



# BEPS 2.0: state of play

**KPMG Global Tax & Legal | 20 October 2023**

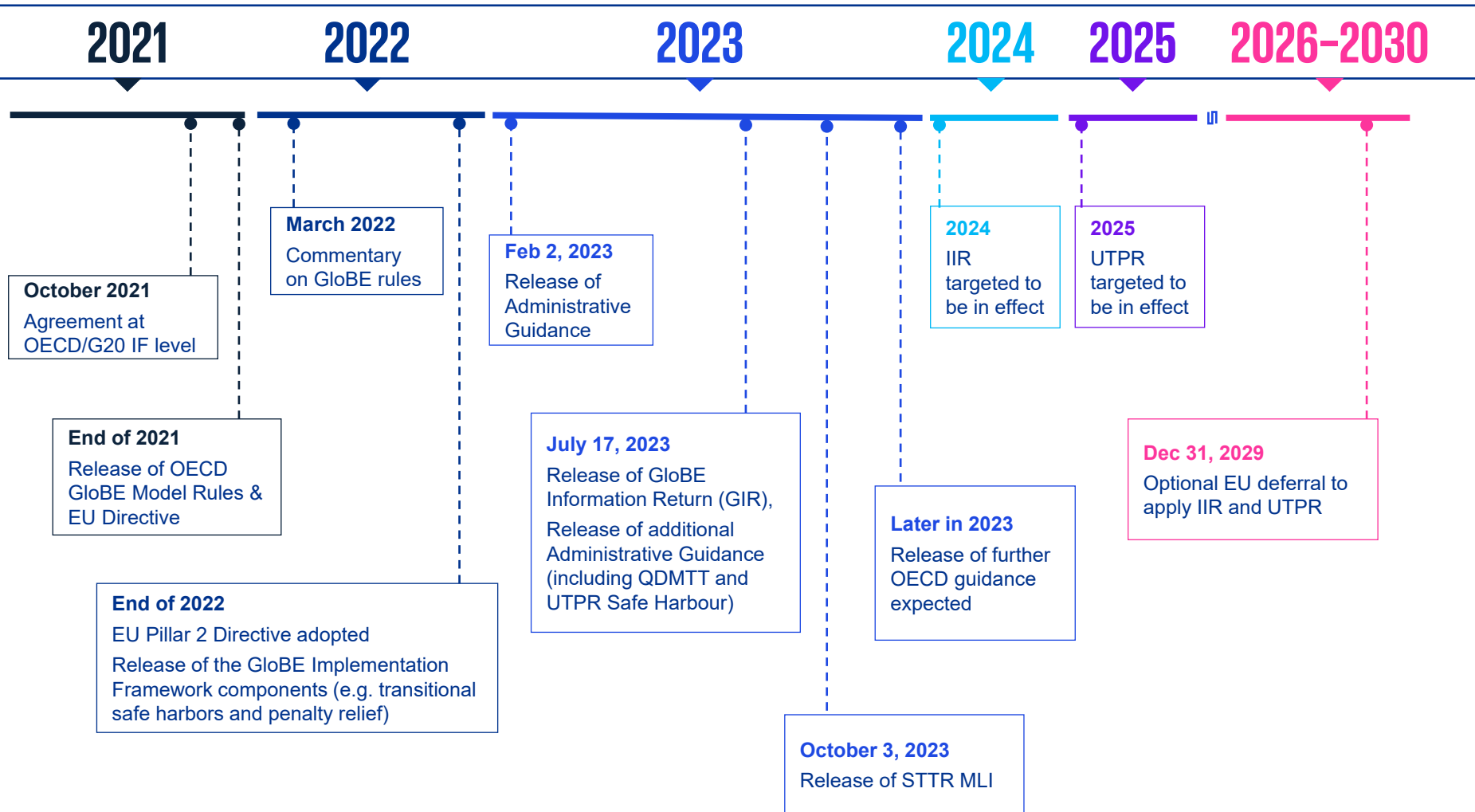
This document is intended to provide a high-level overview of administrative and legislative developments in jurisdictions around the world related to the implementation of Pillar Two of the OECD's BEPS 2.0 project. It does not represent, and should not be viewed as representing an exhaustive listing of the relevant news and developments with respect to the implementation of BEPS 2.0 — Pillar Two.

This document should not be viewed as tax advice or an opinion or as accounting advice or an opinion, and it should not be relied upon for penalty protection or for any other purpose except achieving general familiarity with the subject matter thereof.

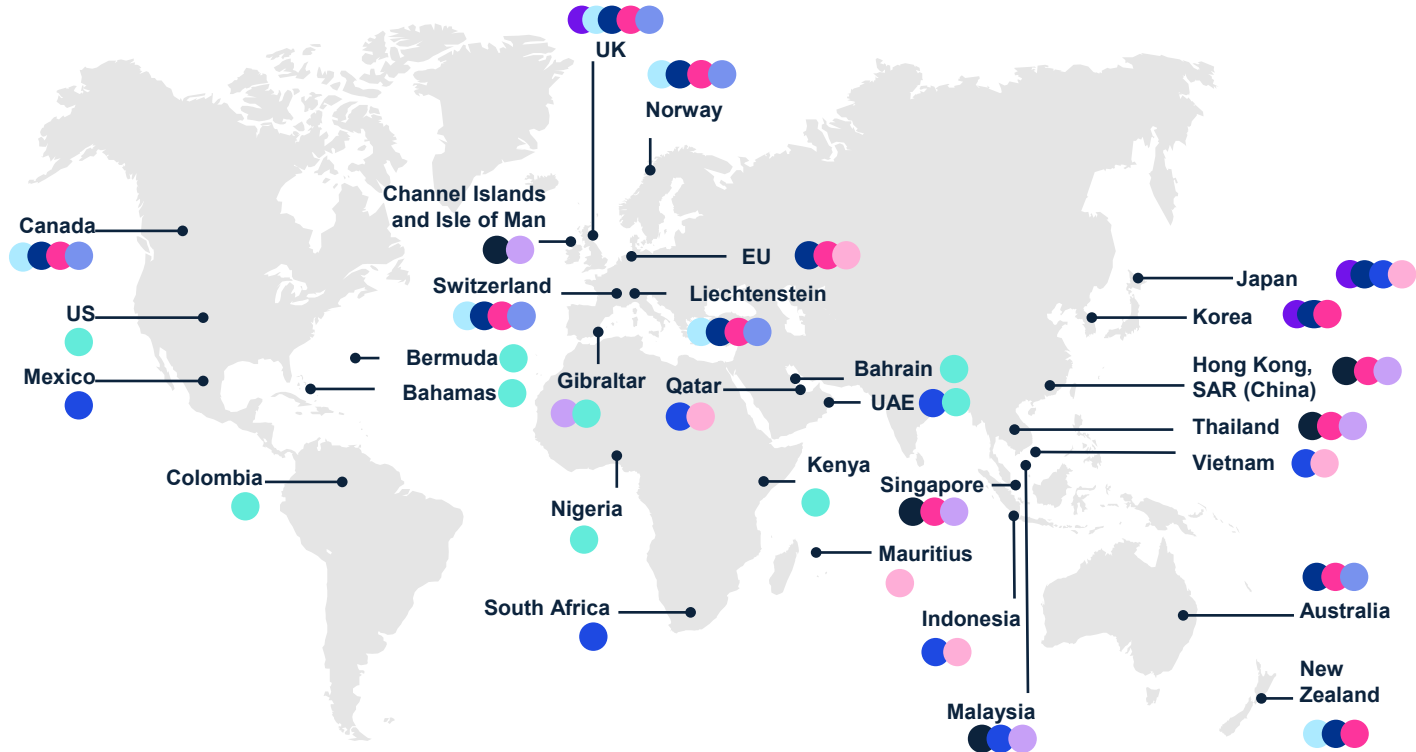
# Timeline and global overview

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# BEPS 2.0 | Pillar Two – Timeline



# Pillar Two — Global overview | 1



## Legend

- Legislation passed/approved
- UTPR (2024)
- DMTT (2025)
- Draft legislation released
- UTPR (2025)
- Intention/option to apply DMTT (timing uncertain)
- IIR (2024)
- Intention to apply IIR/UTPR (timing uncertain or deferred)
- Other related legislation/announcement
- IIR (2025)
- DMTT (2024)

# Pillar Two — Global overview | 2

## Legislation passed/approved

- EU Directive (December 2022)
- Japan — IIR (March 2023)
- Korea (December 2022)
- United Kingdom (June 2023)

## Draft legislation

- Austria (Oct 2023)
- Bulgaria (Sep 2023)
- Canada (Aug 2023)
- Cyprus (Oct 2023)
- Czech Republic (Aug 2023)
- Denmark (Oct 2023)
- France (Sep 2023)
- Finland (Oct 2023)
- Germany (Aug 2023)
- Hungary (Oct 2023)
- Ireland (Oct 2023)
- Italy (Sep 2023)
- Liechtenstein (March 2023)
- Luxembourg (Aug 2023)
- Netherlands (May 2023)
- New Zealand (May 2023)
- Norway (June 2023)
- Romania (Oct 2023)
- Slovenia (June 2023)
- Slovakia (Aug 2023)
- Sweden (Sep 2023)
- Switzerland (May 2023)

## IIR (2024)

- Australia
- Canada
- EU — potential deferrals where few UPEs
- Japan
- Korea
- Liechtenstein
- New Zealand
- Norway
- Switzerland
- United Kingdom

## IIR (2025)

- Guernsey, Jersey and Isle of Man
- Hong Kong (SAR), China
- Malaysia
- Singapore
- Thailand

## UTPR (2025)

- Australia
- Canada
- EU — potential deferrals where few UPEs
- Hong Kong (SAR), China
- Korea (based on draft amendments)
- Liechtenstein
- New Zealand
- Norway (?)
- Singapore
- Switzerland (?)
- Thailand
- United Kingdom

## DMTT (2024)

- Austria
- Australia
- Bulgaria
- Canada
- Czech Republic
- Denmark
- Finland
- France
- Germany
- Hungary
- Ireland
- Italy
- Liechtenstein
- Luxembourg
- Netherlands
- Norway
- Romania
- Slovenia
- Slovakia
- Sweden
- Switzerland
- United Kingdom

## DMTT (2025)

- Cyprus
- Gibraltar
- Guernsey, Jersey and Isle of Man
- Hong Kong (SAR), China
- Lithuania
- Malaysia
- Singapore
- Thailand

## Intention to apply IIR and UTPR (timing uncertain or deferred)

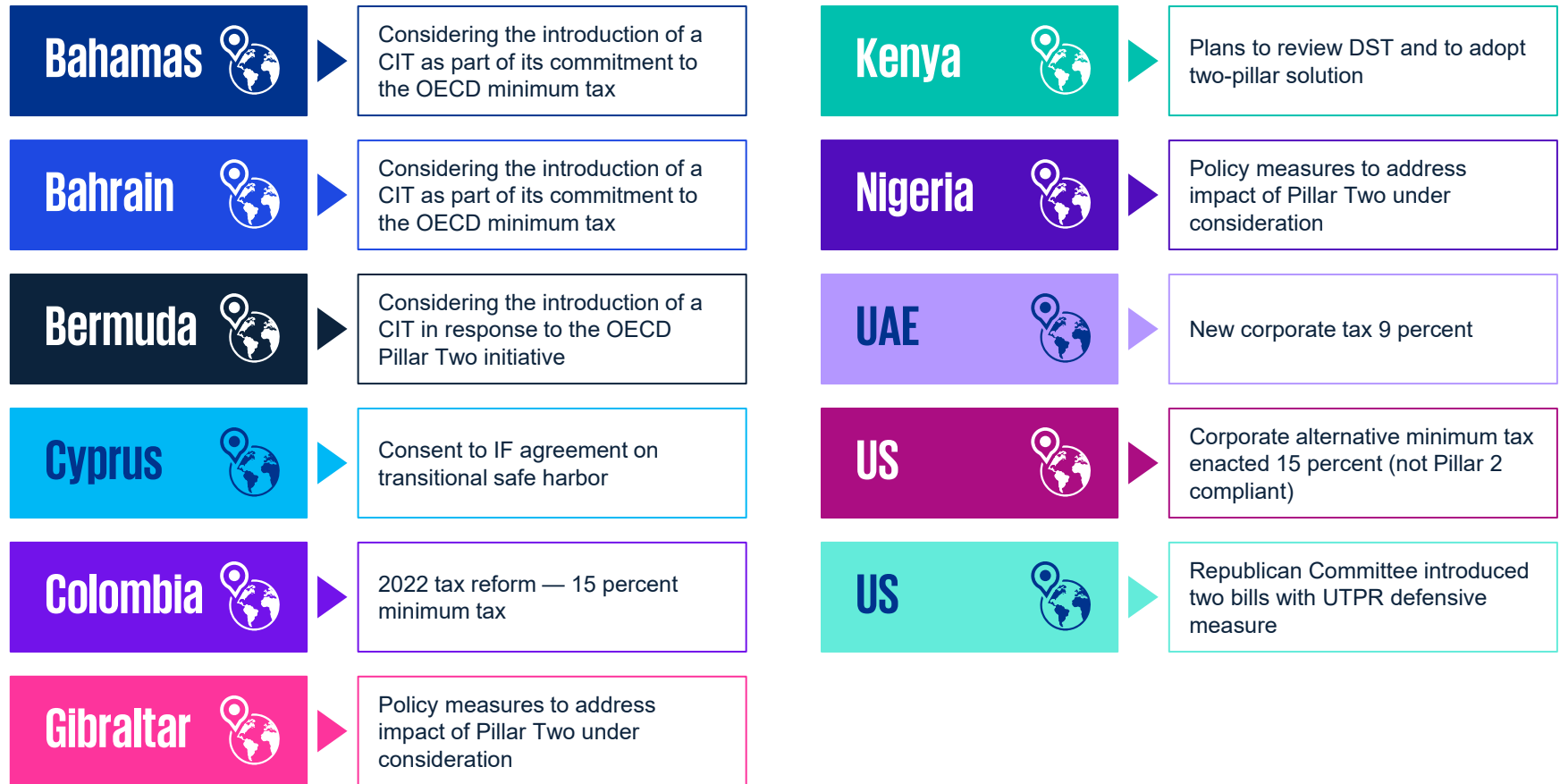
- Indonesia
- Japan (UTPR)
- Lithuania (deferral)
- Malaysia (UTPR)
- Mexico
- Qatar
- Slovakia (deferral)
- South Africa
- UAE
- Vietnam

## Intention to apply DMTT (timing uncertain)

- EU (optional)
- Indonesia
- Japan
- Mauritius
- Qatar
- Vietnam

# Pillar Two — Global overview | 3

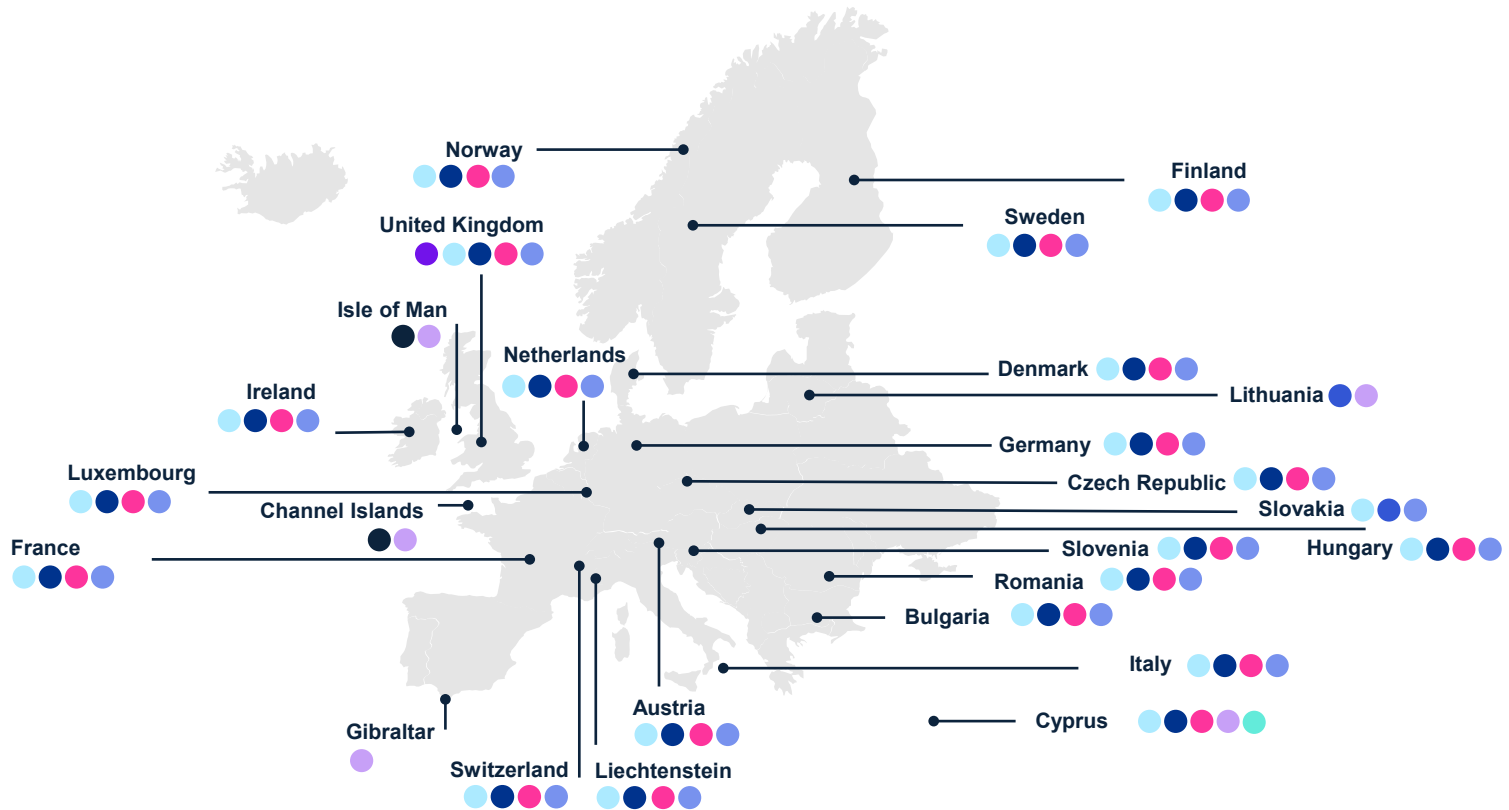
## Other related announcements



# Europe

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# Pillar Two — State of play | Europe



## Legend

- Legislation passed/approved
- Draft legislation released
- IIR (2024)
- IIR (2025)
- UTPR (2024)
- UTPR (2025)
- Intention to apply IIR/UTPR (timing uncertain or deferred)
- DMTT (2024)
- DMTT (2025)
- Intention/option to apply DMTT (timing uncertain)
- Other related legislation/announcement



# Pillar Two — State of play | European Union (1|3)

| European Union | Status                                       | Income Inclusion Rule (IIR) | Undertaxed Profits Rule (UTPR) | Domestic Top-up Tax (DMTT) | More information                                     |
|----------------|--|-----------------------------|--------------------------------|----------------------------|--|
| EU             | <u>Directive</u> adopted                     | 2024*                       | 2025*                          | optional                   | <u>EU Tax Centre alert</u>                           |
| Austria        | Consultation on <u>draft law</u> ongoing     | 2024                        | 2025                           | 2024                       | <u>Local tax alert</u><br><u>EU Tax Centre alert</u> |
| Bulgaria       | Consultation on <u>draft law</u> ongoing     | 2024                        | 2025                           | 2024                       | <u>EU Tax Centre alert</u>                           |
| Cyprus         | Consultation on <u>draft law</u> ongoing     | 2024                        | 2025                           | 2025                       | <u>Local tax alert</u>                               |
| Czech Republic | Government approved updated <u>draft law</u> | 2024                        | 2025                           | 2024                       | <u>Local tax alert</u><br><u>EU Tax Centre alert</u> |
| Denmark        | <u>Bill</u> submitted to Parliament          | 2024                        | 2025                           | 2024                       | <u>Local tax alert</u><br><u>EU Tax Centre alert</u> |
| Finland        | <u>Bill</u> submitted to Parliament          | 2024                        | 2025                           | 2024                       | <u>EU Tax Centre alert</u>                           |
| France         | <u>Bill</u> submitted to Parliament          | 2024                        | 2025                           | 2024                       | <u>Local tax alert</u><br><u>EU Tax Centre alert</u> |
| Germany        | Government <u>draft bill</u> published       | 2024                        | 2025                           | 2024                       | <u>Local tax alert</u><br><u>EU Tax Centre alert</u> |

\* Option to defer implementation to 31 December 2029 in case of max. 12 UPEs (EU countries with likely no more than 12 UPEs include *Bulgaria, Croatia, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Romania, Slovenia and Slovakia*)

- **Official plan** — Program for implementation with dates
- **Formal indication** — Written document issued by the government stating an intent to implement
- **E** — Legislation deemed “enacted” for accounting purposes
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# Pillar Two — State of play | European Union (2|3)

| European Union | Status  | Income Inclusion Rule (IIR) | Undertaxed Profits Rule (UTPR) | Domestic Top-up Tax (DMTT) | More information   |
|----------------|---|-----------------------------|--------------------------------|----------------------------|--|
| Hungary        | Consultation on <a href="#">draft legislation</a> ongoing | 2024                        | 2025                           | 2024                       |  |
| Ireland        | Included in Finance <a href="#">Bill 2023</a>             | 2024                        | 2025                           | 2024                       | <a href="#">EU Tax Centre alert</a>                                    |
| Italy          | Consultation on <a href="#">draft law</a> ended           | 2024                        | 2025                           | 2024                       | <a href="#">EU Tax Centre alert</a>                                    |
| Luxembourg     | Draft bill <a href="#">released</a>                       | 2024                        | 2025                           | 2024                       | <a href="#">Local tax alert</a><br><a href="#">EU Tax Centre alert</a> |
| Netherlands    | <a href="#">Bill</a> presented to Parliament              | 2024                        | 2025                           | 2024                       | <a href="#">Local tax alert</a><br><a href="#">EU Tax Centre alert</a> |
| Romania        | Consultation on <a href="#">draft legislation</a> ongoing | 2024                        | 2025                           | 2024                       |  |
| Slovakia       | Consultation on <a href="#">draft legislation</a> ended   | Deferred                    | Deferred                       | 2024                       | <a href="#">Local tax alert</a><br><a href="#">EU Tax Centre alert</a> |
| Slovenia       | Consultation on <a href="#">draft law</a> ended           | 2024                        | 2025                           | 2024                       | <a href="#">EU Tax Centre alert</a>                                    |
| Sweden         | <a href="#">Draft bill</a> released                       | 2024                        | 2025                           | 2024                       | <a href="#">Local tax alert</a><br><a href="#">EU Tax Centre alert</a> |

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# Pillar Two — State of play | European Union (3|3)

| European Union        | Status            | Income Inclusion Rule (IIR)   | Undertaxed Profits Rule (UTPR) | Domestic Top-up Tax (DMTT) | More information                    |
|-----------------------|-------------------|---|--------------------------------|----------------------------|-------------------------------------|
| <b>Belgium, Spain</b> | Formal indication | <b>2024</b>   | <b>2025</b>                    | <b>uncertain</b>           | <a href="#">Tax News Flash</a>      |
| <b>Lithuania</b>      | Formal indication | <b>Deferred</b>   | <b>Deferred</b>                | <b>2025</b>                | <a href="#">EU Tax Centre alert</a> |
| <b>Cyprus</b>         | Other             | Consent to IF agreement on transitional safe harbor — see <a href="#">EU Tax Centre alert</a> |                                |                            |                                     |

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# Pillar Two — State of play | Europe (outside EU)

| Rest of Europe                           | Status  | Income Inclusion Rule (IIR) | Undertaxed Profits Rule (UTPR) | Domestic Top-up Tax (DMTT) | More information  |
|--|---|-----------------------------|--------------------------------|----------------------------|---|
| <b>United Kingdom</b>                    | Legislation enacted; consultation on draft amendments ongoing | 2024 <sup>SE / E</sup>      | 2025                           | 2024 <sup>SE / E</sup>     | Local tax alerts (April 2023; July 2023; September 2023)<br><a href="#">EU Tax Centre alert</a> |
| <b>Liechtenstein</b>                     | Consultation on draft law ended                               | 2024                        | 2025                           | 2024                       | <a href="#">Local tax alert</a><br><a href="#">EU Tax Centre alert</a>                          |
| <b>Norway</b>                            | Consultation on draft law ended                               | 2024                        | 2025?*                         | 2024                       | <a href="#">Tax News Flash</a><br><a href="#">EU Tax Centre alert</a>                           |
| <b>Switzerland</b>                       | Consultation on revised draft ordinance ongoing               | 2024                        | 2025?                          | 2024                       | <a href="#">Local tax alert</a><br><a href="#">EU Tax Centre alert</a>                          |
| <b>Channel Islands** and Isle of Man</b> | Formal indication   | 2025                        |                                | 2025                       | <a href="#">Tax News Flash</a>  |
| <b>Gibraltar</b>                         | Formal indication   |                             |                                | 2025                       | <a href="#">EU Tax Centre alert</a>   |

\* UTPR legislation pending

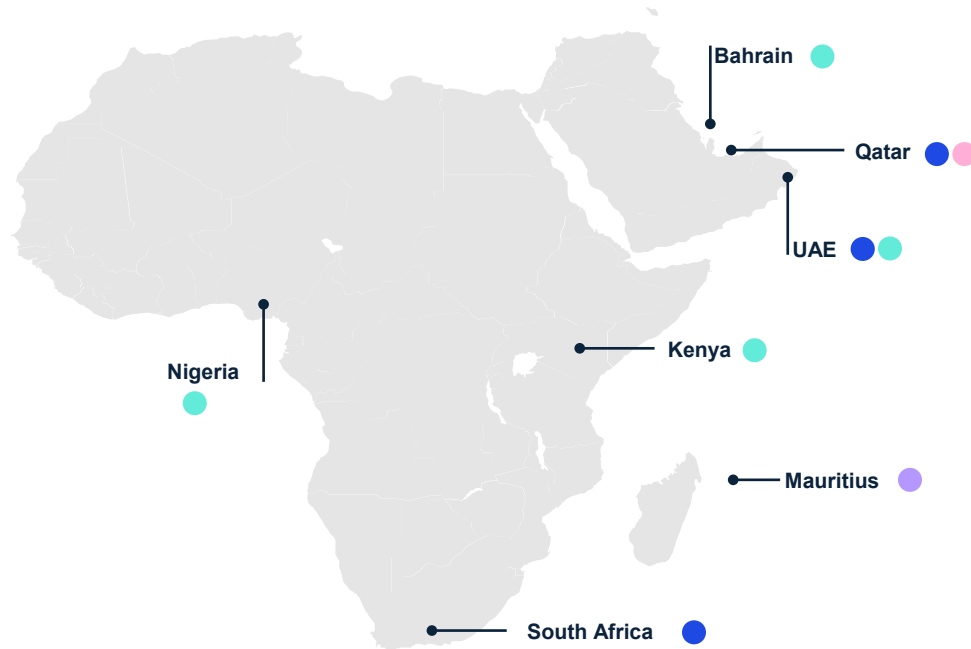
\*\* Guernsey and Jersey

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# Middle East and Africa

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# Pillar Two — State of play | Middle East and Africa



## Legend

- Legislation passed/approved
- Draft legislation released
- IIR (2024)
- IIR (2025)
- UTPR (2024)
- UTPR (2025)
- Intention to apply IIR/UTPR (timing uncertain or deferred)
- DMTT (2024)
- DMTT (2025)
- Intention/option to apply DMTT (timing uncertain)
- Other related legislation/announcement

# Pillar Two — State of play | Middle East and Africa

| Middle East & Africa | Status            | Income Inclusion Rule (IIR)   | Undertaxed Profits Rule (UTPR) | Domestic Top-up Tax (DMTT) | More information  |
|----------------------|-------------------|---|--------------------------------|----------------------------|---|
| <b>Mauritius</b>     | Formal Indication | uncertain   | uncertain                      | timing uncertain           | <a href="#">Local tax alert</a>   |
| <b>Qatar</b>         | Formal Indication | timing uncertain  | timing uncertain               | timing uncertain           | <a href="#">Local tax alert</a>   |
| <b>South Africa</b>  | Formal Indication | timing uncertain  | timing uncertain               | uncertain                  | <a href="#">Local tax alert</a><br><a href="#">EU Tax Centre alert</a>                |
| <b>UAE</b>           | Formal Indication | timing uncertain  | timing uncertain               | uncertain                  | Public consultation expected in Q1 2024, see also <a href="#">EU Tax Centre alert</a> |
| <b>ATAF*</b>         | Other             | Guidance for domestic minimum top-up tax implementation – see <a href="#">EU Tax Centre alert</a>                                 |                                |                            |   |
| <b>Bahrain</b>       | Other             | Introduction of a CIT as part of its commitment to the OECD minimum tax under consideration – see <a href="#">Local tax alert</a> |                                |                            |   |
| <b>Kenya</b>         | Other             | Plans to review DST and to adopt two-pillar solution – see <a href="#">EU Tax Centre alert</a>                                    |                                |                            |   |
| <b>Nigeria</b>       | Other             | Policy measures to address impact of Pillar Two under consideration – see <a href="#">EU Tax Centre alert</a>                     |                                |                            |   |

\* African Tax Administration Forum

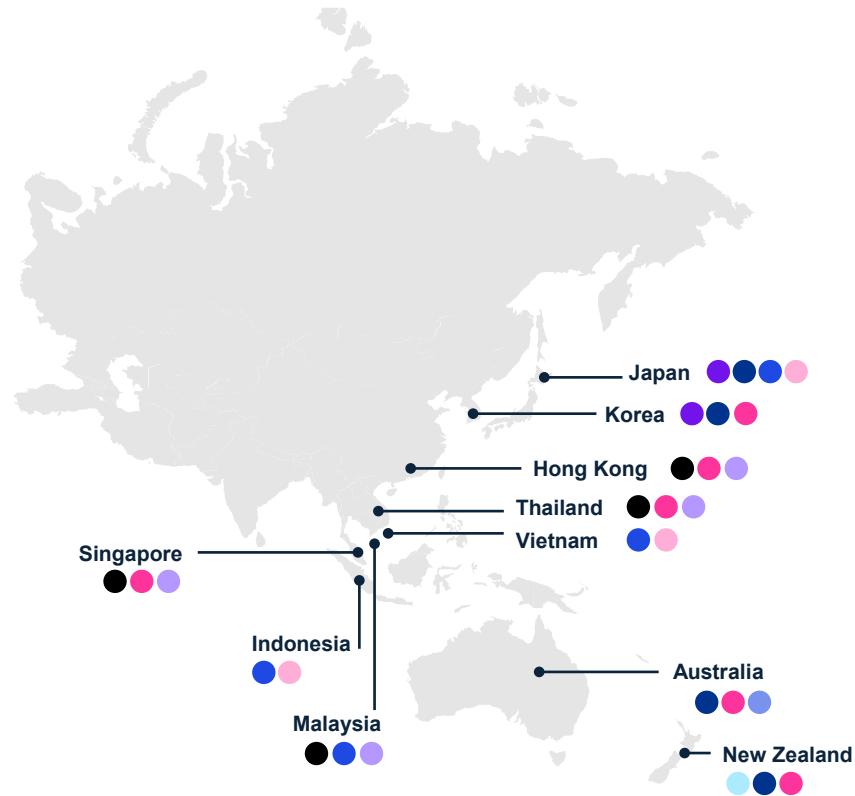
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# Asia Pacific

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# Pillar Two — State of play | Asia Pacific



## Legend

- Legislation passed/approved
- Draft legislation released
- IIR (2024)
- IIR (2025)
- UTPR (2024)
- UTPR (2025)
- Intention to apply IIR/UTPR (timing uncertain or deferred)
- DMTT (2024)
- DMTT (2025)
- Intention/option to apply DMTT (timing uncertain)
- Other related legislation/announcement

# Pillar Two — State of play | Asia Pacific

| Asia Pacific                    | Status  | Income Inclusion Rule (IIR)             | Undertaxed Profits Rule (UTPR) | Domestic Top-up Tax (DMTT) | More information  |
|---------------------------------|---|---|--------------------------------|----------------------------|---|
| <a href="#">Japan</a>           | IIR legislation adopted                                   | April 2024 <sup>SE</sup> / <sup>E</sup> | April 2025 (estimated)         | timing uncertain           | Local tax alerts ( <a href="#">June 2023</a> ; <a href="#">October 2023</a> ) |
| <a href="#">Korea</a>           | Legislation adopted*; revision of 2023 tax bill announced | 2024                                    | 2025                           | uncertain                  | <a href="#">Local tax alert</a>   |
| <a href="#">New Zealand</a>     | Consultation on <a href="#">draft law</a> ended           | 2024 or later                           | 2025 or later                  |                            | <a href="#">Local tax alert</a>   |
| <a href="#">Australia</a>       | <a href="#">Consultation</a> ongoing                      | 2024                                    | 2025                           | 2024                       | <a href="#">Local tax alert</a>   |
| <a href="#">Hong Kong (SAR)</a> | Official Plan   | 2025                                    | 2025 or later                  | 2025                       | <a href="#">Tax News Flash</a>  |
| <a href="#">Malaysia</a>        | Official Plan   | 2025                                    | uncertain                      | 2025                       | <a href="#">Local tax alert</a>   |
| <a href="#">Singapore</a>       | Official Plan   | 2025                                    | 2025                           | 2025                       | <a href="#">Local tax alert</a>   |
| <a href="#">Thailand</a>        | Official Plan   | 2025                                    | 2025                           | 2025                       | <a href="#">Local tax alert</a>   |
| <a href="#">Indonesia</a>       | Formal indication   | timing uncertain                        | uncertain                      | timing uncertain           |   |
| <a href="#">Vietnam</a>         | Formal indication   | 2025 (estimated)                        | uncertain                      | 2025 (estimated)           |   |

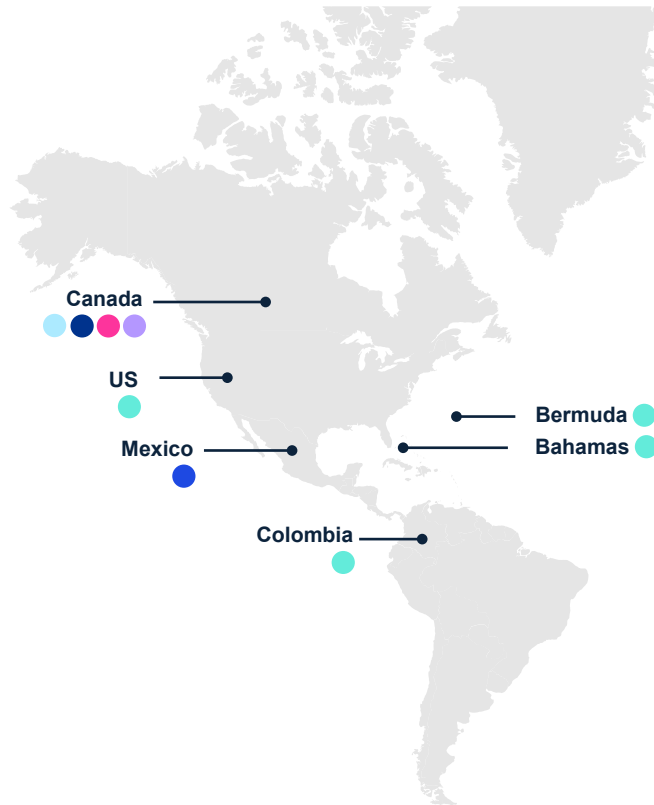
\* Detailed legislation in form of presidential enforcement decree still to be released later this year.

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# Americas

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# Pillar Two — State of play | Americas



## Legend

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- UTPR (2025)
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- DMTT (2024)
- DMTT (2025)
- Intention/option to apply DMTT (timing uncertain)
- Other related legislation/announcement

# Pillar Two — State of play | Americas

| Americas      | Status  | Income Inclusion Rule (IIR)   | Undertaxed Profits Rule (UTPR) | Domestic Top-up Tax (DMTT) | More information                |
|---------------|---|---|--------------------------------|----------------------------|---------------------------------|
| Canada        | Legislative proposal <a href="#">released</a> | 2024  | 2025*                          | 2024                       | <a href="#">Local tax alert</a> |
| Mexico        | Formal indication                             | timing uncertain  | timing uncertain               | uncertain                  | <a href="#">Tax News Flash</a>  |
| Bahamas       | <a href="#">Other</a>                         | Consultation on policy measures to introduce Pillar Two compliant CIT system  |                                |                            |                                 |
| Bermuda       | <a href="#">Other</a>                         | Consultation on the introduction of a CIT system for fiscal years starting on or after January 1, 2025 – see KPMG’s <a href="#">Tax News Flash</a>  |                                |                            |                                 |
| Colombia      | Other   | Corporate minimum tax of 15 percent adopted. Unclear whether may qualify as QDMTT   |                                |                            |                                 |
| United States | Other   | Corporate alternative minimum tax of 15 percent adopted (general understanding that CAM-T is not IIR equivalent)  |                                |                            |                                 |
|               |   | <p><i>May 25, 2023:</i> Republican Committee introduced a bill which would impose an additional 5 percent tax rate each year for four years, on the US income of individuals and entities located in jurisdictions that impose an UTPR. After 4 years the rate would go up to 20 percent – see KPMG’s <a href="#">Tax News Flash</a></p> <p><i>July 19, 2023:</i> Republican members of the Ways and Means Committee introduced a bill entitled the “Unfair Tax Prevention Act,” which would increase the BEAT where foreign countries adopt UTPR – see KPMG’s <a href="#">Tax News Flash</a></p> |                                |                            |                                 |

\* UTPR legislation pending

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