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PILLAR TWO UPDATES

Navigating the New Era of Global Minimum Tax

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SWEDEN

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Sweden's - OECD Side by Side Package

(Note: The Swedish Finance Ministry issued Draft Law Fi2026/00780 for consultation)

- Sweden aligns with OECD Pillar Two
- Focus on simplifying compliance
- New safe harbours introduced

OECD ALIGNMENT

- Side-by-side model adopted to align with global Pillar Two framework

OECD Alignment

CBCR EXTENSION

- CbCR Safe Harbour extended to 2028 to reduce compliance burden

Lesser Burden

TIMELINE

- Easier compliance
- Better clarity
- Lower admin burden

Greater Certainty

BOTTOM LINE

- Because in global taxation, clarity drives compliance.

Stronger Tomorrow

Applicable To

Reporting entities subject to Pillar Two rules

Effective From

Applicable from 1 Jan 2027; optional retroactive application is allowed

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NETHERLANDS

Clarifying PEs Rules Under WMB 2024

- Actual source taxation is necessary for PE qualification
- Net taxable income can be reduced by deductible expenses
- Article 7 of the OECD Model Tax Convention applies
- Pillar Two purposes require proper source taxation

Key Highlights

Source Taxation

Only qualifies if the source state actually taxes PE income

Article 7 OECD Model Tax Convention

Separate Entity Approach

Net taxation on a separate entity basis Separate Entity Approach

Article 7 OECD Model Tax Convention

With holding Tax is Not Enough

PEs subject only to withholding taxes, or where the source country chooses not to exercise its treaty taxing rights, will not qualify as treaty PEs for WMB 2024 purposes

Applicable To

Reporting entities and MNE groups subject to the Netherlands' Pillar Two rules

Effective From

Applies from April 2026

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When it comes to international tax rules, think SBC.

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JAPAN

Upcoming 2026 Tax Reform Package

- Japan has proposed a comprehensive tax reform package, set to take effect from January 2026, bringing significant changes across various tax domains.

Key Highlights

Global Minimum Tax Implementation
Introduction of a zero top-up tax for eligible multinational groups.

2026
TAX REFORM
Key Offers

Expanding R&D and Housing Incentives
Inhancements to R&D and housing tax benefits.

Side-by-Side & UPE Safe Harbors.
Launch of Side-by-Side and UPE Safe Harbour measures..

Crypto-Asset Taxation
Formalization of crypto-asset taxation rules.

Platform-Based Consumption Tax Reform
Revisions in platform-based consumption tax regulations.

1% Defence Special Income Tax from 2027

Applicable To

Reporting entities and multinational groups subject to Japan's Pillar Two rules.

Effective From

Fiscal years beginning on or after 1st January 2026

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GREECE

Greece Activates Pillar Two Rules!

- UTPR now effective from 5 April 2024
- CbCR Safe Harbour rules activated
- Backed by Law 5100/2024 (Articles 34 & 35)
- Officially published in Government Gazette

Key Highlights

- Greek MNE constituent entities are required to submit a notification for the Top up Tax Information Return.
- Where multiple domestic entities exist, a designated local entity must file the notification on behalf of the group.
- The Notification must be submitted electronically via the myAADE portal by the entity or an authorised representative.
- Late filings or non-compliance attract penalties under Law 5104/2024.

AADE issued Decision A → Greek MNEs must designate a local Entity where multiple domestic entities exist → File via myAADE electronically → Deadline: 15 months (18m in first reporting year)

Applicable To

Designated entity in the jurisdiction

Effective From

15 months from year-end
(18 months in 1st reporting year)

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IRELAND

What's in Irish Revenue eBrief 058/26

- Ireland has updated its Pillar Two guidance to reflect changes introduced by the Finance Act 2025.
- The update covers both administrative requirements and technical application of the global minimum tax rules

eBrief
No.058/26

Key Highlites

- Administrative updates & alignment with OECD & EU requirements.
- Clarification on non-applicability of UTPR/QDTT secondary collection to securitisation entities.
- Clarification on UTPR allocation among domestic constituent entities.
- Updates on Ultimate Parent entities & intra-group financing arrangements.
- Guidance on deferred tax adjustments and transition rules
- Updates on CbCR safe harbour rules and minority-owned entities.
- Clarification on Domestic top-up taxes computation using local accounting standards in certain cases.

Applicable To

MNE groups and large-scale domestic groups within the scope of Ireland's Pillar Two rules.

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AUSTRIA

Process of filing the GIR

- The **Austrian Federal Ministry of Finance** released the official technical guide, which explains exactly how to prepare and submit the **GLoBE Information Return (GIR).**

Key Highlights

Filing Process – February 2026 Guide

- Platform: Must be filed electronically via FinanzOnline.
- Two filing channels:
  - Manual File Upload function, or
  - Automated Webservice (Datenstrom) for software integration.
- Test submissions: Available from March 2026.
- After submission: Confirmation / error protocol appears in your FinanzOnline Databox.
- Errors can be corrected with a new MessageRefld.

Applicable To

Entities subject to Pilar Two

Effective From

15 months from year-end
(18 months in 1st reporting year)

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BELGIUM

Pillar Two Filing Deadlines Postponed

- **Belgium has officially postponed the filing deadlines for both the QDMTT and IIR returns under its Pillar Two regime.**

Key Highlights

- Filing deadlines for first QDMTT and IIR returns have been moved.
- Underlying tax obligations remain unchanged.
- No update regarding IIR or UTPR yet.
- This postponement gives in-scope multinational groups and large domestic groups extra time to handle the complexity of Pillar Two compliance (data collection, modelling, systems readiness and OECD reporting alignment).

Applicable To

Entities subject to Pilar Two

Effective From

30 September 2026

(for the first QDMTT and IIR returns)

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