

New OECD releases on Global Minimum Tax (GMT)

May 2026

On 30 April 2026, the OECD released the GMT Implementation Toolkit (the “Toolkit”) and the GMT Frequently Asked Questions (“FAQ”), its first updates since the publication of the Side-by-Side Package in January 2026.

The Toolkit is primarily aimed at tax administrations implementing GMT but may help businesses in two ways:

- Illustrating the variation and divergence in local rule interpretation and application of the GMT, a key focus area ahead of the June 2026 filing deadlines
- Calling for grace periods for return correction, penalty relief and return-filing extensions where merited; though it remains to be seen whether administrations follow through on this

The Toolkit will be continually refined over time, leaving space for further improvements.

1 The GMT implementation toolkit

Scope and purposes of the Toolkit

The Toolkit is a practical guide intended to assist jurisdictions with GMT implementation and administration. It is a product of the Amsterdam Dialogue involving the OECD-led Forum on Tax Administration (FTA) and other stakeholders, including business representatives.

The Toolkit focuses on what it describes as “upfront compliance”, and is organized across five modules:

1. Assessing in-scope multinational enterprise (MNE) groups and revenue;
2. Legal implementation;
3. Organizing and planning for the implementation of the GMT;
4. Framework on compliance procedure; and
5. Exchange of information.

The Toolkit notes that the Amsterdam Dialogue will continue to develop a coordinated risk assessment framework and dispute prevention and resolution tools, though it does not specify when this may be published.

KPMG observation

While the Toolkit is directed at tax administrations, businesses may be interested in some of the observations on existing and advised local administrative approaches, noting that the suggested best practices emerged from discussions between GMT-adopting tax administrations in the FTA. We highlight a sample of these in the next pages.

Local implementation approaches — country level divergences

Module 2 (Legal Implementation) examines how jurisdictions can incorporate the GMT rules into their domestic legal framework in a manner consistent with the Global Anti-Base Erosion Model Rules (“GloBE Model Rules”) and accompanying commentary, which is key to realizing the GMT “common approach”. Module 2 documents the different approaches taken by jurisdictions when implementing GMT, e.g., employing a mix of primary and secondary legislation, using differing legislative techniques to give effect to subsequent rounds of Administrative Guidance (“AG”) and availing of various mechanisms to explain local rule interpretations to taxpayers.

The Module helps to explain how, in practice, divergences can emerge in the application of the rules across jurisdictions – a situation often observed in practice.

- In some countries, where local legislation directly cross-references OECD rules and guidance, rather than replicating these rules in their entirety in domestic law, new AG can be brought into effect efficiently and dynamically. Where ambulatory cross-references are used, the latest guidance issued by the OECD can be given effect from a date defined in legislation (e.g., fiscal years starting after the date new guidance is published). Where static cross-references apply in a jurisdiction, the list of OECD guidance referenced for a fiscal year can be regularly updated through an administrative instrument (e.g., ministerial order).
- The majority of countries generally require the incorporation of new OECD guidance into domestic law before it can be given effect for a fiscal year. While some countries copy the OECD guidance (or a translated version) into local law, others rewrite the rules in line with domestic law drafting conventions. As a nuance on this, in some jurisdictions new AG is assessed on a case-by-case basis to determine whether specific legislative provisions need to be enacted, or whether the AG can be applied to interpret or clarify the existing domestic law provisions. The latter approach may be facilitated by specific interpretative clauses, included in local legislation, which seek to ensure that local rules are interpreted and applied consistent with OECD guidance.
- These different approaches lead to staggered implementation timelines, adding to the complexity faced by groups seeking to navigate the GMT across multiple jurisdictions.
- In certain cases, some tax administrations (e.g., Australia) may allow taxpayers to apply ‘anticipated’ legislative amendments when the agreed AG issued by the OECD has not yet been officially implemented into local laws. This is comparable to the ambulatory approach described above.

The Toolkit also documents the diversity of ways tax administrations are clarifying their preferred interpretation of certain rules, which may be ambiguous in the OECD guidance. These include public guidance (whether in the form of general rulings, explanatory notes, circulars, FAQs, etc.) which can be variously non-binding, binding only on tax administrations, or binding on both administrations and taxpayers. Private guidance in the form of private rulings and responses to taxpayer queries (also with varying binding effect) are also observed in practice.

KPMG observation

The point in time from which local legislation applies some elements of the GMT rules can vary. This can materially impact how these rules affect taxpayers. For example, jurisdictions have different cut-offs for when the hybrid arbitrage arrangement rules apply to the Transitional CbCR Safe Harbour. Belgium and Luxembourg apply the rules to all in-scope periods, while the Netherlands, Ireland and Germany apply them for financial years beginning on or after 31 December 2024. The UK modifies this to just catch items booked on or after 14 March 2024. Countries also differ in the vintage of arrangements that are caught. The standard approach is to catch arrangements entered into or amended after 15 December 2022 (e.g., the Netherlands, the UK, Germany). However, some countries just catch arrangements entered into or amended after 18 December 2023, to ensure non-retroactive effect (e.g., Belgium, Luxembourg, Switzerland). There can be a great deal of divergence in how certain rules are applied as a result.

Some local guidance sets out novel interpretations where there are ambiguities in the OECD GMT rules — for example, whether assets under construction can be considered when calculating the Substance-based Income Exclusion (“SBIE”), or whether pre-regime period-related tax expenses, booked post-regime, will be retained in the GloBE Effective Tax Rate (“ETR”) calculation. For both of these matters, countries have provided differing local interpretative clarifications. Further local variations have been observed in relation to items such as joint ventures, insurance entities, intragroup financing, transfer pricing, mergers and demergers and transitional deferred tax attributes.

These differences are among the most difficult issues that MNEs must navigate in complying with the rules and form a key element of GMT governance and documentation processes.

Compliance best practice guidelines — grace periods and transitional penalty relief

Module 4 (Framework on Compliance Procedures) examines how jurisdictions have approached the design of GMT compliance processes. It provides best practice recommendations on a range of issues including GMT registrations, GloBE Information Return (“GIR”) filing and related notifications, GMT returns, top-up tax payment mechanisms, and penalties. Some of the key points raised are:

- **Registration:** Countries are encouraged to carefully consider whether registrations are strictly necessary, as sufficient information may already be available to the tax administration. Where registrations are required, the Module notes that the information demanded should be kept to a minimum.
- **Pay & File:** Information requested in GMT returns should be minimized and should avoid duplicating information that is included in the GIR. Countries are encouraged to permit a single jurisdictional filer or payor to manage GMT returns and payment obligations. Requirements for advance or instalment payments are best avoided.
- **Penalties:** The Module highlights that the approaches taken with respect to penalties vary significantly across countries, often being linked to existing corporate income tax penalties. Countries have penalties for failure to register (where they have registration obligations) and for late submission or non-submission of GMT returns (often calculated as a percentage of outstanding tax). Penalties are commonly applied for late or non-filing of the GIR. The amount may depend on the severity of the non-compliance (e.g., Netherlands), the duration of delay (e.g., Canada), or the number of data items outstanding (e.g., Spain).

As a matter of best practice, the Module advocates for the use of grace periods for supplementing or correcting incomplete or incorrect information and encourages the extension of local filing deadlines where necessary. It also reiterates the call, in a 2022 document, for penalty relief where reasonable measures were taken to correctly apply the GMT when filing the GIR for FY24 and FY25. That said, it is noted that such relief may be difficult in some countries due to domestic law limitations.

KPMG observation

The Toolkit emerged from consultation among FTA tax administrations, and so it is positive that these appear to have broadly aligned around a need for consistency in compliance processes, framed around best practices. That said, many of the practices that Module 4 urges against are reflective of measures that tax administrations have already put in place (e.g., advance payments, extensive registration information requirements in Belgium), and it remains to be seen if tax administrations will unwind these demands in future.

In terms of the suggestions on extension of filing deadlines, in practice we have observed extensions to local GMT return deadlines in certain jurisdictions (e.g., Australia, Belgium). It appears that GIR deadlines are more rigid, given that they are anchored in the GloBE Model Rules. As regards providing “grace periods” for correction of centrally filed GIRs, this would conceivably require a coordinated approach across jurisdictions to provide consistent relief.

The Toolkit does not elaborate much on what may constitute reasonable measures for transitional penalty relief purposes. This reflects the lack of guidance in practice — at present, it appears that Australia is the only country to have provided related guidance. The Toolkit acknowledged that what constitutes reasonable measures must be assessed based on the facts and circumstances of the case, and hence the process may be a resource-intensive exercise. In view of this, the Toolkit suggested the extension of filing deadlines and provision for a grace period as possible alternatives to penalty relief based on reasonable measures.

2 The GMT FAQ

The FAQ document, which is a refresh of an earlier FAQ document, includes 27 questions divided across five sections. Two sections deal with the basic GMT charging and calculation rules (and largely replicate the content from the earlier FAQ document), with the remaining three sections dealing with the Side-by-Side Package. While most of the FAQs summarize how the rules should operate, the FAQs help to illustrate how certain aspects of the Side-by-Side Package are intended to apply in practice.

For example, one question considers whether income-based tax incentives can be Qualified Tax Incentive (“QTI”) in the context of the Substance-based Tax Incentive Safe Harbour. In practice, questions have arisen whether patent boxes and other intellectual property regimes following the nexus approach could potentially be a QTI. In the FAQs, it is clarified that a substance-based eligibility condition to receive the tax incentive (such as a minimum investment requirement) is not considered equivalent to an incentive that is calculated based on expenditure incurred, hence not a QTI.

KPMG observation

The Substance-based Tax Incentive Safe Harbour can have a significant impact for businesses that benefit from QTIs. KPMG analysis on this, and on other interactions between the GMT rules and different types of tax incentives, is set out in [Pillar Two and tax incentives](#).

KPMG observation

The FAQ document notes that the simplified allocation key available for Blended CFC Taxes (such as the US Global Intangible Low-Taxed Income (“GILTI”) regime) will cease to apply for fiscal years commencing from January 2026, with taxes under such regimes (e.g., the US Net CFC Tested Income (“NCTI”) regime) instead allocable under the AG on the allocation of cross-border current and deferred taxes issued in June 2024. This guidance will have limited relevance for US groups, which will benefit from the Side-by-Side Safe Harbour from 2026, but will affect non-US groups with foreign subsidiaries under the US.

3 What MNEs should consider now

Most MNEs are currently focused on GMT compliance, with the GIR filings due from June 2026. MNEs would generally prefer to avail themselves of central GIR filing, with dissemination of the GIR via exchange relationships established under the Multilateral Competent Authority Agreement (“MCAA”), or Directive on Administrative Cooperation (“DAC”) 9 in an EU context.

As noted in the OECD’s accompanying release to the Toolkit, many jurisdictions have been slow to sign and activate exchange relationships under the MCAA, potentially frustrating the central filing option. In concept this would mean that many more local GIR filings may be required. This then raises further questions, such as whether partial GIR filings at the local level will suffice.

The Toolkit and FAQs do not by themselves resolve these issues, although the Module 4 best practice guidance could conceivably influence how tax administrations approach situations of technical non-compliance (e.g., grace periods, penalty relief) where the incomplete status of national information exchange arrangements and systems complicate compliance efforts.

Over the remaining weeks before GIR filing, MNEs should closely monitor last-minute compliance rule clarifications from national tax administrations, and potentially coordinated guidance on this issue. In addition, MNEs should also be mindful of the future AG releases (expected in the coming months) that may have an impact on filing positions taken in the 2024 GIR (e.g., on the SBIE treatment of mobile assets, hyperinflation adjustments, or the treatment of real estate investment vehicles).

Contributors

Conrad Turley

Global Tax Policy Leader
KPMG International
E: conrad.turley@kpmg.com

Alistair Pepper

Managing Director
KPMG US Tax Services (London) LLP
E: alistairpepper@kpmg.com

Tam Do

Global Tax Policy Leader
KPMG International
E: do.tam@kpmg.com

Cormac Golden

Director, Tax
KPMG Ireland
E: cormac.golden@kpmg.ie

Marco Dietrich

Senior Manager, KPMG's EU Tax Centre
KPMG in Germany
E: marcodietrich@kpmg.com

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