



Global Minimum Tax

Implementation Toolkit

An OECD guide designed to help tax administrations implement and administer the Global Minimum Tax (GMT) agreed under the OECD/G20 Inclusive Framework on BEPS — ensuring large MNE groups are subject to a minimum effective tax rate of 15% in each jurisdiction where they operate.



Introduction to the Toolkit

Five interlinked modules for consistent, coordinated GMT implementation

INTRODUCTION

The Global Minimum Tax Implementation Toolkit is an OECD guide designed to help tax administrations implement and administer the Global Minimum Tax (GMT) agreed under the OECD/G20 Inclusive Framework on BEPS. The GMT, through the GloBE Rules, ensures that large multinational enterprise (MNE) groups are subject to a minimum effective tax rate of 15% in each jurisdiction where they operate.

The Toolkit is organised into a set of interlinked modules focusing on the practical administrative challenges of implementation — such as identifying in-scope MNEs, designing compliance procedures, building IT systems, and exchanging information — rather than creating new legal standards. Drawing on best practices and early implementation experience, it supports jurisdictions in achieving consistent, efficient, and coordinated application of the GMT while reducing compliance and administrative burdens.

THE FIVE MODULES

01

Assessing In-Scope MNE Groups & Revenue

02

Legal Implementation

03

Organising and Planning for GMT Implementation

04

Framework on Compliance Procedures

05

Exchange of Information

Module 1

02

Assessing In-Scope MNE Groups and Revenue

PURPOSE

Module 1 explains how jurisdictions can identify multinational enterprise (MNE) groups in scope of the Global Minimum Tax (GMT) and estimate potential top-up tax revenue. The focus is on practical, data-driven methods that support upfront compliance planning, IT readiness, and impact assessment.

1. Identifying In-Scope MNE Groups

Primary objective: Estimate the size and profile of the MNE population subject to the GMT (EUR 750 million revenue threshold).

Key data sources

Country-by-Country (CbC) reports — preferred source for upfront compliance:

- Threshold alignment with GMT makes them highly reliable.
- Widely available through automatic exchange mechanisms.

Commercial datasets (e.g. Orbis, Compustat):

- Used to validate CbC data or as substitutes where CbC reports are unavailable.

Alternative sources:

- Aggregated CbC data published by the OECD,
- Domestic tax administration records,
- Consolidated financial statements,
- Pre-filing registration requirements.

Key limitations to manage

- Exchange-rate differences from non-EUR thresholds,
- Excluded entities under GloBE rules,
- Treatment of partially owned entities and joint ventures,
- Duplicate or incomplete CbC filings (e.g. missing TINs),
- Unequal access to CbC data across jurisdictions.

Jurisdictions are advised to balance accuracy and administrative burden, using high-level estimates where precision is not essential.

2. Estimating GMT and QDMTT Revenue

Top-up tax framework

- Jurisdictional Effective Tax Rate (ETR) = Covered Taxes ÷ GloBE Income
- Top-up tax = (15% – ETR) × Excess Profit

Core components

- GloBE Income: Based on financial accounting net income (FANIL), with adjustments (e.g. add covered taxes, subtract dividends).
- Covered Taxes: Corporate income tax accrued, adjusted for losses, credits, and certain incentives.
- Substance-Based Income Exclusion (SBIE): Excludes a percentage of payroll and tangible assets (10% / 8% in transition period, declining to 5%).

Data scenarios

- Best case: financial statements + tax returns + CbC data.
- Limited data: commercial sources or imputations (used only as a last resort).
- Transitional Safe Harbours (2024–2027) may allow simplified or zero top-up tax outcomes.

Jurisdictions are encouraged to apply robustness checks, such as multi-year averages and review of major contributors.

WHAT THIS MEANS FOR MNEs

Tax authorities will cross-check your GIR data against CbCR, financials, and tax filings · Data inconsistencies across years or datasets increase audit risk · Transparent disclosure in financial statements using IFRS (Pillar Two disclosures under IAS 12) is increasingly important · Groups with incentives or low-tax outcomes could expect targeted scrutiny

Module 2

Legal Implementation

03

PURPOSE

This module explains how jurisdictions implement the GMT into domestic law and why legal design choices are critical for consistent application, effective compliance, and reduced disputes. Consistency with the GloBE Model Rules is essential and is assessed through the Inclusive Framework peer review process.

1. Importance of Consistency

Consistent legal implementation:

- Improves predictability and tax certainty;
- Reduces compliance costs, errors, and disputes;
- Enables efficient cooperation between tax administrations; and
- Supports the GMT as a global common approach rather than fragmented domestic regimes.

2. Main Legislative Techniques

Jurisdictions use three primary approaches, often in combination:

a) Incorporation by Cross-Reference

- Domestic law refers directly to the GloBE Model Rules, Commentary, and Administrative Guidance.
- Ambulatory cross-reference: automatically incorporates future OECD updates (e.g. New Zealand, Slovenia).
- Static cross-reference: refers to rules at a fixed date; updates require domestic approval (e.g. South Africa).
- Advantages include simplicity, low legislative burden, and strong international consistency.

b) Incorporation by Repetition

- Jurisdictions copy the Model Rules almost verbatim into domestic law (e.g. Malaysia).

- Allows adaptation to domestic legal drafting but may increase legislative volume.
- Often combined with cross-references to Commentary or Guidance.
- Translation challenges arise in non-English-speaking jurisdictions.

c) Incorporation by Rewrite

- Full or partial rewriting of the rules to fit domestic legal conventions (e.g. France, UK).
- Often required by constitutional or EU law constraints.
- More resource-intensive and carries higher risk of divergence from the GloBE Rules, requiring extensive guidance and training.

3. Updating Domestic Law

Because GloBE rules evolve, jurisdictions adopt mechanisms to keep domestic law aligned:

- Secondary legislation for technical details. Primary legislation sets key elements (who is taxed, how tax applies, and calculation), while detailed rules — especially for complex systems like GloBE — are handled through secondary legislation. (e.g. Brazil).

- Simplified amendment powers delegated to finance or tax authorities (e.g. UK, Australia).
- Interpretive clauses requiring domestic law to be read consistently with GloBE guidance (e.g. Canada, Singapore).

4. Interpretation and Guidance

Tax administrations widely rely on:

- Public guidance (manuals, FAQs, general rulings) to support early compliance and transparency.
- Private guidance (individual rulings, opinions) to increase certainty and reduce disputes in complex cases.

These tools are particularly important where rules are rewritten or adapted domestically.

5. Choosing an Approach

Key factors influencing the choice of legal technique include:

- Constitutional and legislative constraints;
- Language and drafting traditions;
- Administrative capacity and resources;
- Expected in-scope taxpayer population and revenue; and
- Ability to update rules efficiently over time.

WHAT THIS MEANS FOR MNEs

Local wording may differ, but tax administrations will benchmark outcomes against OECD rules · OECD Commentary and Administrative Guidance are de-facto authoritative · Monitoring local deviations or timing mismatches is critical · Early filing positions should be documented where relying on OECD guidance not yet enacted locally

Module 3

Organising and Planning for GMT Implementation

04

PURPOSE

Provides a roadmap for operational readiness, including governance, staffing, communication, and IT.

1. Phased Implementation

Pre-implementation (planning, estimates)

Implementation (systems, compliance, communication)

- Develop a formal, phased implementation plan to operationalize GMT legislation — setting objectives, scope, roles, timelines, resourcing, risks and monitoring — to meet first filing and payment deadlines.
- Address GMT's cross-border complexity by aligning with OECD guidance, coordinating QDMTT/IR/UTPR, handling large volumes of group-level data, and delivering supporting IT and taxpayer guidance under tight timelines.
- Adapt end-to-end administration (registration, filing, payment, risk, audit, disputes, data management and exchange) for group-wide calculations and financial-accounting based inputs.
- Choose an organizational model that ensures clear governance, defined responsibilities, central technical expertise, and strong coordination across legal, compliance and IT.

2. Significant Focus On

Staff training (tax + accounting skills)

GMT implementation relies mainly on upskilling existing staff rather than creating new teams. Training is essential in GloBE rules, accounting, data analysis, and risk assessment, with depth tailored to different roles.

External communication

Clear, targeted, and ongoing communication with MNEs, advisors, and software providers is key to improving readiness and reducing compliance risks. Strategies should define audiences, align with international guidance, focus on key milestones, and use multiple channels.

IT Systems and Data Handling (Key Enabler)

IT is central to GMT delivery. Administrations must support:

- User portals for registration, filing, and payment
- Processing and validation of GIR data (XML-based)
- Automatic exchange of information using agreed schemas
- Collection of top-up tax, often using existing CIT systems

3. Best Practices

Best practices include unique MNE identifiers, single-entity filing and payment, automation of checks and risk filters, early IT planning, phased delivery, thorough testing, and provision for ongoing maintenance.

Jurisdictions may choose between custom-built systems or commercial off-the-shelf solutions, depending on capacity and scale.

WHAT THIS MEANS FOR MNEs

Authorities are building automated, data-driven compliance models · Expect less manual interaction and greater reliance on analytics · MNEs must centralise Pillar Two governance · Coordinate tax, finance, IT, and advisors · Engage early during implementation phases

Module 4

Framework on Compliance Procedures

05

PURPOSE

Module 4 introduces the compliance framework for administering the GMT, focused on consistency, simplicity, and efficiency across jurisdictions. Ensure accurate collection of top-up tax while minimizing compliance and administrative burden, in line with the GloBE Rules and the global "common approach".

1. Compliance Procedures Overview

The Toolkit identifies a standard compliance lifecycle, typically consisting of:

- Registration (optional, jurisdiction-specific);
- GloBE Information Return (GIR) and related notification;
- Domestic GMT return, which legally establishes liability;
- Payment of top-up tax; and
- Penalties and enforcement, where necessary.

Similar to CIT compliance in structure, but separate and distinct — reflecting the group-wide, data-intensive nature of Pillar Two.

2. Strong Emphasis on Digital Compliance

The Toolkit strongly recommends a fully digital compliance process, including:

- Paperless, online filing and payment;
- A single portal for all GMT obligations;
- Use of standardized templates and XML schemas;
- Single-entity filing and third-party submissions;
- Publication of filing specifications well in advance of deadlines.

Digitalisation improves accuracy, supports centralized MNE compliance, reduces costs, and enables effective information exchange.

3. Registration of In-Scope MNE Groups

Registration is not required by the GloBE Rules, but some jurisdictions use it to identify in-scope MNE Groups early and designate a single filer.

Key characteristics of good registration design:

- A one-time, fully online requirement completed after the MNE's financial year end, with updates only if details change. It collects only essential identification and contact information, avoiding duplication of financial data already reported in the GIR.

Many jurisdictions rely instead on existing data (e.g. CbC reports, CIT returns) and therefore do not require registration.

4. GIR and Related Notifications

The GIR is the central information document under the GMT, providing all data needed for risk assessment and verification of top-up tax liabilities.

Key features:

- Central filing encouraged; local filing switched off where exchange relationships exist;
- Filing and exchange use a standardized XML format;
- Notification mechanism informs jurisdictions when GIR is filed abroad;
- Notifications often one-time, updated only for changes;
- Deadlines aligned with GIR filing timeline (15 months after year-end, 18 months for transition year).

5. GMT Return, Payment, and Penalties

- The role of the GMT return in formally establishing tax liability;
- Alignment of return and payment deadlines with GIR timelines;
- A preference for single-entity payment on behalf of the group; and
- Proportionate, capped penalties, with transitional relief to encourage early compliance.

6. Design Principles

- Compliance should be simple, digital, standardized, and coordinated internationally;
- Avoid duplicative requirements and unnecessary data requests;
- Early adoption of best practices reduces errors, disputes, and burdens;
- Consistent procedures to maintaining the GMT as a global common approach.

Best Practices Promoted

- Fully digital, paperless filing;
- Single filer and single payer where possible;
- Avoid duplicate reporting beyond the GIR;
- Align GIR, return, and payment deadlines (15 months post year-end);
- Transitional penalty relief for reasonable efforts.

WHAT THIS MEANS FOR MNEs

Pillar Two is a separate compliance track from CIT · One entity can often: File | Respond to queries | Pay for the group · Poor coordination between central and local teams creates exposure · Documentation of assumptions and transition year decisions is essential

Module 5

Exchange of Information

PURPOSE

Module 5 explains how exchange of information (EOI) under the GMT enables consistent administration, effective risk assessment, and avoidance of double or over-taxation. The focus is on the GloBE Information Return (GIR) and its central filing and automatic exchange.

KEY ELEMENTS

Effective exchange of GloBE information is central to the GMT's functioning as a global common approach. Standardised formats, central filing, targeted dissemination, and robust legal and IT frameworks together ensure consistent enforcement, reduce compliance burdens, and enhance tax certainty across jurisdictions.

Central Filing of the GIR

- The Ultimate Parent Entity (UPE) or a Designated Filing Entity files the GIR in one jurisdiction.
- Local filing is switched off if an active automatic exchange relationship exists.
- Central filing reduces duplicative reporting and improves data consistency and confidentiality.

Legal Framework

- Exchange is based on the Convention on Mutual Administrative Assistance in Tax Matters and the Multilateral Competent Authority Agreement on the Exchange of GloBE Information (GIR MCAA).
- Jurisdictions must implement domestic legal provisions enabling exchange, confidentiality, and data safeguards.
- Bilateral agreements or EU instruments (e.g. DAC 9) may also support exchange.

Operational Framework

- The GIR XML Schema standardizes filing and exchange in machine-readable format.
- Exchange occurs through secure channels such as the OECD Common Transmission System (CTS).
- The GIR Status Message XML Schema enables structured error reporting and data validation.

Dissemination Approach

Only relevant portions of the GIR are exchanged:

- A General Section (group-level information).
- Jurisdiction-specific Sections for jurisdictions with taxing rights.

This targeted approach limits unnecessary data sharing and protects confidentiality (summarized in Tables 5 and 6).

Timing and Corrections

- GIR filed within 15 months after the end of the fiscal year (18 months for transition year).
- Exchanges generally occur within 3 months after filing.
- Corrected GIR information should be shared promptly, ideally within 90 days.

Best Practices

- Activate exchange relationships well before filing deadlines.
- Implement all agreed validation rules from year one.
- Verify dissemination logic before exchange.
- Maintain strong coordination between legal, IT, and operational teams.

WHAT THIS MEANS FOR MNEs

Filing once does NOT mean limited exposure — data flows globally · Errors propagate quickly and widely · High importance of pre-submission validation · Controlled correction processes · Consistent entity identifiers (TINs, names)

Key Takeaways for MNEs

Pillar Two is a globally standardised, data-intensive compliance regime

The Toolkit confirms that Pillar Two is a globally standardised, data-intensive compliance regime. Success for MNEs depends on the following five drivers:

01

Centralised Ownership

Centralised ownership of Pillar Two across the global enterprise.

02

High-Quality Data

High-quality, reconciled data across CbCR, financials, and tax filings.

03

Transitional Safe Harbours

Early use of transitional safe harbours (2024–2027) to manage the initial compliance load.

04

Tight Coordination

Tight coordination between global and local teams across tax, finance, and IT.

05

Proactive Engagement

Proactive engagement with tax authorities throughout implementation.

WHO WE ARE

VSTN Consultancy — Global Transfer Pricing Firm

VSTN Consultancy is a Global Transfer Pricing firm with extensive expertise in the field of transfer pricing having its offices in India, Singapore, UAE, USA, and the KSA. 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. VSTN's senior partners have been ranked in ITR in the list of recognised 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, Pillar 2 Analysis advice 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.

WHO WE ARE

VSTN Consultancy — Global Transfer Pricing Firm

VSTN Consultancy is a transfer pricing firm with a global footprint across India, UAE, Singapore, USA, and KSA. We combine deep technical expertise with a client-centric approach to deliver premium transfer pricing services.

01 Specialisation
Exclusive focus on transfer pricing — not a generalist practice.

02 Global Reach
Serving clients across 17+ countries with local expertise.

03 Industry Recognition
Awarded Best Newcomer APAC & Best Newcomer Middle East.

04 Licensed Databases
11+ premium databases.

150+

Years' Experience

300+

Clients Served

17+

Countries

5

Global Offices

11+

Licensed Databases


















50+

Team Members

OUR REACH

Global Locations Served & Licensed Databases

COUNTRIES SERVED (17+)

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

LICENSED DATABASES

TP Catalyst	Moody's
ORBIS	Moody's
Loan Module	Moody's
IP & Royalty Data	Moody's
EDF-X Bond Database	Moody's
EDF-X Credit Risk Analytics	Moody's
Royalty Rates	ktMINE
Services CUT	ktMINE
Loan Module	Royalty Range
TP Documenter	Ryan
Prowess	CMIE

THANK YOU

We look forward to partnering
with you on this engagement.

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