BEPS 2.0: state of play

KPMG Global Tax & Legal | 20 July 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.

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Timeline & Global overview
**BEPS 2.0 | Pillar Two - Timeline**

### 2021
- **End of 2021**
- **October 2021**
  - Agreement at OECD/G20 IF level

### 2022
- **March 2022**
  - Commentary on GloBE rules
- **End of 2022**
  - EU Pillar 2 Directive adopted
  - Release of the GloBE Implementation Framework components (e.g. transitional safe harbors and penalty relief)

### 2023
- **February 2, 2023**
  - Release of Administrative Guidance
- **July 17, 2023**
  - Release of GloBE Information Return (GIR)
  - Release of additional Administrative Guidance (including QDMTT and UTPR Safe Harbour)
  - Release of Subject to Tax Rule (STTR)

### 2024
- **2024**
  - IIR targeted to be in effect
- **Later in 2023**
  - Release of further OECD guidance expected
  - STTR MLI expected in October

### 2025
- **2025**
  - UTPR targeted to be in effect

### 2026–2030
- **Dec 31, 2029**
  - Optional EU deferral to apply IIR and UTPR
### Legislation passed / approved
- EU Directive (December 2022)
- Japan – IIR (March 2023)
- Korea (December 2022)
- United Kingdom – IIR/DMTT (June 2023)

### Draft legislation released
- Czech Republic (May 2023)
- Denmark (June 2023)
- Germany (July 2023)
- Ireland (March 2023)
- Liechtenstein (March 2023)
- Netherlands (May 2023)
- New Zealand (May 2023)
- Norway (June 2023)
- Sweden (March 2023)
- Switzerland (May 2023)
- United Kingdom – UTPR (July 2023)

### IIR (2024)
- Australia
- Canada
- EU – potential deferrals where few UPEs
- Japan
- Korea
- Liechtenstein
- New Zealand
- Norway
- Switzerland
- United Kingdom

### UTPR (2024)
- Korea (?)

### UTPR (2025)
- Australia
- Canada
- EU – potential deferrals where few UPEs
- Hong Kong (SAR), China
- Liechtenstein
- New Zealand
- Norway
- Singapore
- Switzerland (?)
- Thailand
- United Kingdom

### Intention to apply IIR and UTPR (timing uncertain)
- Indonesia
- Japan (UTPR)
- Malaysia
- Mexico
- Qatar
- South Africa
- UAE

### DMTT (2024)
- Australia
- Canada
- Czech Republic
- Denmark
- Germany
- Ireland
- Liechtenstein
- Netherlands
- Norway
- Sweden
- Switzerland
- United Kingdom

### DMTT (2025)
- Gibraltar
- Guernsey, Jersey and Isle of Man
- Hong Kong (SAR), China
- Singapore
- Switzerland
- Thailand
- EU (optional)
- Indonesia
- Japan
- Malaysia
- Mauritius
- Qatar

### Intention to apply DMTT (timing uncertain)
Other related announcements

- **Bahamas** – consultation on policy measures to introduce Pillar Two compliant CIT system
- **Bahrain** – considering the introduction of a CIT as part of its commitment to the OECD minimum tax
- **Bermuda** – policy measures to address impact of Pillar Two under consideration
- **Cyprus** – consent to IF agreement on transitional safe harbor
- **Colombia** – 2022 tax reform – 15% minimum tax
- **Gibraltar** – policy measures to address impact of Pillar Two under consideration
- **Kenya** – plans to review DST and to adopt two-pillar solution
- **Nigeria** – policy measures to address impact of Pillar Two under consideration
- **UAE** – new corporate tax 9%
- **US** – corporate alternative minimum tax enacted 15% (not Pillar 2 compliant)
- **US** – Republican Committee introduced a bill with UTPR defensive measure
Europe
Pillar Two — State of play | Europe

Legend

- Legislation passed/approved
- Draft legislation released
- Intention to apply IIR/UTPR (timing uncertain)
- DMTT (2024)
- IIR (2024)
- DMTT (2025)
- Intention/option to apply DMTT (timing uncertain)
- IIR (2025)
- UTPR (2024)
- Other related legislation/announcement
- UTPR (2025)
### Pillar Two — State of play | European Union (1|2)

<table>
<thead>
<tr>
<th>European Union</th>
<th>Status</th>
<th>Income Inclusion Rule (IIR)</th>
<th>Undertaxed Profits Rule (UTPR)</th>
<th>Domestic Top-up Tax (DMTT)</th>
<th>More information</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>Directive adopted</td>
<td>2024*</td>
<td>2025*</td>
<td>optional</td>
<td>EU Tax Centre alert</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Consultation on draft law ended</td>
<td>2024</td>
<td>2025</td>
<td>2024</td>
<td>Local tax alert EU Tax Centre alert</td>
</tr>
<tr>
<td>Denmark</td>
<td>Consultation on draft law ongoing</td>
<td>2024</td>
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<td>2024</td>
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</tr>
<tr>
<td>Germany</td>
<td>Ministerial draft bill published</td>
<td>2024</td>
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<td>EU Tax Centre alert</td>
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<tr>
<td>Ireland</td>
<td>Consultation on feedback statement ended</td>
<td>2024</td>
<td>2025</td>
<td>2024</td>
<td>EU Tax Centre alert</td>
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<tr>
<td>Netherlands</td>
<td>Bill presented to Parliament</td>
<td>2024</td>
<td>2025</td>
<td>2024</td>
<td>Local tax alert EU Tax Centre alert</td>
</tr>
<tr>
<td>Sweden</td>
<td>Consultation on interim report ended</td>
<td>2024</td>
<td>2025</td>
<td>2024</td>
<td>Local tax alert EU Tax Centre alert</td>
</tr>
</tbody>
</table>

* 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)
## Pillar Two — State of play | European Union (2|2)

<table>
<thead>
<tr>
<th>European Union</th>
<th>Status</th>
<th>Income Inclusion Rule (IIR)</th>
<th>Undertaxed Profits Rule (UTPR)</th>
<th>Domestic Top-up Tax (DMTT)</th>
<th>More information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>Formal indication</td>
<td>2024</td>
<td>2025</td>
<td>2024</td>
<td>EU Tax Centre alert</td>
</tr>
<tr>
<td>Belgium, France, Italy, Spain</td>
<td>Formal indication</td>
<td>2024</td>
<td>2025</td>
<td>uncertain</td>
<td>Tax News Flash</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>Consent to IF agreement on transitional safe harbor – see EU Tax Centre alert</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Rest of Europe</th>
<th>Status</th>
<th>Income Inclusion Rule (IIR)</th>
<th>Undertaxed Profits Rule (UTPR)</th>
<th>Domestic Top-up Tax (DMTT)</th>
<th>More information</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>IIR and DMTT legislation enacted; draft UTPR legislation</td>
<td>2024 SE/E</td>
<td>2025</td>
<td>2024 SE/E</td>
<td>Local tax alert EU Tax Centre alert</td>
</tr>
<tr>
<td>Liechtenstein</td>
<td>Consultation on draft law ended</td>
<td>2024</td>
<td>2025</td>
<td>2024</td>
<td>Local tax alert EU Tax Centre alert</td>
</tr>
<tr>
<td>Norway</td>
<td>Consultation on draft law ongoing</td>
<td>2024</td>
<td>2025?</td>
<td>2024</td>
<td>Tax News Flash EU Tax Centre alert</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Consultation on revised draft ordinance ongoing</td>
<td>2024</td>
<td>2025?</td>
<td>2024</td>
<td>Local tax alert EU Tax Centre alert</td>
</tr>
<tr>
<td>Channel Islands** and Isle of Man</td>
<td>Formal indication</td>
<td>2025</td>
<td>2025</td>
<td>2025</td>
<td>Tax News Flash</td>
</tr>
<tr>
<td>Gibraltar</td>
<td>Formal indication</td>
<td></td>
<td></td>
<td>2025</td>
<td>EU Tax Centre alert</td>
</tr>
</tbody>
</table>

* UTPR legislation pending  
** Guernsey and Jersey
Asia Pacific
Pillar Two — State of play | Asia Pacific

Legend

- Legislation passed/approved
- Draft legislation released
- Intention to apply IIR/UTPR (timing uncertain)
- DMTT (2024)
- DMTT (2025)
- Intention/option to apply DMTT (timing uncertain)
- IIR (2024)
- IIR (2025)
- UTPR (2024)
- UTPR (2025)
- Other related legislation/announcement
## Pillar Two — State of play | Asia Pacific

<table>
<thead>
<tr>
<th>Asia Pacific</th>
<th>Status</th>
<th>Income Inclusion Rule (IIR)</th>
<th>Undertaxed Profits Rule (UTPR)</th>
<th>Domestic Top-up Tax (DMTT)</th>
<th>More information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>IIR legislation adopted</td>
<td>April 2024 SE/E</td>
<td>April 2025 (estimated)</td>
<td>April 2025 (estimated)</td>
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<tr>
<td>Korea</td>
<td>Legislation adopted*</td>
<td>2024</td>
<td>2024</td>
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<td>Local tax alert</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Consultation on draft law</td>
<td>2024 or later</td>
<td>2025 or later</td>
<td></td>
<td>Local tax alert</td>
</tr>
<tr>
<td>Australia</td>
<td>Official Plan</td>
<td>2024</td>
<td>2025</td>
<td>2024</td>
<td>Local tax alert</td>
</tr>
<tr>
<td>Hong Kong (SAR)</td>
<td>Official Plan</td>
<td>2025</td>
<td>2025 or later</td>
<td>2025</td>
<td>Tax News Flash</td>
</tr>
<tr>
<td>Singapore</td>
<td>Official Plan</td>
<td>2025</td>
<td>2025</td>
<td>2025</td>
<td>Local tax alert</td>
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<tr>
<td>Thailand</td>
<td>Official Plan</td>
<td>2025</td>
<td>2025</td>
<td>2025</td>
<td>Local tax alert</td>
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<tr>
<td>Indonesia</td>
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<td>timing uncertain</td>
<td>uncertain</td>
<td>timing uncertain</td>
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<tr>
<td>Malaysia</td>
<td>Formal indication</td>
<td>timing uncertain</td>
<td>timing uncertain</td>
<td>timing uncertain</td>
<td></td>
</tr>
</tbody>
</table>

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

- **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
- **SE** – Legislation deemed “substantively enacted” for accounting purposes
Middle East and Africa
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)**
- **DMTT (2024)**
- **DMTT (2025)**
- **Intention/option to apply DMTT (timing uncertain)**
- **Other related legislation/announcement**
# Pillar Two — State of play | Middle East and Africa

<table>
<thead>
<tr>
<th>Middle East &amp; Africa</th>
<th>Status</th>
<th>Income Inclusion Rule (IIR)</th>
<th>Undertaxed Profits Rule (UTPR)</th>
<th>Domestic Top-up Tax (DMTT)</th>
<th>More information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mauritius</td>
<td>Formal Indication</td>
<td>uncertain</td>
<td>uncertain</td>
<td>timing uncertain</td>
<td>Local tax alert</td>
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<tr>
<td>Qatar</td>
<td>Formal Indication</td>
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<td>timing uncertain</td>
<td>timing uncertain</td>
<td>Local tax alert</td>
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<tr>
<td>South Africa</td>
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<td>timing uncertain</td>
<td>uncertain</td>
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</tr>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td>EU Tax Centre alert</td>
</tr>
<tr>
<td>UAE</td>
<td>Formal Indication</td>
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<td>timing uncertain</td>
<td>uncertain</td>
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<tr>
<td>ATAF</td>
<td>Other</td>
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<td></td>
<td></td>
<td>EU Tax Centre alert</td>
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<tr>
<td>Bahrain</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>Local tax alert</td>
</tr>
<tr>
<td>Kenya</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>EU Tax Centre alert</td>
</tr>
<tr>
<td>Nigeria</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>EU Tax Centre alert</td>
</tr>
</tbody>
</table>

- **Status**
  - Formal Indication
  - Other

- **Income Inclusion Rule (IIR)**
  - Official plan
  - Formally indicated

- **Undertaxed Profits Rule (UTPR)**
  - E = Legislation deemed “enacted” for accounting purposes

- **Domestic Top-up Tax (DMTT)**
  - SE = Legislation deemed “substantively enacted” for accounting purposes
Americas
# Pillar Two — State of play | Americas

<table>
<thead>
<tr>
<th>Americas</th>
<th>Status</th>
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<th>Domestic Top-up Tax (DMTT)</th>
<th>More information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Official Plan</td>
<td>2024</td>
<td>2025</td>
<td>2024</td>
<td><a href="#">Local tax alert</a></td>
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<tr>
<td>Mexico</td>
<td>Formal indication</td>
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<td>timing uncertain</td>
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<td><a href="#">Tax News Flash</a></td>
</tr>
<tr>
<td>Bahamas</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>Consultation on policy measures to introduce Pillar Two compliant CIT system</td>
</tr>
<tr>
<td>Bermuda</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>Policy measures to address impact of Pillar Two under consideration</td>
</tr>
<tr>
<td>Colombia</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>Corporate minimum tax of 15% adopted. Unclear whether may qualify as QDMTT</td>
</tr>
</tbody>
</table>
| United States | Other | | | | Corporate alternative minimum tax of 15 percent adopted (general understanding that CAM-T is not IIR equivalent)  
May 25, 2023: 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. At this time, it is unlikely that the bill will become law. See also a dedicated [Tax News Flash](#) |
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