



BEPS 2.0

11 July 2026

All India Chartered Accountants Society







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OECD Inclusive
Framework

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Intergovernmental Forums and OECD

G7

Canada
France
Germany
Italy
Japan
UK
USA

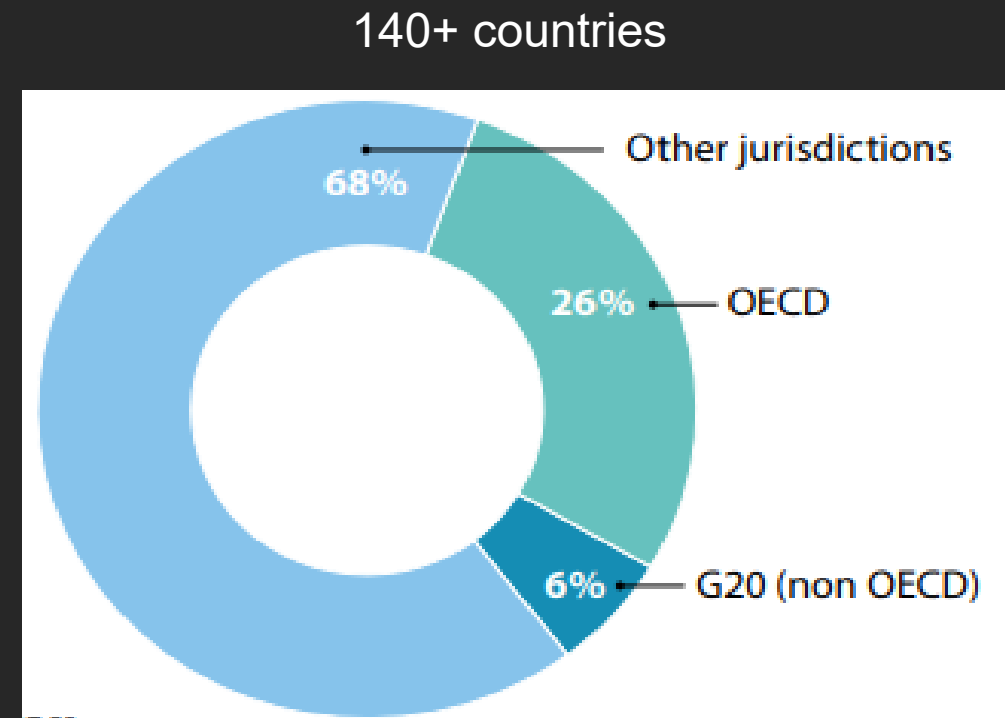
G20

Canada
France
Germany
Italy
Japan
UK
USA
Argentina
Australia
Brazil
China
India
Indonesia
South Korea
Mexico
Russia
Saudi Arabia
South Africa
Turkey
EU

OECD

38 members
Mostly developed countries

OECD / G20 Inclusive Framework on BEPS



**COMPOSITION OF THE STEERING GROUP OF
THE OECD/G20 INCLUSIVE FRAMEWORK ON BEPS**

(as at June 2026)

Co-Chairs		
Tim	POWER	UK
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Deputy Chairs		
Carlos Eduardo	PROTTO	Argentina
Rong'e	JIA	China
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Sunday	OKEOWO	Nigeria
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Trevor	MCGOVAN	Canada
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Michael	SKAARUP	Denmark
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Róbert	CSABAI	Hungary
Sinead	RYAN	Ireland
Daiho	FUJII	Japan
Noor	SANDERS	Netherlands
Rebecca	BURCH	USA

BEPS Action 1-15 Reports

Action 1
DIGITAL
ECONOMY

Action 2
HYBRIDS

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Action 4
INTEREST
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Action 6
TREATY
ABUSE

Action 7
PERMANENT
ESTABLISHMENT

Action 8
TRANSFER
PRICING

Action 9
TRANSFER
PRICING

Action 10
TRANSFER
PRICING

Action 11
BEPS DATA
ANALYSIS

Action 12
AGGRESSIVE TAX
PLANNING

Action 13
TRANSFER
PRICING
DOCUMENTATION

Action 14
DISPUTE
RESOLUTION

Action 15
MULTILATERAL
INSTRUMENT

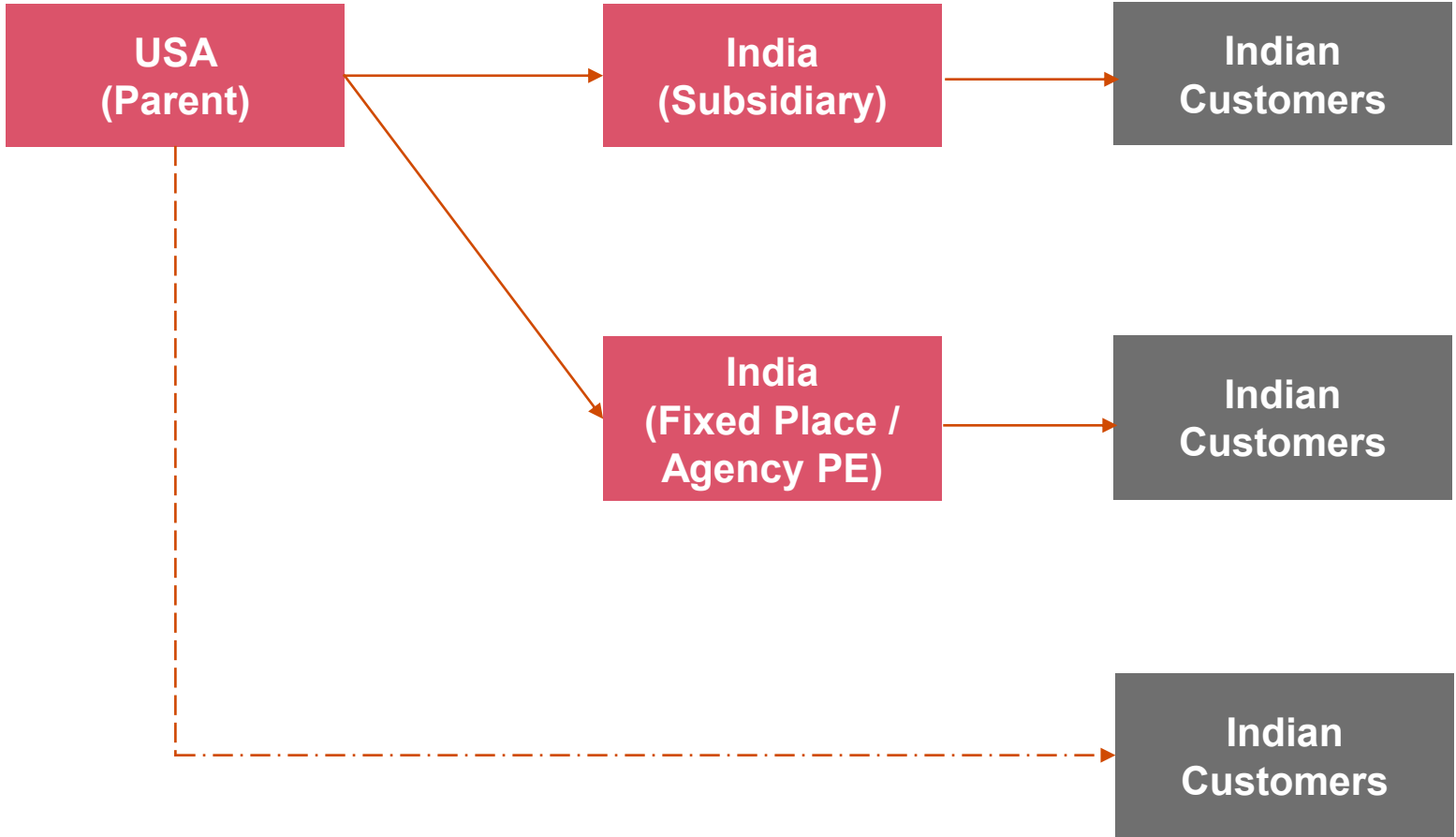
01

Pillar One





Pillar One



Tax under current TP / PE attribution Rules

Yes

Yes

No

Pillar One

Yes

Yes

Yes



Jurisdiction	Points
Belgium	9
Canada	6
China (People's Republic of)	94
Denmark	4
France	56
Germany	45
Hong Kong (China)	88
India	15
Ireland	21
Japan	47
Korea	11
Mexico	2
Netherlands	15
Saudi Arabia	2
Spain	15
Switzerland	34
United Kingdom	49
United States	486
Other Jurisdictions	0

ORATION (PROSECUTION AND CONVICTION OF OFFENSES FOR CONSPIRACY)
ORATION (PROSECUTION OF THE RIGHTS OF THE PEOPLE OF THE UNITED STATES)
JANUARY 6, 2021

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA
A PROCLAMATION

THIS PROCLAMATION IS TO BE RECORDED IN THE OFFICE OF THE PRESIDENT OF THE UNITED STATES OF AMERICA AND TO BE RECORDED IN THE OFFICE OF THE SECRETARY OF STATE AND TO BE RECORDED IN THE OFFICE OF THE ATTORNEY GENERAL.

NOTING FURTHER TO THE GREAT OF AMERICA IN ARTICLE 1, SECTION 3, OF THE CONSTITUTION OF THE UNITED STATES, I DO HEREBY:

1. I HEREBY ORDER THE FOLLOWING INDIVIDUALS TO BE REMOVED FROM THE OFFICE OF THE PRESIDENT OF THE UNITED STATES OF AMERICA AND TO BE REMOVED FROM THE OFFICE OF THE SECRETARY OF STATE AND TO BE REMOVED FROM THE OFFICE OF THE ATTORNEY GENERAL:

- Donald Trump
- Kellyanne Conway
- Stephen Miller
- Rudy Giuliani
- Jeffrey Sessions
- Robert Mueller
- Michael Flynn
- David S. Friedman
- Christopher Wray
- Brian K. Sisk
- Joseph R. Biden
- Anthony Fauci
- Elizabeth Warren
- Nancy Pelosi

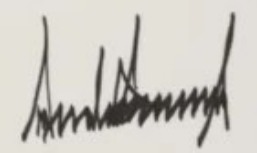
2. I HEREBY ORDER THE FOLLOWING INDIVIDUALS TO BE REMOVED FROM THE OFFICE OF THE PRESIDENT OF THE UNITED STATES OF AMERICA AND TO BE REMOVED FROM THE OFFICE OF THE SECRETARY OF STATE AND TO BE REMOVED FROM THE OFFICE OF THE ATTORNEY GENERAL:

3. I HEREBY ORDER THE FOLLOWING INDIVIDUALS TO BE REMOVED FROM THE OFFICE OF THE PRESIDENT OF THE UNITED STATES OF AMERICA AND TO BE REMOVED FROM THE OFFICE OF THE SECRETARY OF STATE AND TO BE REMOVED FROM THE OFFICE OF THE ATTORNEY GENERAL:

THE ABOVE INDIVIDUALS SHALL BE REMOVED FROM THE OFFICE OF THE PRESIDENT OF THE UNITED STATES OF AMERICA AND TO BE REMOVED FROM THE OFFICE OF THE SECRETARY OF STATE AND TO BE REMOVED FROM THE OFFICE OF THE ATTORNEY GENERAL.

I HEREBY ORDER THE FOLLOWING INDIVIDUALS TO BE REMOVED FROM THE OFFICE OF THE PRESIDENT OF THE UNITED STATES OF AMERICA AND TO BE REMOVED FROM THE OFFICE OF THE SECRETARY OF STATE AND TO BE REMOVED FROM THE OFFICE OF THE ATTORNEY GENERAL:

IN WITNESS WHEREOF, I HAVE HEREON SET MY HAND AND THE SEAL OF THE OFFICE OF THE PRESIDENT OF THE UNITED STATES OF AMERICA, THIS JANUARY 6, 2021.





Tax Notes

<https://www.taxnotes.com> › politics-taxation › 2026/02/20



U.S. Treasury Officials Declare Death of OECD Pillar 1

Bloomberg Tax

First Half of OECD Tax Deal is 'Dead,' IDA Ireland Chair Says

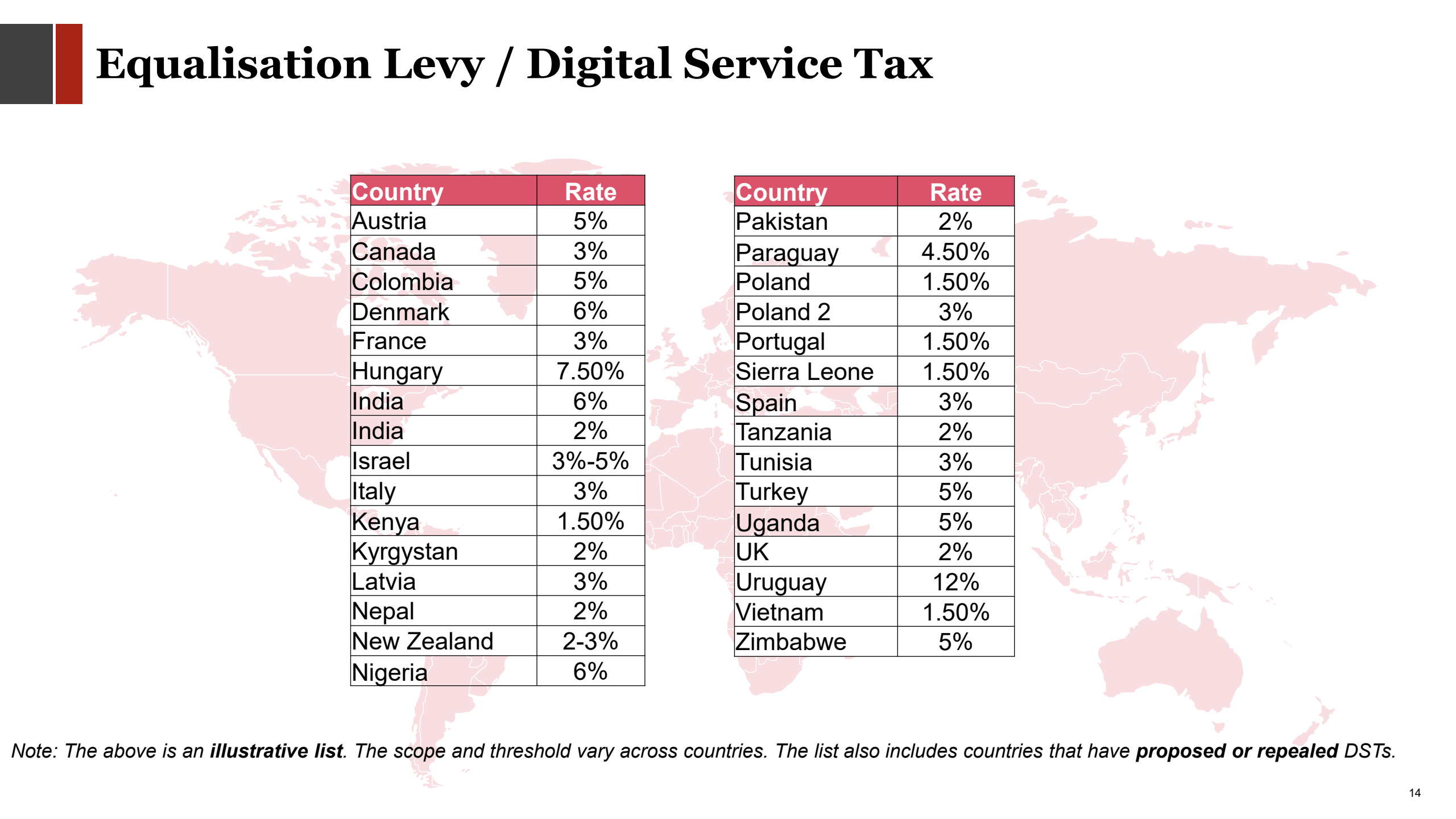
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bhai, ye toh shuru hote hi khatam hogaya



Equalisation Levy / Digital Service Tax



Country	Rate
Austria	5%
Canada	3%
Colombia	5%
Denmark	6%
France	3%
Hungary	7.50%
India	6%
India	2%
Israel	3%-5%
Italy	3%
Kenya	1.50%
Kyrgystan	2%
Latvia	3%
Nepal	2%
New Zealand	2-3%
Nigeria	6%

Country	Rate
Pakistan	2%
Paraguay	4.50%
Poland	1.50%
Poland 2	3%
Portugal	1.50%
Sierra Leone	1.50%
Spain	3%
Tanzania	2%
Tunisia	3%
Turkey	5%
Uganda	5%
UK	2%
Uruguay	12%
Vietnam	1.50%
Zimbabwe	5%

*Note: The above is an **illustrative list**. The scope and threshold vary across countries. The list also includes countries that have **proposed or repealed DSTs**.*



Donald J. Trump  
@realDonaldTrump

Numerous European Countries have been discussing the imminent implementation of a Digital Services Tax on American Companies. Some of these Countries are close to actually doing this. Please let this statement serve to represent that any Country that imposes such a Tax will immediately be met with a 100% TARIFF on any and all Goods sent to the United States of America. This TARIFF will supersede Trade Deals made with the Country, whether implemented, signed, or not. Additionally, the 100% TARIFF will be immediately imposed, if they proceed. Thank you for your attention to this matter. President DONALD J. TRUMP

G7 Communique – Extract on Taxation of Digital Economy



*“As we value international cooperation we encourage and support the Inclusive Framework to **pursue in-depth work on the taxation of the digital economy**, drawing on lessons learnt from previous work. We look forward to a **report by the OECD** on the progress of the Inclusive Framework’s work by the **end of 2026** which identifies a shared understanding of any **challenges posed to the existing international tax system by the digital economy** with a view to enabling Inclusive Framework members to assess how to ensure an effective and durable **solution to such challenges**.”*

Waiting for certainty on Taxation of Digital Economy



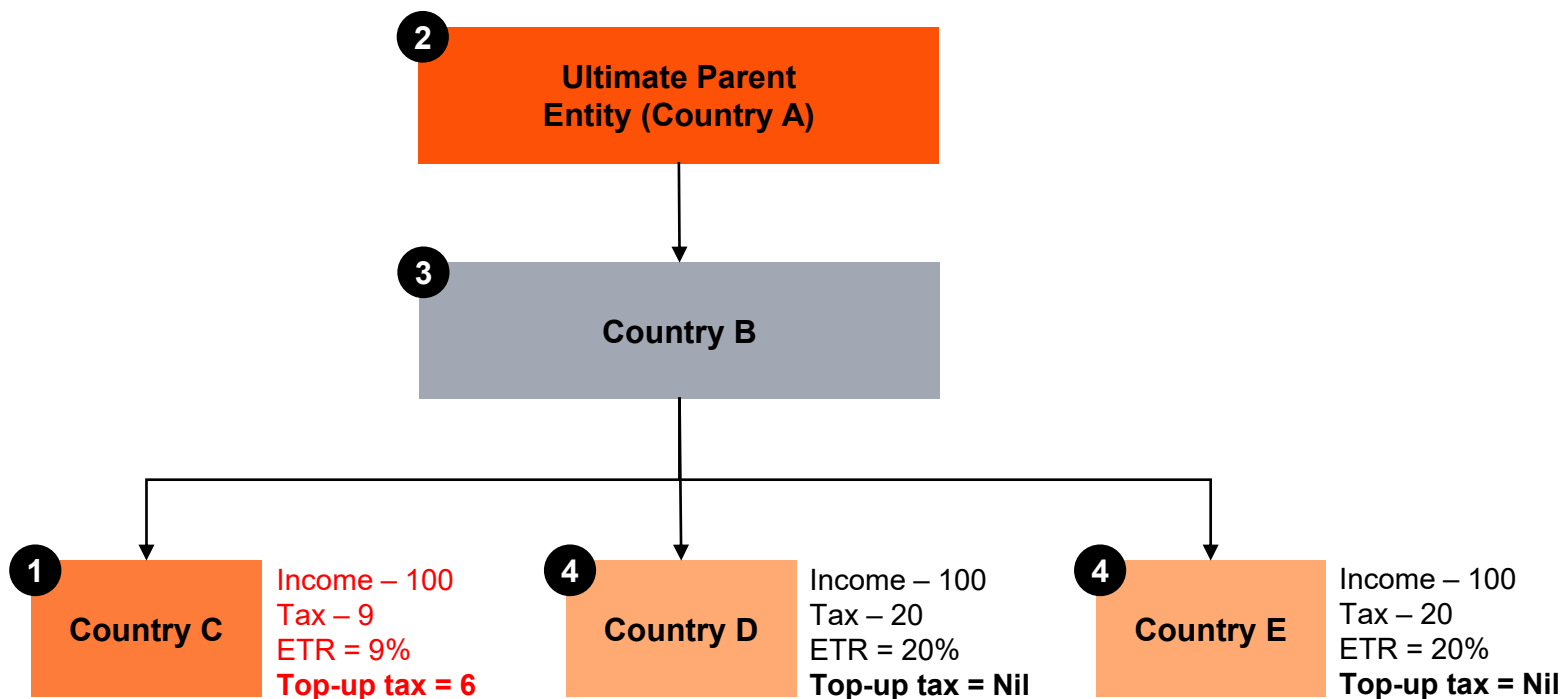
02

Pillar Two



Pillar Two Rule Order

- Applies to MNE groups with global revenue $\geq$ €750 mn*
- Establishes a minimum Effective Tax Rate (ETR) of 15% at jurisdictional level



*Revenue test to be satisfied in at least two of the four Fiscal Years immediately preceding the tested Fiscal Year.

Rule Order

1 Qualified Domestic Minimum Top-up Tax (QDMTT)

If Country C introduces QDMTT

Top-up tax to be paid in Country C

2 Income Inclusion Rule (IIR) by Ultimate Parent

If Country C **doesn't** introduce QDMTT

Top-up tax to be paid in Country A via IIR

3 IIR by Intermediate Parent

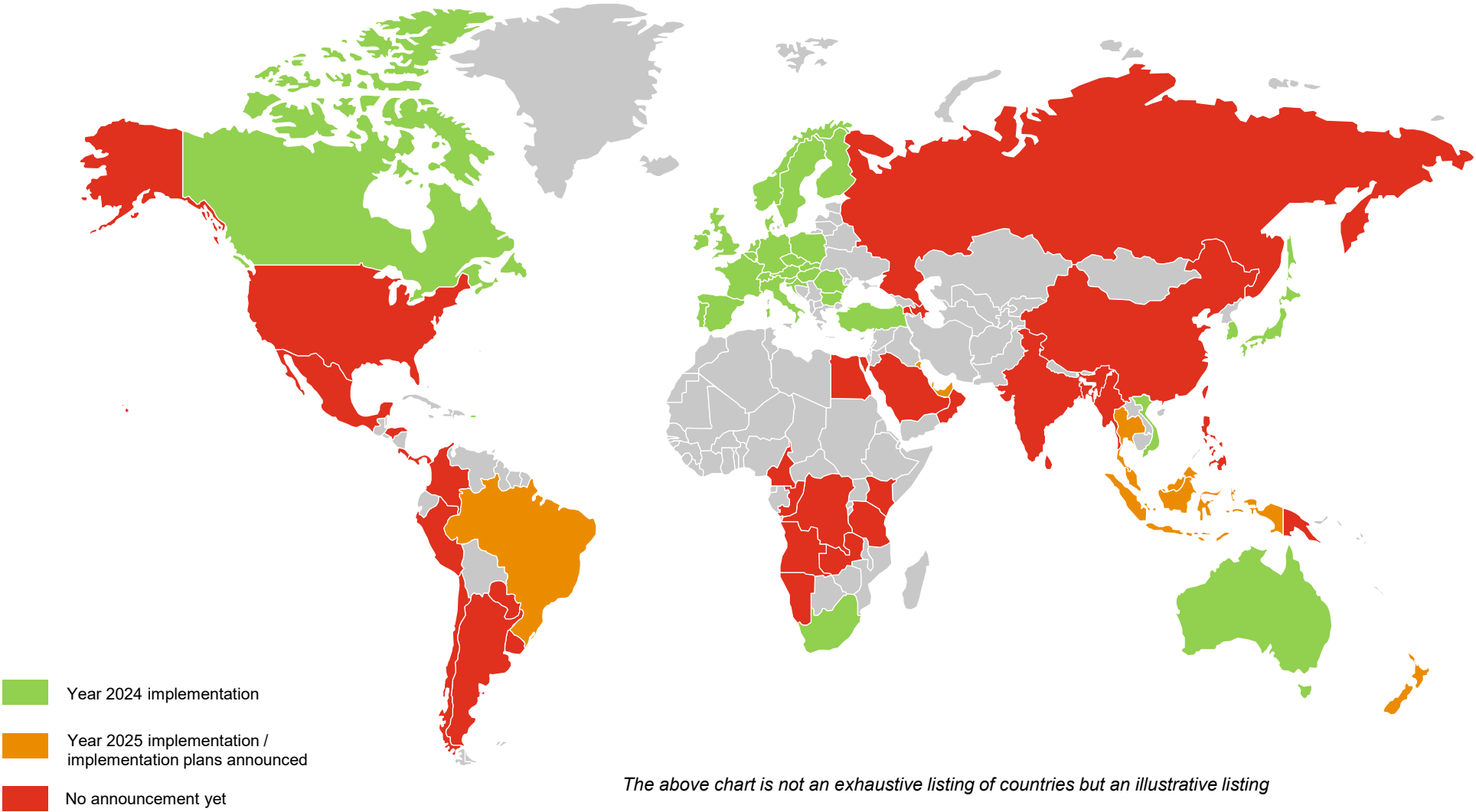
If Country C doesn't introduce QDMTT; Country A doesn't introduce IIR

Top-up tax to be paid in Country B via IIR

4 Undertaxed Profits Rule (UTPR)

If 1, 2 or 3 does not apply: Top up tax to be paid in Country D and Country E under UTPR

Pillar Two Moving Forward



60+

Countries are in various stages of Pillar Two implementation

The above chart is not an exhaustive listing of countries but an illustrative listing



Effective Tax Rate

$$\frac{\text{Tax}}{\text{Income}} = \text{ETR}$$

GloBE Rules

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Commentary, Guidance and More

**GloBE Rules –
70 pages**



**GloBE Rules Consolidated
Commentary – 456 pages**



**GloBE Rules Illustrative
Examples – 112 pages**



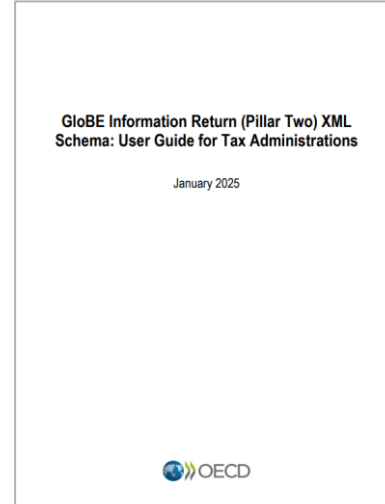
**GloBE Implementation
Handbook – 31 pages**



**GloBE Information
Return (GIR) – 100 pages**

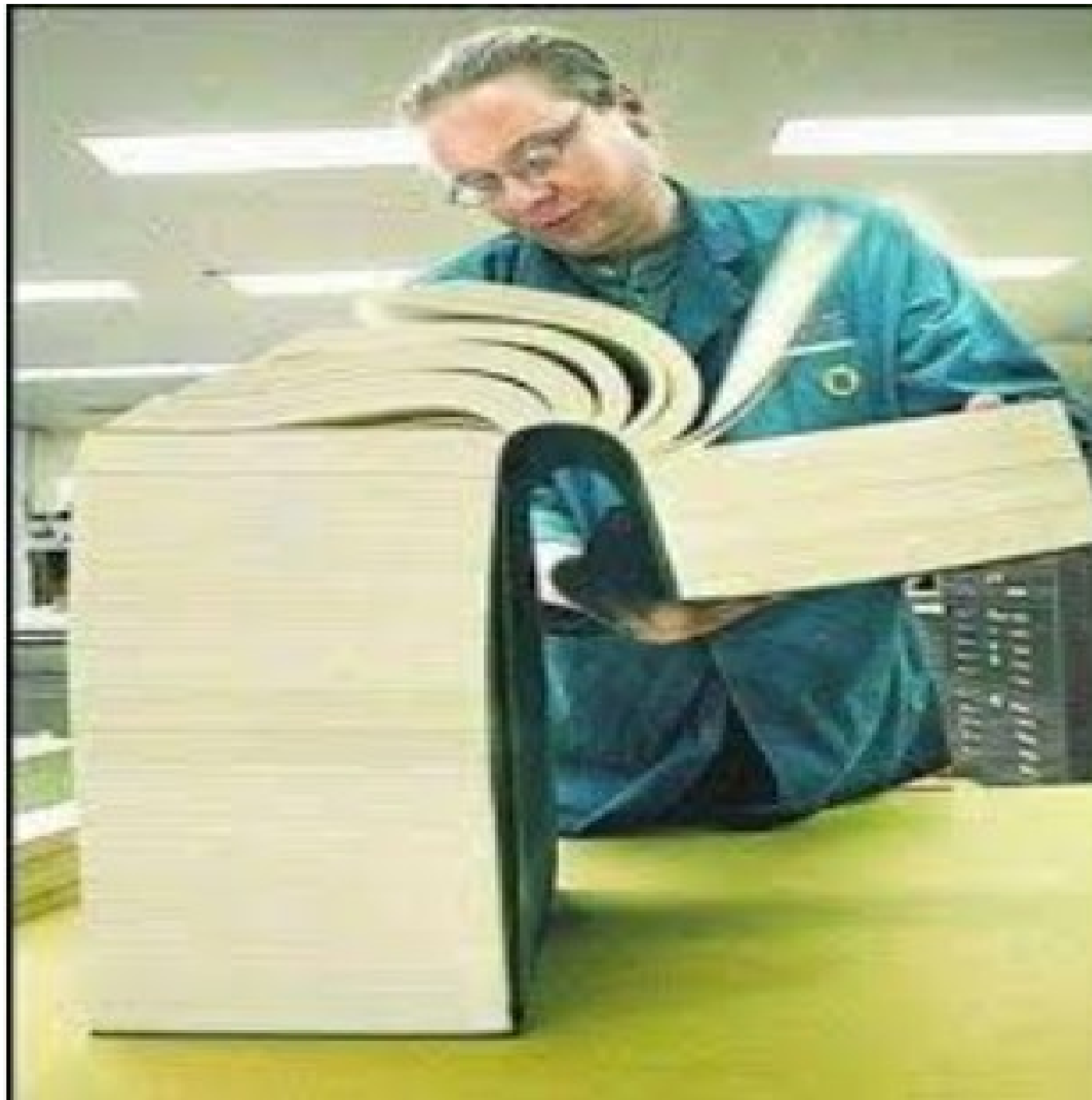


**GIR XML
Schema – 171 pages**



***1000+ pages of rules,
commentary, guidance
documents...***

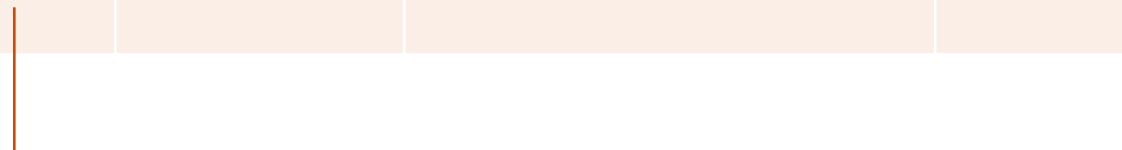
...more to come



Source: <https://imgflip.com/memegenerator/23095874/big-book>

Impact on Group ETR – Case Study 1

Country	Income	Tax	ETR	Pillar Two Top up tax	Total tax including Pillar Two Top up tax	ETR after Pillar Two
Canada	100	20	20%	Nil	20	20%
USA	100	20	20%	Nil	20	20%
Mauritius	100	5	5%	10	15	15%
Total (Group Level)	300	45	15%	10	55	18.3%



Impact on Group ETR – Case Study 2

Particulars	Entity A	Entity B	Entity C	Total
Income (A)	100	60	(60)	100
Current tax	20	Nil	Nil	20
Deferred tax assets*	Nil	Nil	Nil*	Nil
Total Tax expense (B)	20	Nil	Nil	20
ETR = B/A				20%

Particulars	Entity A	Entity B	Entity C	Total
Income (A)	100	60	(60)	100
Current tax	20	Nil	Nil	20
Deemed deferred tax assets	Nil	Nil	(9)	(9)
Total Tax expense (B)	20	Nil	(9)	11
ETR = B/A				11%

**DTA not created as no virtual certainty of profits in the future to offset the losses*

No top-up tax??

The above example assumes that the country failed safe harbour in previous year

Compliance Requirements

1

Globe Information Return (GIR)

- Information about the MNE group, safe harbours and detailed computations.
- To be filed in the parent or designated entity's jurisdiction.
- **Detailed form requiring 400+ data points.**

3

Local Top-up tax Returns

- Annual return to be filed in each country.
- To be filed even if no top-up tax liability
- Each country has its own format, procedure and timelines.

2

GIR Notifications

- Notification to be filed in each country
- Intimation about the country where GIR has been filed.

4

One-time P2 Registrations

- Pillar 2 specific registration number to be obtained for each entity / country.
- Each country has its on own format, procedure and timelines.

For an India based MNE group with presence in 50+ countries

- 1 annual GIR
- 20-40 annual GIR notifications,
- 20-40 one-time P2 registrations
- 20-40 annual top-up tax returns

A Acceptable / Authorized Financial Accounting Standards Adjusted Covered Taxes ACTT: Additional Current Top-up Tax	B BEFIT: Business in Europe: Framework for Income Taxation	C Conditional DMTT Central Record CORE: Corporate Resources for Europe Coordinating Entity Certainty Outcome	D DEBRA: Debt-equity Bias Reduction Allowance DMTT: Domestic Minimum Top-up Tax DFE: Designated Filing Entity	E Excluded Entity Excess Profit ENTE: Excess Negative Expense Carry Forward Eligible Distribution Tax System	F FANIL: Financial Accounting Net Income or Loss FXGL: Foreign currency gains or losses FATAL: Framework on Aggressive Tax Arrangements & Low Rates FASTER: Faster and Safer Tax Relief of Excess Withholding Taxes FAT: Financial Activity Tax
G GloBE: Global Anti-Base Erosion GIR: Globe Information Return GloBE Loss Election GIR MCAA GMT: Global Minimum Tax	H HOT: Head Office Tax System for SMEs	I IIR: Income Inclusion Rules Inclusion Ratio Investment Entity Tax Transparency Election IIR Offset Mechanism	J Joint Venture Group Jurisdictional Depreciation & Payroll	K Korea: first country to introduce UTPR	L LTCE: Low Taxed Constituent Entity Lead Tax Administration Listed Party
M MOCE: Minority-Owned Constituent Entity MTTC: Marketable Transferable Tax Credits MAAL: Multinational Anti-Avoidance Law MDSH: Marketing and Distribution Profit Safe Harbour	N Non-Qualified Refundable Tax Credit NCTI: Net CFC Tested Income NOON: No or only nominal tax rate jurisdiction	O OECC: Operating Expense Cross Check in Amount B	P POPE: Partially owned parent entity Permanent Safe Harbours	Q QDMTT: Qualified Domestic Minimum Top-up Tax QTI: Qualified Tax Incentives QRTC: Qualified Refundable Tax Credit	R Recaptured Deferred Tax Liability Recapture Exception Accrual RODP: Return on Depreciation & Payroll
S STTR: Subject to Tax Rule SBIE: Substance-based Income Exclusions SbS: Side-by-side Safe System Substance Based Tax Incentive Safe Harbour SHIELD: Stopping Harmful Inversions and Ending Low Tax Developments	T TUT: Top-up tax TCSH: Transitional CbCR Safe Harbour TTIR: Top-up Tax Information Return (EU) Taxable Distribution Method Election	U UTPR: Undertaxed Profits Rule UTPR Safe Harbour UPE Safe Harbour UNSHELL directive	V Valuation Allowance: treatment in P2	W Withholding Tax Upward Adjustment Withholding Tax Downward Adjustment	X X (50% weight to employees and tangible assets for UTPR) Article XX: Taxation of services (UN Model Convention)
Y Y% (offset percentage in Amount A safe harbour)	Z Zero (assumed top-up tax if safe harbour met)				

Knockout



Quarter-finals › Semi-finals

