

Implementation of Pillar Two rules

ASAF meeting

28 September 2023



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Implementation of Pillar Two Model Rules in EEA

Directive EU 2022/2523 on ensuring a global minimum level of taxation

- Published in December 2022
- Implementation period for the Member States generally until 31 December 2023 (some smaller EU countries are allowed to postpone the implementation of global minimum tax until 2030)
- First time application of the Income Inclusion Rule (IIR) for fiscal years beginning on or after 31 December 2023.
- First time application of the Undertaxed Profits Rule (UTPR) generally for fiscal years beginning on or after 31 December 2024.

Implementation of the EU Directive across the EEA jurisdictions

- EU Directive being currently transposed to the EEA member states' law.
- The Status of the implementation of the EU Directive is included in the Appendix. The information has been obtained from an implementation tracker developed by EY and PwC and has been discussed with National Standard-Setters at the 14 September EFRAG FR TEG-CFSS meeting.

Implementation of Pillar Two Model Rules in EEA

Amendments to IAS 12 - Pillar Two Model Rules

- The amendments have generally been appreciated by EFRAG's constituents.
- In order to become binding law in the EU, the amendments must be "endorsed". The endorsement process for these amendments started immediately after publication by the IASB and is expected to be finalised by the end of October 2023. On 17 July 2023, the amendments were submitted by the European Commission to the European Parliament and the Council of the EU for the three month "no objection period".
- Currently there are no issues in the endorsement process of the amendments expected.
- No other application matters were raised by EEA members.

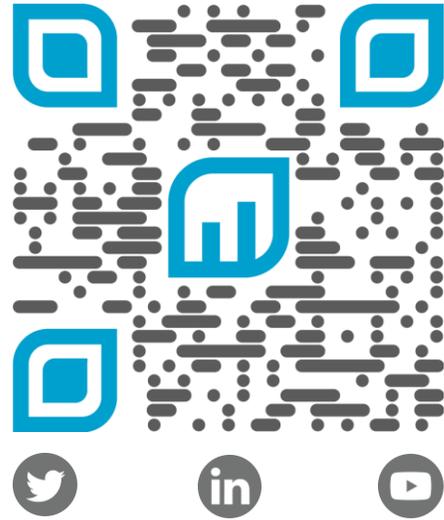
APPENDIX: Status of Pillar Two Model Rules implementation in EEA jurisdictions

Country	Status of enactment
Austria	No public announcement yet
Belgium	Public consultation
Bulgaria	Pillar Two plans announced
Croatia	No public announcement yet
Cyprus	Pillar Two plans announced
Czech Republic	Draft law published
Denmark	Draft law published
Estonia	No public announcement yet
Finland	Public consultation
France	Pillar Two plans announced
Germany	Draft law published
Greece	No public announcement yet
Hungary	No public announcement yet
Iceland	No public announcement yet
Ireland	Public consultation

Country	Status of enactment
Italy	Pillar Two plans announced
Latvia	No public announcement yet
Liechtenstein	Draft law published
Lithuania	Draft law published
Luxembourg	Draft law published
Malta	No public announcement yet
Netherlands	Draft law published
Norway	Public consultation
Poland	Pillar Two plans announced
Portugal	Pillar Two plans announced
Romania	Pillar Two plans announced
Slovakia	Public consultation
Slovenia	No public announcement yet
Spain	Public consultation
Sweden	Public consultation



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35 Square de Meeûs, B-1000 Brussels
info@efrag.org - www.efrag.org



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