



TaxNewsFlash

Transfer Pricing

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KPMG report: Summary and initial analysis of Pillar Two Blueprint

The OECD/G20 Inclusive Framework on base erosion and profit shifting (BEPS) today, 12 October 2020, released a report under Pillar Two—a “blueprint” or report on the tax challenges arising from digitalization.

While the Pillar Two blueprint was approved by the OECD/G20 Inclusive Framework on BEPS, it does not reflect an agreement but provides a “solid basis” for a future agreement. The initial timeline for the work had contemplated an agreement by the end of 2020, but the Inclusive Framework’s stated goal is now to “bring the process to a successful conclusion by mid-2021”.

The Pillar Two blueprint proposes a set of rules that attempt to determine that large internationally operating businesses pay a minimum level of tax regardless of where they are headquartered or the jurisdictions in which they operate, and proposes four new rules to accomplish this goal.

Read an [October 2020 report](#) [PDF 1.1 MB] prepared by KPMG LLP that provides an initial analysis of the Pillar Two Blueprint

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