 2024. While broadly supported, one member objected, citing unresolved issues with the Amount B Framework.

Next Steps

The text remains stable, and negotiations are now focused on resolving issues related to Amount B.

Amount B: Simplified Approach to Marketing and Distribution Activities

Amount B simplifies the application of the arm's length principle for baseline marketing and distribution activities, addressing the needs of low-capacity countries.

Key Developments in 2024:

- In February 2024, an optional Amount B model was integrated into the OECD Transfer Pricing Guidelines, allowing jurisdictions to elect the simplified approach for transactions within their territory.
- The Inclusive Framework committed to respecting outcomes determined under Amount B, particularly for jurisdictions facing high volumes of transfer pricing disputes (expected to address 30–70% of disputes in some cases).
- Discussions are ongoing to make Amount B mandatory for jurisdictions that adopt the MLC, ensuring consistent application across member states.

Outstanding Issues

- Defining the relationship between the MLC and Amount B.
- Establishing a filter to exclude jurisdictions with minimal relevant disputes.
- Creating an optional qualitative test to ensure complex, above-baseline transactions fall outside the simplified framework.
- Addressing concerns over perceived misalignment of pricing outcomes in certain jurisdictions, with proposals for thresholds and alternative mechanisms under consideration.

Implementation Progress & Next Steps

- Discussions on procedural and drafting details are advanced for most items, but consensus remains elusive on the pricing concerns and related solutions.
- The Inclusive Framework continues to work towards bridging the remaining gaps in the Amount B Framework to finalise the Pillar One package.
- The Co-Chairs have acknowledged the dedication of Inclusive Framework members to compromise and resolve differences and have reaffirmed their commitment to support the swift implementation of Pillar One once consensus is achieved.

Save the Date: CFE Forum | 27 March 2025 | Brussels

CFE Tax Advisers Europe will hold the 2025 CFE Forum in Brussels on 27 March, on the topic *“Navigating Tax Transformation: From Compliance to Competitiveness”*, with the focus of discussions to centre on critical global and European tax developments.

The panel topics will explore: Global Tax Reform: BEPS implementation, the UN Framework Convention, and EU competitiveness; ECJ Case-Law Insights: significance of recent ECJ rulings on state aid, GDPR, and abuse of law, Technical Tax Matters: Delving into transfer pricing, VAT challenges and opportunities; and, Digital & Green Taxation: The EU’s path toward sustainable and innovative fiscal policies.

Further information on the panels, speakers and the process for registration will be made available in due course via the CFE website.

EU Parliament's Upcoming FISC Subcommittee Meeting

On 6 February, the European Parliament's Subcommittee on Tax Matters, FISC, will hold its next meeting. At the meeting, FISC will host a [public hearing](#) on the topic *“Developing a coherent tax framework for the EU financial sector”*.

The expert speakers will examine innovative tax solutions designed to support the sector’s integration and digital transformation. The hearing will evaluate financial transaction and financial activity taxes, along with the challenges posed by VAT exemptions for financial services, while identifying best practices. This hearing

forms part of the FISC Subcommittee's ongoing work on an own-initiative report to provide recommendations for the Commission.

The meeting will also feature an exchange of views with Ms. Laura Kövesi, European Chief Prosecutor, and Mr. Yannic Hulot, Chair of Eurofisc, focusing on the roles of the European Public Prosecutor's Office (EPPO) and Eurofisc in tackling VAT fraud across the EU.

Additionally, Commissioner Wopke Hoekstra will attend to outline strategic priorities in the taxation domain, including innovative solutions aimed at enhancing integration, cross-border operations, and digitalisation within the EU financial sector.

EU Tax Symposium: 18 March 2025

The European Parliament and the European Commission will jointly host the third [EU Tax Symposium](#) on 18 March 2025 at the European Parliament in Brussels, with representatives from EU national parliaments in attendance. This high-profile event will bring together policymakers, tax professionals, and stakeholders to discuss the latest developments and strategies in European tax policy.

This year's symposium will focus on the theme "*Strengthening competitiveness and fairness to build prosperity*." The programme will offer valuable insights and foster dialogue on creating a balanced and competitive tax framework in the EU. Registration and the detailed programme will be available in due course.

The selection of the remitted material has been prepared by:
Aleksandar Ivanovski & Brodie McIntosh