



GLOBAL TRANSFER PRICING FIRM

# Qatar Pillar Two Update

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Global Transfer Pricing Firm

- » To align with international tax standards under the OECD/G20 BEPS initiative, Qatar’s General Tax Authority enacted Law No. 22 of 2024, amending the Income Tax Law (Law No. 24 of 2018) to implement the OECD/G20 GLoBE Model Rules (G20 Pillar Two)
- » Published on 27 March 2025, the law applies to financial years beginning on or after 1 January 2025 and introduces a 15% global minimum effective tax rate (ETR) for large MNE groups
- » On 12 February 2026, the Qatar’s General Tax Authority (GTA) commenced administrative enforcement of the amended Income Tax Law to apply global and domestic minimum tax rules under OECD/G20 Pillar Two
- » The OECD/G20 Inclusive Framework combats profit shifting by Multinational Entities (‘MNEs’) through BEPS Action Plans. Building on this, Pillar Two establishes a 15% minimum effective tax rate per jurisdiction. On 5 January 2026, Qatar was added to the OECD’s Central Record, which recognized Qatar as a jurisdiction, introducing two key provisions to enforce this global minimum tax and Safe Harbour framework
  - » Global Minimum Tax – Qualified Income Inclusion Rule (QIIR)
  - » Domestic Minimum Tax – Qualified Domestic Minimum Top-Up Tax (QDMTT)
- » Under the legislation an MNE group is considered in-scope if it meets following criteria:
  - » **Revenue Threshold:** The group has an annual consolidated revenue EUR 750 million or more in at least two of the four preceding fiscal years; and
  - » **Cross-Border Presence:** At least one entity or permanent establishment outside the jurisdiction of the ultimate parent entity (UPE)

### Global Anti-Base Erosion (GloBE) Safe Harbour requirements

<b>Applicability</b>	Top-Up Tax may be deemed zero in a jurisdiction if Constituent Entities meet the Global Anti-Base Erosion Safe Harbour conditions
<b>Denial of Safe Harbour</b>	<p>The State Authority may deny Safe Harbour if:</p> <ul style="list-style-type: none"> <li>• ETR for the jurisdiction is &lt; Minimum Tax Rate</li> <li>• GTA identifies material facts affecting eligibility within 36 months. Group must substantiate compliance within 6 months</li> </ul>
<b>QDMTT Limitations</b>	Qualified Domestic Minimum Top-Up Tax Safe Harbour has switch-off rules and non-application cases, e.g., stateless entities, partial ownership, or misaligned domestic tax base

**Excluded entities:** Govt. Entities, International Organisations, Pension Funds (Not the Pension Service entities), Investment Funds / REITs, Non-Profits, Sovereign Wealth Funds & qualifying passive/ancillary entities

# UNDERSTANDING THE COMPUTATION & WHO PAYS THE TOP-UP TAX

- Step 1**  
**Start with Financial Accounting P&L**
  - » Pre-tax consolidated net income/loss, adjusted for permanent differences (>€1M) and policy exclusions
  - » Five-Year Election: **GLOBE Income Adjustments (Optional)**  
Include/exclude dividends, equity gains/losses, stock-based comp, fair value/impairment gains/losses
- Step 2**  
**Shipping income**
  - » Exclusion of qualifying shipping income to prevent distortions in ETR and to be in alignment with OECD framework
- Step 3**  
**Allocations**
  - » Arm's-length allocation between main entity, PEs & flow-throughs. This is to ensure profits are taxed where economic activity occurs
- Step 4**  
**Adjustment**
  - » Adjustments made pertaining to Intragroup Financing Insurance, Capital Instruments, Carry-Back Adjustment. This is to ensure the distortions in GLOBE income/loss and ETR to reflect true economic reality for Pillar Two
- Step 5**  
**Top-Up Tax Calculation**
  - » Top-Up % × (Global Anti-Base Erosion Income – Substance-Based Income Exclusion)
  - » Tops up low-taxed profits to Pillar Two minimum rate while accounting for substance-based income exclusions

Entity	Rule/Obligation	Motive & Exception
Ultimate Parent Entity (UPE) / Parent applying QIIR	Applies Qualified Income Inclusion Rule (QIIR)	If QIIR applied by parent → Intermediate/partially owned parents do not need to apply IIR for the fiscal year
Intermediate Parent Entities / Partially Owned Parent Entities	Apply IIR on low-taxed Constituent Entities	Based on allocable ownership share, inside or outside Qatar
Currency & Offsets	Top-Up Tax liabilities translated to reporting currency	Offset mechanism applies if eligible under qualified rules
Domestic Minimum Top-Up Tax (DMTT)	Joint liability among domestic entities	Applies to stateless entities (Flow-through, PEs)
Priority / Hierarchy	DMTT operates first, then IIR	Ensures no double taxation

**ETR for Investment Entity**  
 Computation is based on Tax Transparency Method or Taxable Distribution Method to prevent double taxation and align Top-Up Taxes with actual economic substance.  
 Calculation = Adjusted Covered Taxes ÷ MNE Group's Allocable Share of Investment Entity's GLOBE Income

# CORPORATE RESTRUCTURINGS & TAX NEUTRALITY

## M&A, Transfers, JVs & Multiparent Groups

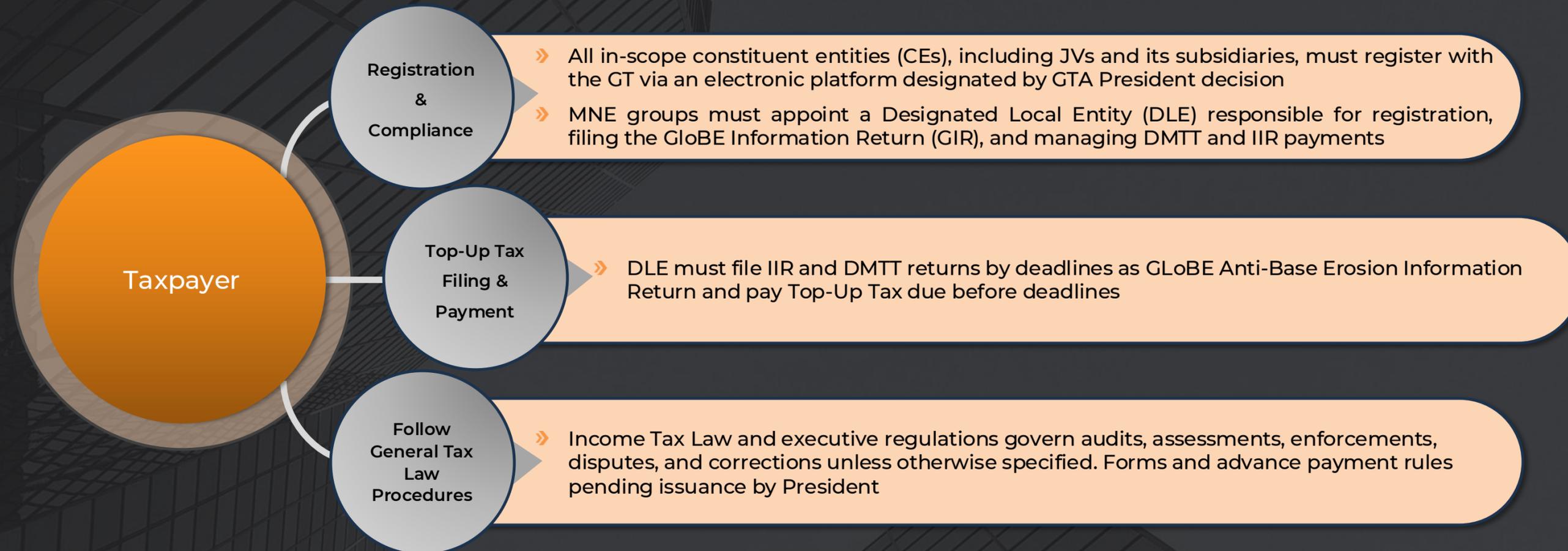
- » **Revenue Threshold & Restructuring:** Revenue thresholds apply to mergers / demergers to prevent restructuring to fall below Pillar Two applicability
- » **Joining/Leaving Entities:** Proportional inclusion of income and taxes, prevents ETR manipulation
- » **Asset / Liability Transfer:** Recognized at disposing entity's carrying value to safeguard against artificial step-ups or losses
- » Proportional allocation of income and taxes based on JVs ownership, brings entities under IIR and prevents income shielding from Top-Up Taxes and
- » Proper allocation of revenue, income, and taxes among parent entities, prevents avoidance through complex ownership structures

## Tax Neutrality & Distribution Regimes

- » Flow-through entities reduce GLoBE income by amounts flowing to holders, avoids double taxation
- » Deductible dividend regimes allow reduction for qualifying dividends, maintains tax neutrality for distributed dividends
- » Deemed distribution tax available for distribution-based tax systems, which would be lesser of:
  - ❖ Amount to raise ETR to Minimum Rate (15%) or
  - ❖ Tax that would be payable if profits fully distributed

Aspect	Treatment
ETR Determination	Include all deferred tax assets (DTAs) & liabilities (DTLs) but capped at lower of Minimum Rate or domestic rate
Exclusions / Anti-Abuse	Exclude DTAs from artificial deductions or excluded income arising after 30 November 2021 with limited grace-period exceptions
Transfers Before Transition	Acquiring entity must use disposing entity's carrying value for transferred DTAs/DTLs included in GloBE Income

- » Grant of zero-rate DMTT relief for MNE groups in their "Initial Phase of International Activity" (Exemption upto 5 Years)
- » Gradual reduction of substance based income exclusions which is aligned with OECD framework. Prescribed exclusion percentages to be followed, Higher temporary rates apply from 2025-2032



- » **Local Filing:** Each Constituent Entity must file the GLoBE Information Return (GIR), directly or via a DLE; flow-through entities file through their owners
- » **Cross-Jurisdiction Filing:** If the GIR is filed in another jurisdiction, a local notification must still be submitted in Qatar
- » **GIR Filing Deadline:** The GIR must be submitted within 15 months after the end of the reporting fiscal year (18 months for the transition year)
- » **DMTT and IIR returns** share the same filing deadline as the GIR
- » Guidance on advance **DMTT payments** is expected from the GTA
- » For reasonable compliance efforts, **transitional penalty relief** may apply and filings must follow OECD templates

# TAX ADMINISTRATION / AUTHORITY OF THE STATE

Leads compliance, audits, risk monitoring, penalties, and international coordination under the Resolution

**Central Enforcement Role**

**Shared Compliance Oversight**

Governing bodies supervise registered entities. The DLEs handle filings and enforcement guidance may be issued

State Authority and governing bodies exchange data may form working groups to implement Global and Domestic Minimum Tax frameworks

**Coordinated Administration**

**Correction of Exchanged Information**

If errors are identified by Partner Jurisdictions in filed returns, Authority must promptly obtain corrections and re-exchange

Authority must notify or respond to partner jurisdictions within 1 month if GLoBE returns are not exchanged on time

**Monitoring Exchange Failures**

**Alignment & Record Retention**

President may update electronic return format to align with OECD Inclusive Framework; exchanged info must be retained at least 5 years

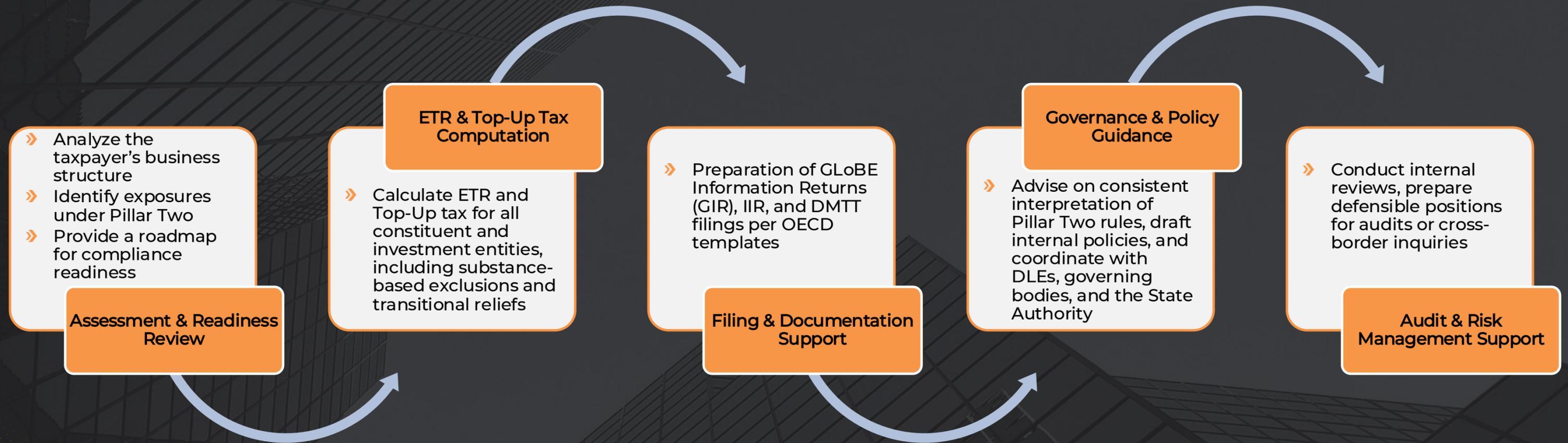
The Authority requires that all Pillar Two rules are interpreted consistently with the OECD GLoBE commentary and administrative guidance, ensuring standardized application across entities and fiscal years

**Uniform Interpretation and Application**

**Cross-Jurisdiction Recognition & Safe Harbour Qualification**

The Authority determines whether other jurisdictions' QDMTT, IIR, or UTPR regimes qualify for the Safe Harbour, based on OECD transitional qualifications, legislative review, and ongoing monitoring

# HOW VSTN CAN SUPPORT



# ABOUT US

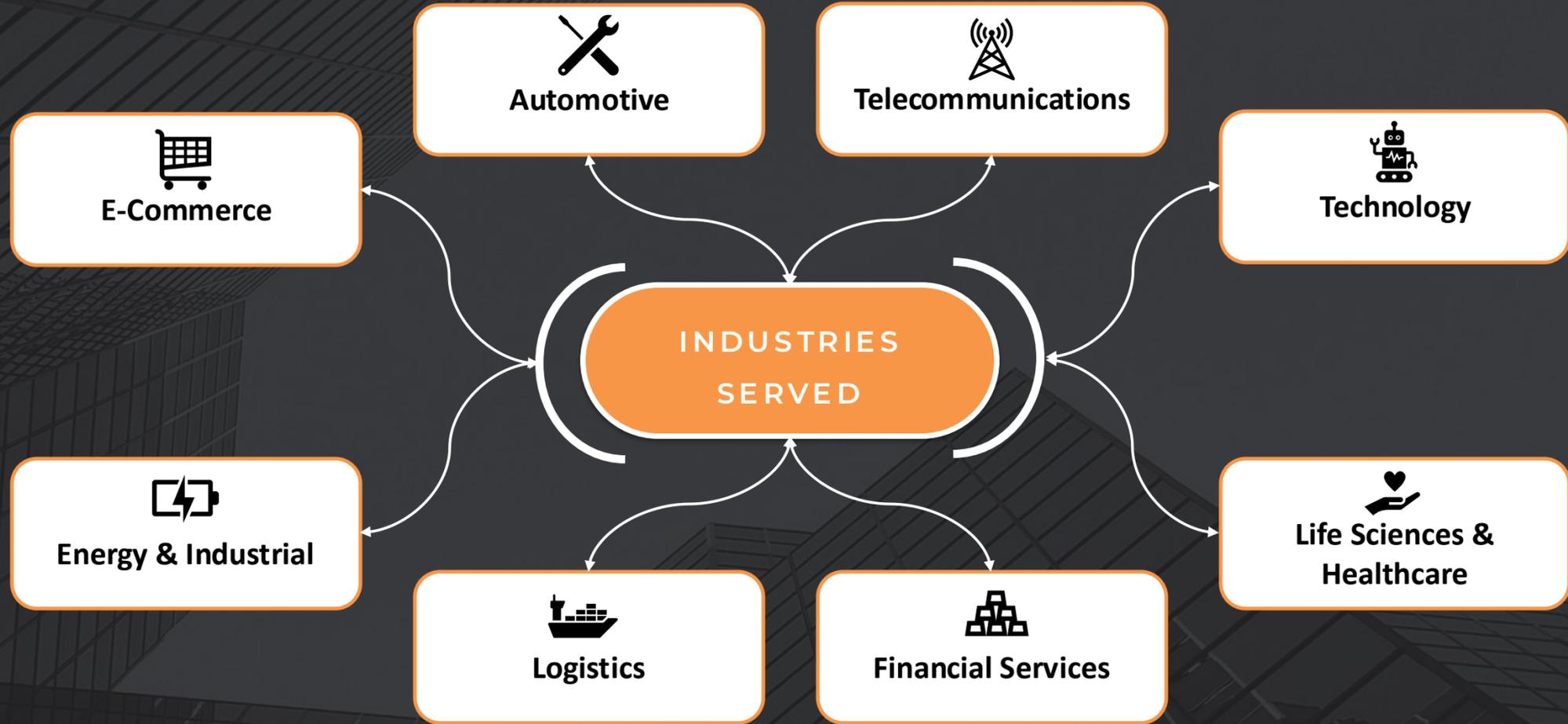
- » VSTN Consultancy is a Global Transfer Pricing firm with extensive expertise in the field of international taxation and transfer pricing having its offices in India, Singapore, Dubai, United Arab Emirates and the USA. VSTN Consultancy has been awarded by *International Tax Review (ITR)* as *Best Newcomer in Asia Pacific – 2024 | Middle East Transfer Pricing Practice Leader of the Year 2025 | Middle East Best Newcomer of the year - 2025* and is ranked as one of the recommended transfer pricing firms. VSTN Consultancy has been shortlisted in other awards as finalist by ITR for Tax Innovator, Tax Compliance and Reporting Firm, Transfer Pricing Leader, Transfer Pricing Rising Star in Asia Pacific – 2025 | Best Newcomer, Tax Innovator and Transfer Pricing Leader in EMEA – 2025. VSTNs senior partners have been ranked in ITR in the list of recognized Practitioners.
- » Our offering spans the end-to-end Transfer Pricing value chain, including design of intercompany policy, drafting of Interco agreement, ensuring effective implementation of the Transfer Pricing policy, year-end documentation and certification, Global Transfer Pricing Documentation, BEPS related compliances (including advisory, Masterfile, Country by Country report), safe harbor filing, audit defense before all forums and dispute prevention mechanisms such as Advance Pricing agreement.
- » We are structured as an inverse pyramid where leadership get involved in all client matters, enabling clients to receive the highest quality of service.
- » Being a specialized firm, we offer advice that is independent of an audit practice and deliver it with an uncompromising integrity.
- » Our expert team brings in cumulative experience of over several decades in the transfer pricing space having worked with multiple Multinational Companies across sectors/industries and have cutting edge knowledge and capabilities in handling complex TP engagements.

## Locations Served

Australia	Singapore
Belgium	Switzerland
Denmark	Turkey
India	UAE
Italy	UK
KSA	USA
Mexico	Zambia



# INDUSTRIES SERVED



# LEADERSHIP

- » Nithya Srinivasan has more than 20+ years of experience with over 17 years in Transfer Pricing with Big4s (Deloitte & PwC), advising multinational corporations and providing practical transfer pricing solutions. She has extensive experience managing transfer pricing compliance, litigation, APAs, complex planning assignments (involving IP, financial transactions, business restructurings) for High profile MNCs. She also specializes in dealing with tax authorities on wide variety of transfer pricing issues including marketing intangibles, share valuation, risk adjustments, start-up losses, adoption of statistical techniques to address transfer pricing problems.
- » She was involved in development of dynamic transfer pricing policies for clients across the globe, including supply chain structuring, business model conversions. She has led Base Erosion Profit Shifting (BEPS) initiative for major India HQs.
- » Nithya has authored articles for publication in International Fiscal Association (“IFA”) journal, International Tax review, Tax sutra, NDTV, co-authored a book titled “Transfer Pricing Law and Practice in India including BEPS” published by CCH and also co-authored for the BCAJ Journal on “Transfer Pricing in the Automotive sector”.
- » She has been recognized as a “Highly Regarded” Practitioner by the International Tax Review (ITR) in World Tax Rankings. Her exceptional leadership and expertise in transfer pricing have earned her the title of Middle East Transfer Pricing Practice Leader of the Year. Additionally, she has been nominated for the “APAC and EMEA Transfer Pricing Practice Leader of the Year” award by International Tax Review (ITR).



**Nithya Srinivasan**

Founder & CEO



**Srilakshmi Hariharan** has over 20 years of corporate experience inclusive of 12 years in Transfer Pricing with Big 4s and Multinational companies including PwC, Shell India Markets Pvt Ltd, Deloitte and Crowe Howarth. She specializes in handling Transfer Pricing Audits, Compliance documentation and Assessments apart from assisting clients in APA Process. She also has vast experience in advising clients on complex intercompany transactions and compliance documentation relating to cost sharing arrangements, intra group services, management charges, Treasury transactions, drafting of intercompany agreements and analysing PE exposure on proposed / existing transactions.

She has also assisted clients on a number of planning assignments aiding them in setting up of arm's length mark-up for the new business/transactions. Her Corporate Exposure has also gained her experience in handling compliance documentation for entities in Asia Pacific and European countries apart from India.

She has been ranked by **International Tax Review (ITR)** in the list of "Recognized Practitioners in Transfer pricing."

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**S. Ranjani** has around 13 years of experience in Transfer Pricing with over 7 years with Deloitte working on various engagements and assisting the clients with their Transfer pricing compliances and litigation. She also played an inhouse Tax and TP role for Auto major – Daimler for around 3 years. She has considerable experience managing transfer pricing compliance, litigation, APAs, advisory assignments for High profile MNCs. The variety of transfer pricing issues handled includes marketing intangibles, economic adjustments, loss making entities, etc., She has closely worked on the Masterfile and Country by Country filing requirements of high profile MNCs and for major India HQs. She has co-authored articles for publication in International Fiscal Association ("IFA") journal, International Tax review, and co-authored a book titled "Transfer Pricing Law and Practice in India including BEPS" published by CCH and also co-authored for the BCAJ Journal on "Transfer Pricing in the Automotive sector".

She has been ranked by **International Tax Review (ITR)** in the list of "Recognized Practitioners in Transfer pricing." Additionally, she has been nominated for "APAC Transfer Pricing Rising Star award" by **International Tax Review (ITR)** for 2024.

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**E. Rajesh** has over 11 years of transfer pricing experience with Deloitte by supporting MNEs in their transfer pricing life cycle including advisory in price setting for various transactions, evaluating alternate business models, review of existing intra-group transactions, preparation of local file, filing Accountant's report, opting for safe harbour rules and advance pricing agreements.

Rajesh was key in onboarding BEPS compliances – Master file and Country-by-Country report for major South Indian conglomerates. Rajesh has authored articles published in various forums including TaxSutra – Interplay of Statistics and Transfer Pricing, as well as published research papers in IOSR – JEF on Indian Transfer Pricing. Rajesh has participated and won in an Olympiad conducted for the Indian transfer pricing practice in Deloitte for crowdsourcing tax ideation.

He has been ranked by **International Tax Review (ITR)** in the list of "Recognized Practitioners in Transfer pricing." Additionally, he has been nominated for "APAC Transfer Pricing Rising Star award" by International Tax Review (ITR) for 2025.

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**Nitya Joseph** has around 10 years of experience in Transfer Pricing with over 5 years with Deloitte working on various engagements and assisting the clients with their Transfer pricing compliances and litigation. She has substantial experience managing transfer pricing compliance for international and specified domestic transactions, litigation, advisory assignments for High profile MNCs across manufacturing, trading and services industries.

She has assisted in filing and conclusion of APAs and Safe Harbour applications for clients, and was involved in planning assignments for financial transactions. She has closely dealt with tax authorities and assisted in representation before the Tax Tribunal on various issues including intra-group charges, proportionate adjustment, economic adjustments, loss making entities etc.

She has been ranked by **International Tax Review (ITR)** in the list of "Recognized Practitioners in Transfer pricing."

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**Saranya Nagarajan** has around 13 years of experience in handling Transfer Pricing related matters in industry and Big4 ( Deloitte). She has hands on experience in managing transfer pricing compliance including Local File, Master File and Country-by-Country reporting. She has handled transfer pricing litigations before tax/appellate authorities involving several issues including economic adjustments, intra-group services, etc.

Saranya has dealt with various Indian and multi-national clients and has been extensively involved in planning studies, agreement reviews, health check-ups and other transfer pricing advisory services.

She is a qualified Chartered Accountant, a qualified Company Secretary and holds a certification in Transfer Pricing issued by the Chartered Institute of Taxation, UK.

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**Triveni Palla** has over 14 years of experience in handling transfer pricing related matters. She has a decade of experience in handling transfer pricing matters in Big4s such as PwC India and Deloitte India and based in Hyderabad.

She has hands on experience in serving the clients in variety of transfer pricing matters including transfer pricing compliance, litigation, master file, safe harbour, planning, transaction structuring, global documentation, Advance Pricing Agreements, BEPS advisory, health check-ups, intra-group services, operational transfer pricing advisory and implementation etc.

She has extensive experience in serving clientele in variety of industries such as Information Technology, Aerospace, Pharma, Telecommunication, Cement, Manufacturing, Semiconductor etc.

Triveni Palla is a qualified Chartered Accountant from the Institute of Chartered Accountants of India.

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# Global Locations Served

- 
-  USA
  -  Zambia
  -  Australia
  -  Italy
  -  India
  -  Denmark
  -  Philippines
  -  Netherlands
  -  Mexico
  -  Canada
  -  Belgium
  -  Singapore
  -  UAE
  -  Turkey
  -  Switzerland
  -  UK
  -  KSA

# Our Licensed Databases

SNo	Database	Provider
1	TP Catalyst	Moody's
2	ORBIS	Moody's
3	Loan Module	Moody's
4	IP & Royalty Data	Moody's
5	Royalty Rates and Benchmark Module	ktMINE
6	Services CUT	ktMINE
7	EDF-X Bond Database	Moody's
8	EDF-X Credit Risk Analytics	Moody's
9	Loan Module	Royalty Range
10	Transfer Pricing Documenter (formerly Thomson Reuters Onesource)	Ryan
11	Prowess	CMIE

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# THANK YOU

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Best Newcomer APAC

Best Newcomer in the Middle East

Middle East Transfer Pricing Practice Leader

| Recommended Firm | Highly Regarded | Notable  
Practitioner | Trusted Talent | Women In Tax Leader |

| Recognised Firm |