



Minimum Tax Implementation Handbook (Pillar Two) – Pillar II in plain English

A key part of the OECD/G20 BEPS Project is addressing the tax challenges arising from the digitalisation and globalisation of the economy. The global minimum tax, together with the Subject to Tax Rule, constitutes the second pillar of the Two-Pillar Solution developed to address those challenges.

The minimum tax will ensure large multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions where they operate. The minimum tax is based on an agreed set of Model Rules, that are designed to be implemented into domestic law as part of a common approach.

Recently, the OECD has released a 31-page document that explains the main concepts of the Pillar 2 rules in plain English. The purpose of the Implementation Handbook is to supplement the Global Anti-Base Erosion (GloBE) rules. It is not intended as additional detailed guidance material but rather seeks to present the core elements of the rules in a manner that provides a high-level entry point into the overall design and operation of the rules.

The Implementation Handbook on the minimum tax provides an overview of the key provisions of the rules and the considerations to be taken into account by tax policy and administration officials and other stakeholders in assessing their implementation options. The Implementation Handbook is divided into two chapters:

- The first chapter provides an overview of the global minimum tax. It provides a starting point for the reader to obtain a broad understanding of the scope, design and operation of the rules. This overview is drafted in plain language, with a view of making the content of the GloBE rules as accessible as possible.
- The second chapter sets out the considerations to be taken into account in assessing implementation options. A copy of the Implementation Handbook itself can be found at the following site: <https://www.oecd.org/tax/beps/minimum-tax-implementation-handbook-pillar-two.pdf>



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