**Pillar Two—Impact on ETR**

**Dec 31, 2025**

Period end

**Dec 31, 2024**

Period end

**Dec 31, 2023**

OECD—Global Minimum Tax

Global Minimum Tax from 2024

Additional tax liability is possible. Additional reporting obligations are certain!

MNEs in scope of Pillar Two must comply with the rules even if only one jurisdiction where they operate implements the rules in their domestic legislation.

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\[ \text{Revenue} \rightarrow 15\% \text{ Minimum tax} \]

The applicable rule set to enforce global application

**Priority:** Qualified Domestic Minimum Top-up Tax (QDMTT)

**Main:** Income Inclusion Rule (IIR)—In-scope MNE Groups pay a minimum level of tax for each country in which they operate at ultimate parent entity level.

**Backstop:** Undertaxed Profit Rule (UTPR)—In-scope MNE Groups pay a minimum level of tax for each country in which they operate at UTPR entity level, in case no IIR applies.

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**Pillar Two—indicative timeline**

**Accounting disclosure**

- Dec 31, 2022
- Dec 31, 2023

**Impact assessment modeling**

- Dec 31, 2024 - Period end
- Dec 31, 2025 - Period end

**Data assessment/data diagnostic**

- Q1 2024 is right around the corner

**Roadmap to implementation**

- Q1 2024 tax provision

**Q1 2024 is right around the corner**

**Pillar Two—Impact on ETR**

**Q1 2024 tax provision**

**External Requirements**

- Assess
- Prepare
- Comply

**Engage with financial statement auditors**

**Controls implementation**

- Compliance technology selection and implementation
- Financial reporting compliance
- Tax return compliance

**Increasingly accurate modeling**

- System enhancements and data gap remediation
- Detailed data mapping

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**Increasingly accurate modeling**

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Pillar Two readiness considerations
Navigate complexity with integrated offerings tailored for your needs

**Policy**
Monitor and analyze in-country and supranational legislative updates

**Impact assessment modeling**
Model safe harbor and potential top-up tax liabilities under various scenarios and report to key stakeholders

**Data assessment**
Methodically assess the quality and availability of necessary data, identifying gaps, and developing remediation plans

**Technical advisory**
Determine whether changes to legal entity, financing, and operating structures may be needed as a result of the change in tax law

**Finance system enhancement**
Tax and finance partner to build Pillar Two considerations into existing systems or upcoming finance transformations

**Tax technology**
Update tax technology systems to account for Pillar Two

**Accounting and tax provision**
Develop a detailed plan to prepare for the first interim period and the first year impacted by IIR, UTPR, and QDMTT

**Global compliance**
Develop a process to facilitate real-time capture of the data required to populate Pillar Two returns

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