

# Be Pillar Two-ready

A guide to preparing for the BEPS 2.0 project

The road to Pillar Two starts now. And we are here to help. When the Pillar Two rules come into effect, the impact on the end-to-end operations of tax departments will be unprecedented. We can help you to understand, evaluate and plan for these changes across your organisation, and share global best practices to address compliance and complexity hurdles against your business objectives.

## 01 Impact assessment

This sets the framework for your project, identifying cash tax risks, supporting accounting disclosures and assessing data gaps.

Scope	Our recommended approach	Our approach (if more support is required)	Our approach (if less support is required)
<b>Safe harbour assessment</b>	We calculate and assess eligibility of temporary safe harbour across jurisdictions. This is a key step to determine compliance timelines and risk areas.	We prepare the calculations and assess eligibility, risk areas and next steps.	We review and validate the calculations your team has prepared, and assess eligibility, risk areas and next steps.
<b>Impact assessment deep dive</b>	We determine the impact of Pillar Two changes through detailed modelling of selected jurisdictions based on risk profile, materiality and systems, using our KPMG dynamic modelling tool.	We prepare impact assessments using our modelling tool, and provide a report summarising outcomes, technical issues and data gaps.	We review your internal modelling, verifying material inputs and outputs. Option to run your calculation data through our KPMG tool.
<b>Forecasting</b>	We carry out high-level Pillar Two overlay of forecast data on a project or business cycle to identify medium to long-term cash tax risks.	We model the high level Pillar Two impact over your forecast data/cash flow model.	We review your internally prepared forecast model.

## 02 Technical advisory support

The breadth and depth of technical guidance on Pillar Two will require significant interpretation and application of the rules. In-house teams may benefit from additional support.

Scope	Our recommended approach	Our approach (if more support is required)	Our approach (if less support is required)
<b>Entity classification</b>	A key first step is to identify in-scope entities, classify them under the rules and determine whether special rules or exceptions apply.	We conduct entity classification, including determining the application of special rules and exceptions.	We review and validate your entity classification.
<b>Technical issues support</b>	We provide advice on technical issues, including uncertain areas and pre-regime actions, and insights on issues from other projects we have supported.	We provide advice as needed, including on unresolved technical issues identified in the impact assessment.	We review your technical position papers and issues list. Can include ad-hoc advisory support for internal modelling.
<b>Country-level support</b>	We monitor announcements and legislative updates, and identify differences between countries and impact of local domestic minimum taxes.	We prepare local domestic minimum tax calculations as new laws are released.	We review local domestic minimum tax differences arising from model rules and your calculations.

## 03 Data and systems

Leveraging global best practice data and systems support, we help you navigate significant compliance challenges.

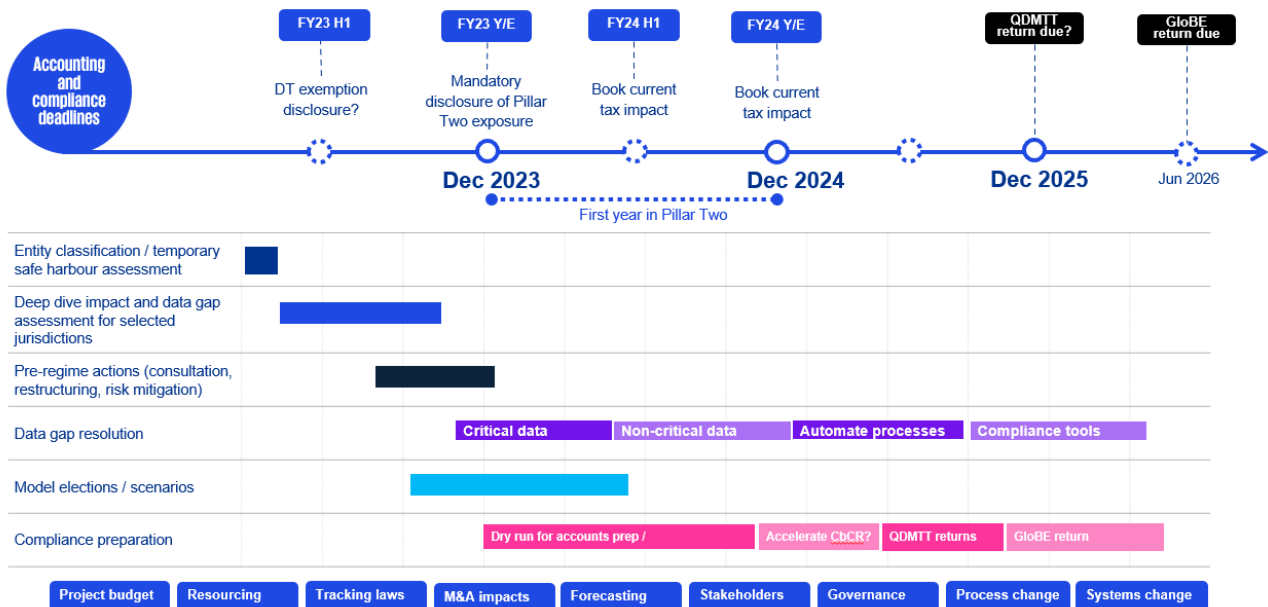
Scope	Our recommended approach	Our approach (if more support is required)	Our approach (if less support is required)
<b>Data gap assessment</b>	As part of our impact assessment, we include a data gap analysis against 250+ data points to identify material data needs, priority areas, availability and quick-win data resolution actions.	We work with you to identify gaps based on information you have provided and prepare a data resolution plan.	We team up with you to conduct a joint data gap assessment based on impact work and against 250+ data points, with commentary included.
<b>Data resolution roadmap</b>	We formulate a data roadmap focused on resolving key or material data gaps based on data gap assessment, factoring in your broader technology journey. Designed in a tool-agnostic way.	We identify priorities and different tools to resolve gaps, based on our impact and data assessment and experience from other projects.	We review your data resolution roadmap, adding our insights gleaned from global projects across different systems.
<b>Systems optimisation</b>	Many groups are upgrading their enterprise resource planning (ERP) systems and installing tax provision software. We help optimise these for Pillar Two to reduce future workload.	Globally we have conducted Pillar Two optimisation for major systems and can help shorten the process for optimal design.	We provide a sounding board and best practice recommendations to optimise the design project that you lead
<b>Compliance solutions</b>	We provide global compliance approaches and partner you in implementing a third-party solution.	We leverage best practices to select tools and help implement solutions, as well as identify areas that can be performed in-house.	We help you select the best compliance tool for your needs, and provide ad-hoc support for optimisation.

# 04 Additional support

Get the support you need with fast and practical insights, unlocked from our deep understanding of the global tax landscape.

Scope	Our recommended approach	Our approach (if more support is required)	Our approach (if less support is required)
<b>Implementation roadmap</b>	Based on impact and data gap assessment results, we build a multi-year project roadmap to facilitate budget decisions on internal resourcing, automation and external spend.	We build a granular project plan based on your impact assessment results, factoring in demands on finance and IT teams' time.	We share observations on the roadmap you build, based on our best practice global projects.
<b>Transaction support for deals</b>	M&A deals need to factor in Pillar Two impacts now. This ranges from due diligence and cash flow modelling, to structuring support and SPA warranties and indemnities (including for minority investments).	We provide you with an extensive suite of Pillar Two deal support.	We provide support on particular aspects of a deal.
<b>Accounting support</b>	New accounting disclosures for Pillar Two will require supporting evidence. Groups may also need advice on accounting inputs.	We prepare supporting evidence for financial statement disclosures and advice as needed.	We review your internal Pillar Two support for accuracy and completeness.

## Key project timelines and actions (with fiscal year-end on 31 December)



## How we make a difference

1

### Proven experience on Pillar Two projects

We have successfully delivered on a number of projects locally and support an array of global projects. These span safe harbour assessments, impact and data gap assessment deep dives, implementation roadmaps and technical advisory.

2

### A holistic approach with depth and breadth of expertise

Using local specialists with integrated BEPS, accounting, tax transformation and industry experience, we can help tie the complex elements of any project together and work with your team to co-design an optimal approach.

3

### Bringing global leading practice and insights to you

Our integrated global and regional teams of local and international tax, tax compliance and tax technology professionals can help you navigate the complex rules and potential impact of BEPS 2.0. We bring leading insights and approaches, so you can be ready when the rules are implemented.

## Journey to being Pillar Two-ready

Connect with us today.



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