Business at OECD Media Release

Business at OECD (BIAC) responds to further Pillar Two guidance from the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS)

Paris, 25 July 2023 – Further to the OECD/G20 Inclusive Framework Outcome Statement released on 12 July, Business at OECD (BIAC) acknowledges the release of further guidance for Pillar Two on 19 July.

The additional guidance on items such as the GloBE Information Return, QDMTT and QDMTT safe harbour, UTPR transitional safe harbour, and treatment of transferable tax credits, is essential to enable the complex task for both countries and businesses to build system solutions to ensure compliance with the Pillar Two rules. Given that some elements of the new guidance have been released without or with only limited consultation, it will be necessary to review and understand the implications of these elements for businesses.

While Business at OECD welcomes various elements within the guidance, which seek to alleviate some of the complexity associated with the Pillar Two rules, significant complexity remains with respect to the ongoing compliance framework and optionality available to implementing jurisdictions. This highlights the critical importance of continuing the dialogue between the OECD and business on further simplification of the Pillar Two rules through meaningful and permanent safe harbours, to ensure successful implementation, compliance, and administration of Pillar Two.

“While Business at OECD will take the time to review and reflect on this new guidance, we note there is still important work to be done. Business at OECD acknowledges that some of our input has resulted in practical improvements, while generally noting that implementation of the new rules will still be complicated and challenging for both tax administrations and taxpayers. Consistent implementation of the safe harbours and simplification measures, and a balanced approach to compliance requirements, will be critical to the success of the rules,” stated Alan McLean, Chair of the Business at OECD Tax Committee. “Business at OECD looks forward to working together with the Inclusive Framework on the final elements to effectively ease administrative burden and increase certainty for the implementation of Pillar One and Pillar Two.”

For further information and for all media enquiries, please contact:

Business at OECD
Max Jablonowski, Communications and Campaigns Advisor (jablonowski@biac.org)

About Business at OECD

Established in 1962, Business at OECD (BIAC) stands for policies that enable businesses of all sizes to contribute to growth, economic development, and societal prosperity. Through Business at OECD, national businesses and employers’ federations representing over 8 million companies provide and receive expertise via our participation with the OECD and governments promoting competitive economies and better business.