

# Pillar 2 compliance roadmap – Filing returns

## Transcript

**00:00:07:00 - 00:00:17:00**

**MONIQUE PISTERS:**

Welcome to part seven, the last video of our Pillar 2 compliance roadmap. The last step in our seven step approach is about filing returns.

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**MONIQUE PISTERS:**

As we have already pointed out in the previous videos, multinational corporations will experience an increase in their compliance and reporting responsibilities across the different jurisdictions they operate in. As under Pillar 2, not one, but two returns need to be distinguished. First, the GloBE international return. And secondly, the information return. Under Pillar 2 model rules, the EU introduced a standardized GloBE international return, which resembles an additional separate tax return. The group entity will have a period of 15 months or 18 months in the first year when the rules come into effect, to complete and submit the GloBE international return to the national tax authorities.

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**MONIQUE PISTERS:**

However, certain specific cases may qualify for exemptions regarding the completion and filing of this return. The OECD is currently working on creating a standardized information return. They acknowledge the importance of striking a balance between providing tax authorities with detailed information, while also minimizing burdensome compliance requirements for businesses. Let me summarize for you what information this information return shall contain.

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**MONIQUE PISTERS:**

First of all, general information about the group like group name, fiscal year, identification of the filing entity and some general information about the accounting. Second, the corporate structure, like the details of the ultimate parent entity, group entities and excluded entities, of course, but also changes to the corporate structure during the reported fiscal year. Thirdly, the effective tax rate, which includes the calculation of the specific effective tax rate and the applicability of safe harbors or deferred tax adjustments. Fourth, entity information. Think of general information about the globe income and cover taxes.

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**MONIQUE PISTERS:**

And finally, the top-up tax allocation and attribution. This process involves three main topics - identifying the low tax country, applying the Income Inclusion Rule and calculating the top-up tax amount for the country. Once filed, the information return will be automatically shared and exchanged with the tax authorities of countries where other group entities of the group are located. This allows for efficient and seamless sharing of relevant information across jurisdictions, promoting transparency and cooperation between tax authorities. So now you know a little more about what should be filed under Pillar 2.

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**MONIQUE PISTERS:**

Hopefully, a road map with seven steps helped you prepare

for Pillar 2 regulations. Please check out our website for more information and our services to guide you towards compliance. As always, thank you for watching and if you have any questions, please contact me or one of my colleagues.

