KPMG report: OECD/G20 Inclusive Framework agreement on BEPS 2.0

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Introduction

One hundred and thirty six (136) member jurisdictions of the OECD/G20 Inclusive Framework (IF) on base erosion and profit shifting (BEPS)—representing more than 90% of global GDP—on 8 October 2021 approved an eight-page statement finalizing several key aspects of a framework for reforming the international tax system. Read ***TaxNewsFlash***

The statement updates a previous IF statement from 1 July 2021, including by finalizing several previously unsettled quantitative parameters of the two-pillar approach. Read a **KPMG report** [PDF 392 KB] about the July 2021 statement.

- Pillar One of the agreement would formulaically reallocate more than U.S. $125 billion of profits from (initially) around 100 of the world's largest and most profitable multinational enterprises (MNEs) to "market jurisdictions" without regard to the arm's length principle and the traditional permanent establishment standard.
- Pillar Two secures an unprecedented agreement on a global minimum tax regime, imposing multilaterally agreed limits on tax competition among jurisdictions.

The implementation plan included in the Annex targets a 2023 effective date for most aspects of both Pillars, with detailed rules to be developed over the coming months.

The IF comprises 140 member jurisdictions. The only IF members that have not yet joined in the October 2021 statement are Kenya, Nigeria, Pakistan, and Sri Lanka. This is greater support than the 134 countries that joined the July statement. The difference (136 vs. 134) reflects three additional countries joining the agreement (Estonia, Hungary, and Ireland), and one country withdrawing its assent (Pakistan). Significantly, all OECD, G20, and EU members (except for Cyprus, which is not an IF member) joined the agreement, seemingly clearing the way for wide-spread adoption in all major economies.

Reallocation of profits for very large companies to market jurisdictions (Pillar One)

Pillar One includes two components: Amount A and Amount B.

Amount A would provide a new taxing right to market jurisdictions, by re-allocating a portion of an in-scope MNE group's residual profit based on a formulary approach. Only the world's largest and most profitable MNEs would be within the scope of Amount A.

Amount B is intended to streamline the application of the arm's length standard for routine marketing and distribution activities and is relevant to virtually all MNEs.

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Amount A

Scope

The October 2021 statement confirms that MNEs will be within the scope of Amount A if they have: (1) global revenue in excess of €20 billion (reduced to €10 billion after seven years contingent on a successful implementation including of tax certainty with respect to Amount A); and (2) profit before tax above 10% of revenue. Whether an MNE meets these thresholds will be determined using an averaging mechanism.

The same exclusions that were provided in the July 2021 statement for "extractives" and "regulated financial services," are also provided in the October 2021 statement with no additional clarity on how these terms will be defined.

> ### KPMG observation
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> The use of an averaging mechanism is a new feature (relative to the July 2021 statement) and is likely a response to public comments made by some business organizations in the months following the July 2021 statement. Presumably the averaging mechanism would be a multi-year average calculation of an MNE's revenue and profit before tax margin, as relevant solely for the scope determination. This approach would seem to reduce the incidence of cases in which aberrational results for one year bring an MNE into (or out of) the scope of Amount A.

Nexus and revenue sourcing

The October 2021 statement confirms that in-scope MNEs that derive revenue of more than €1 million (reduced to €250,000 for jurisdictions with GDP less than €40 billion) from a jurisdiction will have nexus for Amount A purposes in that jurisdiction.

The statement also confirms that revenue will be sourced to the end-market jurisdiction where goods or services are used or consumed, using "detailed" sourcing rules for specific categories of transactions. No additional detail is provided on what these sourcing rules will be.

> ### KPMG observation
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> Since Amount A applies to all large and highly profitable MNEs regardless of activity/sector (except for extractives and regulated financial services), detailed sourcing rules will need to be developed for essentially every business model and transaction. It seems ambitious that these rules can be fully developed within the timeframe contemplated in the implementation plan, especially considering all the other open design aspects (discussed further below).

Quantum, tax base determination, and segmentation

Amount A is now finalized as equal to 25% of an in-scope MNE's residual profit (the July 2021 statement used 20-30%). Residual profit is the amount of profit exceeding 10% of revenue. Amount A is then allocated to market jurisdictions with nexus using a revenue-based allocation key, leveraging the to-be-developed sourcing rules discussed above.

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The measurement of profit (or loss) of an MNE will be determined based on financial accounting income (with a small number of adjustments), and allowance for loss carry forwards. No additional detail is provided in regard to the specific adjustments to the financial accounts, or the loss carryforward mechanism.

Segmentation of financial results will only be used in exceptional circumstances when a disclosed financial accounting segment meets the scope thresholds.

KPMG observation

Finalizing the quantum of Amount A as 25% of residual profit resolves what was previously a key open issue. Agreeing to the midpoint of the range provided in the July 2021 statement likely reflects a compromise between the United States and other countries, notably developing countries, that would prefer Amount A apply as broadly as possible.

KPMG observation

Based on the language in the statement, segmentation would apply if an MNE did not meet the profitability threshold on a consolidated basis, and a segment of that MNE (as reported for financial statement purposes) exceeded both the revenue and profitability thresholds. It is still not clear, however, whether segmentation would also apply if an MNE did meet the profitability threshold on an overall basis and also had one or more disclosed segments that meet the thresholds.

Marketing and distribution profits safe harbor and the elimination of double tax

The October 2021 statement confirms that Amount A will include a marketing and distribution profits safe harbor (MDSH) to address cases when residual profits are already taxed in a market jurisdiction. No detail is provided on what the safe harbor return will be or even the basis on which it will be derived—e.g., return on sales, return on tangible assets, or return on payroll.

The statement also confirms that double taxation will be eliminated using the exemption method or the credit method, with MNE group entities that "earn residual profit" bearing the Amount A tax liability. No detail is provided on how residual profit will be determined or how to prioritize paying entities in the case of multiple entities within the MNE group that earn residual profit.

KPMG observation

The MDSH and the elimination of double tax are fundamental design features of Amount A that could significantly affect the fiscal impact on individual countries. A lack of progress on these items may indicate diverging views among IF members on how best to finalize them. The implementation plan mandates the Task Force of the Digital Economy to resolve all open items with a specific call-out for the MDSH and the elimination of double tax, signaling that the IF understands that these two items are particularly critical to the overall architecture of Amount A.

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Tax certainty and administration

Tax certainty for in-scope MNEs will be achieved through mandatory and binding dispute prevention and resolution for Amount A itself and for all related issues. Related issues include general transfer pricing and permanent establishment disputes that could affect Amount A. Questions regarding whether an issue is "related" will be addressed through a mandatory and binding process.

Developing countries that are eligible for deferral of their BEPS Action 14 peer review and have no or low levels of MAP disputes will be permitted to only opt out of binding dispute prevention and resolution for related issues. Eligibility for this elective process will be reviewed regularly, and a jurisdiction that does not qualify in a year will not subsequently be permitted to elect out of the dispute prevention and resolution process in a subsequent year.

The statement confirms that Amount A would be administered in a streamlined manner, permitting an MNE to manage the process through a single entity, with no additional detail on how this would work in practice, including if any secondary tax adjustments would be required.

KPMG observation

The tax certainty component of Amount A is the "carrot" in the package for in-scope groups and, depending on how it is ultimately designed, could provide a substantial benefit. Considering the design of Amount A, including the MDSH and mechanisms for eliminating double tax, it would seem that most cross-border transfer pricing adjustments could affect Amount A in some way and thus should be regarded as a "related issue" that is eligible for mandatory and binding dispute prevention.

KPMG observation

The July 2021 statement left the existence of an opt-out for developing countries as an open question. The October 2021 statement provides for an opt-out, but limits the opt-out such that it is available "only for issues related to Amount A" (i.e., general transfer pricing, permanent establishment, and similar issues), and thus does not apply in respect of Amount A itself. Developing countries would therefore be subject to the mandatory and binding process with respect to Amount A itself.

Implementation

The primary vehicle for the implementation of Amount A would be a multilateral convention (MLC), which, according to the October 2021 statement, is anticipated to be developed and opened for signature in 2022, with Amount A coming into effect in 2023.

The MLC would memorialize the agreement to amend existing treaties to the extent needed to give effect to Amount A, or to create the requisite relationships between countries that do not currently have bilateral treaties with one another. Interactions between the MLC and future tax treaties will also be addressed.

Model rules for domestic legislation, together with commentary, will be prepared by early 2022 for countries that may need to revise their domestic law to implement Amount A.

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KPMG observation

It seems very challenging for all countries to ratify the MLC by the planned 2023 effective date. Most significantly, it remains to be seen how and when the United States would implement Amount A. The U.S. Treasury Secretary recently said that there are "a number of ways" in which Congress could implement Amount A, suggesting that the administration does not consider the traditional U.S. Senate ratification process as the only pathway for adoption. Shortly after the October statement was released, top Republicans on the Senate Finance Committee, the Senate Foreign Relations Committee, and the Senate Banking Committee issued a press release expressing concerns with the "Administration's recent suggestions it is considering circumventing the Senate's treaty authority" in implementing Amount A. The press release observes that the signatories are not aware of existing congressional authorization that would permit the administration to conclude an executive agreement. Arguably, such authorization could be provided through new legislative provisions that would be necessary to allow the United States to impose the Amount A taxing right on in-scope companies that sell into the U.S. market. The latter change to the Internal Revenue Code to impose the new taxing right could not be achieved through an income tax treaty.

Unilateral measures

The MLC will require the removal of all digital services taxes and other relevant similar measures for all companies and the commitment not to introduce such measures in the future. The implementation plan notes that a detailed definition of "relevant similar measures" will be finalized as part of the adoption of the MLC.

The statement includes a moratorium on ***newly*** enacted digital services taxes or other relevant similar measures on any company from 8 October 2021 (the date of the statement) and until the earlier of 31 December 2023, or the coming into force of the MLC.

With respect to the details for the removal of ***existing*** digital services taxes and other relevant similar measures, the statement provides that it will be "appropriately coordinated," which is the same language used in the July 2021 statement.

KPMG observation

Securing a moratorium on newly enacted digital services taxes or other relevant similar measures on any company is a key achievement for the United States. The text in the statement may be sufficient to prevent the European Union from proceeding with its stated plan to introduce a digital levy, at least in the near term, as well as prevent other countries from enacting such measures. As a practical matter, it is not clear how effective the political commitment reflected in the statement will be in the absence of agreed definitions of what constitutes a digital services tax or a relevant similar measure.

KPMG observation

The precise procedure and timeline for the removal of existing unilateral measures remains unclear. The text in the statement seems to indicate that existing unilateral measures will be removed as

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part of the overall MLC, but it is unclear if the timing for the removal is tied to when the MLC is developed (early 2022), or signed / ratified (mid 2022-2023, or potentially even later).

Amount B

Work to simplify and streamline the application of the arm's length principle to in-country baseline marketing and distribution activities, with a particular focus on the needs of low-capacity countries, is ongoing and has been assigned to Working Party 6 and the Forum on Tax Administration's MAP Forum. According to the October 2021 statement, this work is expected to be completed by the end of 2022.

KPMG observation

Amount B remains on a separate track from the work on Amount A, and while the October 2021 statement does not contain any substantive update, it does offer more detail on next steps and deliverables. The initial focus of the Amount B workstream is to define baseline marketing and distribution activities. Final deliverables are promised by the end of 2022. It is unclear whether the Amount B solution will take the form of guidance, standardized benchmarking sets, or fixed returns subject to mandatory and binding dispute resolution.

Global minimum taxation regime (Pillar Two)

Pillar Two is a global minimum tax regime. The rule set consists of:

- Two interlocking domestic rules (together, the Global Anti-Base Erosion (GloBE) Rules):
  - An Income Inclusion Rule (IIR) that imposes top-up tax on a parent entity in respect of low-taxed income of constituent entities within an MNE group, and
  - A supporting Undertaxed Payment Rule (UTPR) that denies tax deductions, or requires an equivalent adjustment, to the extent the low tax income of a constituent entity is not subject to an IIR; and
- A treaty-based Subject to Tax Rule (STTR), which allows limited source taxation of certain related-party payments subject to tax below a minimum rate. Any tax paid under the STTR is creditable under the GloBE Rules.

The Pillar Two rule priority is, therefore, as follows: (1) STTR, (2) IIR, and (3) UTPR.

Assuming the IIR is widely adopted by IF member jurisdictions, the UTPR would primarily apply in the case of low-tax income in the ultimate parent jurisdiction which, in general, would not already be picked by an IIR (although some jurisdictions may apply the IIR to domestic entities, including the ultimate parent entity). The STTR would apply regardless of the presence of an IIR.

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GloBE Rules

Rule status

The statement confirms the status of the GloBE Rules as a "common approach," meaning that IF member jurisdictions are not required to adopt the GloBE Rules, but they must accept their application by other IF members.

IF members that adopt the GloBE Rules must implement and administer the rules consistently with the outcomes provided for under Pillar Two.

KPMG observation

While U.S GILTI (global intangible low-taxed income) co-existence is explicitly addressed in the statement (see below), the statement does not directly address the U.S. BEAT (base erosion and anti-abuse tax) regime which, as it stands today, is inconsistent with the agreement on Pillar Two, particularly the rule priority. There are currently various proposals to amend the BEAT regime, including the Biden Administration's SHIELD (stopping harmful inversions and ending low-tax developments) proposal and the more incremental House Ways and Means proposal. It appears that both proposals would open the door to the U.S. Treasury to write regulations that would take into account other countries' IIRs. However, many differences would remain—including varying revenue thresholds and altogether different mechanics (which would result in the United States collecting more or less top-up tax than it should compared to if it were to wholesale adopt the UTPR). Given these potential differences, it remains to be seen if SHIELD or a modified BEAT would satisfy the requirement for the United States to "implement and administer the rules consistently with the outcomes provided for under Pillar Two."

Scope

The statement confirms that the GloBE Rules only apply to MNEs that meet the €750 million threshold as determined under BEPS Action 13, but countries are permitted to apply the IIR to MNEs headquartered in their country that do not meet the threshold.

The same exclusions from the GloBE Rules that were provided in the July 2021 statement are provided in the October 2021 statement—that is for "government entities," "international organizations," "nonprofit organizations," "pension funds," or "investment funds" that are ultimate parent entities (UPE) of an MNE group or any holding vehicles used by such entities, organizations, or funds. No additional detail was provided on how these terms will be defined.

Rule design

Unchanged from the July 2021 statement, the IIR allocates top-up tax based on a top-down approach, subject to a split ownership rule for shareholdings below 80%. The UTPR allocates top-up tax from low-tax constituent entities including those located in the UPE jurisdiction. No additional detail is provided regarding how the UTPR would allocate top-up tax.

Newly added, however, is more detail on an exclusion from the UTPR for MNEs in the "initial phase of their international activity," which the statement defines as MNEs with less than €50 million of tangible assets abroad and operations in no more than five other jurisdictions. This exclusion is only available for the first five years that an MNE first comes into the scope of the GloBE Rules. For MNEs that are

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otherwise in scope of the GloBE Rules when they come into effect (targeted to be 2023) the five-year period starts when the UTPR comes into effect (targeted to be 2024).

KPMG observation

Given that low-tax income in a jurisdiction other than the ultimate parent jurisdiction would often be picked up by an IIR, the practical effect of the exclusion from the UTPR for MNEs in the initial phase of their international activity is to protect an eligible MNE's low-tax income in the ultimate parent jurisdiction from top-up tax for up to five years.

ETR calculation

The GloBE Rules impose a top-up tax using an effective tax rate test that is calculated on a jurisdiction-by-jurisdiction basis using a common definition of covered taxes and a tax base that is based on financial accounting income, with to-be-agreed adjustments and to-be-agreed mechanisms to address timing differences. No additional detail is provided in respect of the specific adjustments to financial accounting income or the mechanisms for managing timing differences.

As it relates to existing distribution tax systems (i.e., systems that defer tax on corporate profits until they are distributed), the statement settles an open question by providing that there will be no top-up tax liability if earnings are distributed within four years and taxed at or above the minimum level (the July 2021 statement allowed a three to four-year grace period).

KPMG observation

The mechanism for managing timing differences (specifically a carryforward approach vs. a deferred tax accounting approach) is fundamental to the design of the GloBE Rules. It is somewhat surprising that such a key issue remains open. There is likely ongoing discussion in the IF on the most appropriate final approach.

KPMG observation

How transitional issues—including pre-existing losses—will be addressed is also of fundamental importance, and seemingly unresolved. This issue is likely tied up in the resolution of the general approach for managing timing differences. For example, if a deferred tax accounting approach is used, that same mechanism could presumably be used to account for a pre-existing loss.

KPMG observation

Estonia, which has a distribution tax system, was one of the countries that did not join the July 2021 statement. It was reported that Estonia was concerned that the suggested range of three-to-four years for the distribution grace period provided in the July statement did not go far enough in preserving the benefit of its existing tax system. The October 2021 statement finalized the grace period at the upper end of that range, which appears to have been sufficient for Estonia to join the agreement.

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Minimum rate

The statement provides for a minimum tax rate of 15% for purposes of the GloBE Rules (the July 2021 statement used "at least 15%").

KPMG observation

Ireland, which currently has a 12.5% corporate income tax rate, was one of the countries that did not join the July 2021 statement. It was widely reported that Ireland's core concern was the minimum rate for the GloBE Rules, specifically that the "at least 15%" language did not provide sufficient certainty on the minimum rate over time. The October 2021 statement deleted the phrase "at least" and Ireland joined the October statement, indicating that its concerns were sufficiently addressed.

KPMG observation

In considering potential changes to the U.S. GILTI regime, including the rate, it seems likely that some members of Congress will cite competitiveness concerns as a reason to avoid a rate that deviates too far from the 15% rate under Pillar Two. In an August 4, 2021 letter to House Ways and Means Chairman Neal, 11 Democrats, including six members of the Ways and Means Committee, urged "a legislative approach that reflects the substance and timeline of negotiations within the OECD process." The letter went on to say that "enacting tax increases above and beyond the final implemented OECD agreement, or getting out too far ahead of our OECD partners, would risk U.S. international competitiveness."

Carve-outs

A formulaic substance-based carve-out is provided that excludes an amount of income from the GloBE Rules, determined as a deemed return on the carrying value of tangible assets and payroll. The October 2021 statement finalizes that this exempt return ultimately will be 5% but provides a 10-year transition period. In the first year (presumably 2023), the exempt return will be 8% of the carrying value of tangible assets and 10% of payroll. These percentages will decline annually by 0.2 percentage points for the first five years, and then by 0.4 percentage points for tangible assets and by 0.8 percentage points for payroll for the last five years. (In contrast, the July 2021 statement provided that the exempt return on tangible assets and payroll ultimately would be "at least" 5%, and "at least" 7.5% during a five-year transition period.)

The October 2021 statement also finalizes a de minimis exclusion for jurisdictions where an MNE has revenues less than €10 million and profits less than €1 million (the July 2021 statement included a de minimis exclusion but provided no specific figure).

Finally, the October 2021 statement confirms that international shipping income is excluded from the GloBE Rules using the definition of such income under the OECD Model Tax Convention.

KPMG observation

The transitional mark-up for the carve-out finalized in the October 2021 statement is more

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generous than the low end of the range contemplated in the July 2021 statement, especially the payroll component. The length of the transition period was also doubled. These enhancements to the transition period may have been necessary to secure Hungary's support. Prior reporting indicated that Hungary was concerned that the July 2021 statement did not go far enough in excluding real economic activities from Pillar Two.

KPMG observation

As with the 15% minimum rate, the enhanced carve-out for Pillar Two will likely filter into discussions in the United States regarding the treatment of a similar exclusion in the GILTI regime for 10% of tangible assets. The Biden Administration has proposed to eliminate this exclusion all together, whereas the House Ways and Means proposal would reduce the exclusion to 5% of tangible assets. Both proposals are less favorable than the carve-out that has been agreed under Pillar Two, especially during the lengthy transition period.

KPMG observation

While international shipping income is excluded from the GloBE Rules, other transportation income, for example from airlines, is not excluded. The policy justification for excluding some types of transportation income, but not others, is unclear.

Simplifications

Unchanged from the July 2021 statement, the October statement notes that the implementation framework will include safe harbors and/or other mechanisms in furtherance of simplification. No additional detail is provided on how these safe harbors will operate.

GILTI co-existence

After noting that Pillar Two will apply a minimum rate on a jurisdictional basis, the statement indicates that consideration will be given to the conditions under which the U.S. GILTI regime will co-exist with the GloBE Rules to ensure a level playing field. This is the same language used in the July 2021 statement.

KPMG observation

Various proposals are currently being considered in the United States to change the U.S. GILTI regime from a global blending system to a jurisdiction-by-jurisdiction system and to increase the minimum rate to a rate greater than 15%, with limited carve-outs and exclusions. Assuming a proposal along these lines is adopted, GILTI very likely will be allowed to co-exist with Pillar Two without further adjustments. The main benefit of GILTI co-existence is that all controlled foreign corporations of U.S.-parented groups would be protected from other countries' UTPRs.

However, GILTI co-existence would not protect income earned by the U.S. members of a U.S.-parented group from other countries' UTPRs to the extent that income is taxed at a rate below 15%, as determined under the Pillar Two ETR test. This could be the case if, for example, the U.S. group is eligible for a large R&D credit or other tax incentive. Some countries that are concerned

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about the UTPR applying to their domestic entities are considering extending their IIR to apply to domestic entities. The Biden Administration has suggested that adopting a book minimum tax would have a similar effect. There are several reasons that the administration's proposal has not gained support in the U.S. Congress, and it is notably absent from the Ways and Means proposal. The potential application of the UTPR to U.S. entities may be a relevant consideration in reaching agreement on U.S. tax reforms.

Subject to Tax Rule (STTR)

The statement confirms that IF member jurisdictions that apply nominal corporate income tax rates below the STTR minimum rate to interest, royalties, and a to-be-defined set of "other payments" would be required to incorporate the STTR into their bilateral treaties with developing IF members when requested to do so.

Developing countries are defined for this purpose as those with gross national income per capita, as per the World Bank Atlas method, of U.S. $12,535 or less in 2019, to be regularly updated.

The taxing right under the STTR will be limited to the difference between the minimum rate and the tax rate on the payment, with the minimum rate for the STTR being finalized as 9% (the July 2021 statement provided for 7.5%-9%.)

KPMG observation

The STTR is important to developing nations. The agreement to use a minimum rate at the high end of the range likely reflects an attempt to ensure developing countries are satisfied with the outcome of the final agreement.

KPMG observation

Although the statement describes the STTR as keying off of the "nominal corporate income tax rate," it is understood that the determination of this rate will take into account special tax regimes (such as patent boxes and offshore exemptions) that have the effect of achieving a reduced rate by permanently altering the tax base with respect to the payment.

KPMG observation

Leaving the determination of "other payments" open for future resolution seems like a significant omission in the agreement.

Implementation

The statement provides that Pillar Two should be brought into law in 2022, to be effective in 2023, with the UTPR being delayed one year and thus targeted to come into effect in 2024.

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KPMG observation

A delayed effective date for the UTPR was also contemplated in the July 2021 statement, without providing a specific timeframe.

The October 2021 statement now clarifies that the delay is just one year after the IIR comes into effect. Slightly delaying the UTPR likely reflects at least two considerations. First, the UTPR is a back-stop to the IIR and jurisdictions need to be given adequate time to implement the IIR. Switzerland, for example, has already indicated that it will be challenging for it to implement the IIR by 2023. Second, the UTPR requires subsidiary jurisdictions to have a line-of-sight into group-wide data in order to apply the to-be-agreed allocation key, which will likely require a novel information sharing mechanism.

Timeline

Agreement	Adoption into Law	Implementation	Review
1 July 2021 – Agreement by 134 IF member jurisdictions on key features of a new international tax framework **8 October 2021 –** Updated and finalized the July agreement; joined by 136 IF member jurisdictions, representing more than 90% of global GDP **November 2021 –** Development of GloBE model rules and STTR model treaty provision, with commentary on both **Early 2022 –** Finalization of Amount A Multilateral Convention (MLC), Explanatory Statement, and model rules for domestic legislation **Mid-2022 –** Development of STTR multilateral instrument (MLI) **End of 2022 –**	**Mid-2022 –** Signing of MLC for Amount A **2022-2023 –** Domestic adoption of GloBE Rules, and possible signing and ratification of multilateral convention **2023 –** Domestic ratification of MLC for Amount A; some countries may also require domestic legislation changes **2023 –** Adoption of STTR MLI	**2023 –** Effective date for implementation of both Amount A and IIR The Amount A effective date is, however, contingent on ratification by a "critical mass" of jurisdictions (to be defined in the MLC) **2024 –** Effective date for implementation of UTPR	**c. 2030 –** Review of Pillar One including potential reduction of the scope threshold from €20 billion to €10 billion

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Development of GloBE implementation framework (with consideration of possible multilateral convention) **End of 2022 –** Final Amount B deliverables			

The implementation plan also contemplates consultation with stakeholders within the constraints of the foregoing timeline. The statement does not commit to another public consultation, however.

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Contact us

For more information, contact a tax professional with KPMG's Washington National Tax:

Manal Corwin
T: +1 202 533 3127
E: mcorwin@kpmg.com

Marcus Heyland
T: +1 202 533 3800
E: mheyland@kpmg.com

Mark Martin
T: +1 713 319 3976
E: mrmartin@kpmg.com

Danielle Rolfes
T: +1 202 533 3378
E: drolfes@kpmg.com

Seth Green
T: +1 202 533 3022
E: sethgreen@kpmg.com

www.kpmg.com

kpmg.com/socialmedia

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