

The Base Erosion Profit Shifting ("BEPS") 2.0 initiative is a significant change in the international tax landscape, with the introduction of the two-pillar solution to ensure multinational enterprises pay a fair share of tax wherever they operate. While the development of Pillar One rules is still in progress, the Pillar Two Global Anti-Base Erosion ("GloBE") rules which subject in-scope multinational enterprises to a global minimum tax of 15% will be implemented in many jurisdictions, including Malaysia (effective from financial year 1 January 2025 onwards). The GloBE Rules require a fundamentally different tax calculation and hence give rise to a significant data challenge to multinational enterprises. Given the complexities of the GloBE rules, multinational enterprises need to take a proactive approach and comprehensive action to evaluate and prepare for its impacts.

At KPMG, we help clients to assess the impact of GloBE rules, perform safe harbor assessment and entity classification, provide BEPS training, scenario modelling for elections, and pre-regime actions. The KPMG BEPS 2.0 Automation Technology (KBAT) is designed to support organizations throughout the BEPS journey from collection to compliance. KBAT will cover the end-to-end Pillar 2 compliance process and support clients with modelling, planning and compliance, from data ingestion through to filing of the GloBE Information Returns.

Phase 1

Technical training and support

- Tailored Pillar 2 training, e.g. awareness training, detailed training on key aspects of the GloBE Rules, or more thematic training such as on incentives
- Aim to equip the working group level with the key technical knowledge of the GloBE Rules



Phase 2

classification

Transitional safe

harbour and entity

Assess eligibility of

that require a more detailed assessment

transitional safe harbors

to identify jurisdictions

Review CbCR process

to assess eligibility for

safe harbor

 Review group structure to classify entities under Pillar 2 and identify where any relevant top up tax would be paid.

Phase 3

Deep dive assessment

Detailed Pillar 2
assessment on a
jurisdictional and/or
entity basis



- Scenario modelling to ascertain the viability and feasibility of Pillar 2 elections
- Identifying data gaps and documenting data sources.
- Pre-regime actions (e.g. restructuring)

Phase 4

Compliance support



- Assist in the computation of the Effective Tax Rate ("ETR") and Top-up Tax ("TuT") for First Year Filing
- Assist in the relevant filing of GloBE Information Returns and Top-up Tax Returns for the first year



Contact Us

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