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Tax Update

2023 Tax Reform — Promulgation of Cabinet Orders for the Income Inclusion Rule

By virtue of the 2023 tax reform, the Income Inclusion Rule ('IIR') which is one of the Global Anti-Base Erosion Rules ('GloBE Rules') of 'Pillar 2' agreed by the OECD/G20 Inclusive Framework on BEPS, was enacted (*1).

On 16 June 2023, the cabinet orders for the IIR were promulgated in the special extra issue No.49 of the official gazette (*2).

(*1) We set out the outline of the IIR in the Tax Newsletter 'Outline of the 2023 Tax Reform Proposals' (PDF 470KB) issued on 22 December 2022.

(*2) The tax laws for the IIR had already been promulgated on 31 March 2023. The ministerial ordinances for IIR have not been promulgated yet, at the time of issuance of this e-Tax News.

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