

# **Pillar Two Implementation: Impact Assessment, Compliance and Planning Beyond Global Minimum Taxes**

**Dubai / 10 – 12 June 2025**

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## Overview and Learning Objectives

OECD Pillar Two proposals imposing 15% minimum taxes on the profits of multinational groups (i.e. global revenue of EUR 750 million) are being widely implemented. These rules came into effect in many countries, including some in the Middle East and North Africa region. This state of flux will likely raise many practical questions for multinational groups facing potential top-up taxes, as well as for countries introducing top-up taxes.

This three-day Masterclass explores the practical impact of Pillar Two top-up taxes that may be imposed under the QDMTT, IIR and UTPR. The course will explore how the rules are expected to apply as well as some of the more surprising outcomes that may arise from their application.

The course will demystify the complex Pillar Two rules using examples, case studies and group discussions based on real-life scenarios covering the following topics:

- Impact assessment of Pillar Two
  - Scope of application of IIR, UTPR and QDMTT and the order of application
  - Application of Pillar Two to international tax planning structures – e.g. holding, financing, IP and supply chain structures
- Pillar Two compliance obligations
  - Dealing with special types of in-scope and out-of-scope entities
  - Calculation of safe harbours and simplified ETR
  - GloBE information returns and compliance obligation
- Examples of country implementation of Pillar Two and (un)expected compliance obligations
- Post-Pillar Two international tax landscape
  - QDMTT and changes to tax competition and incentive regimes
  - Pillar Two considerations in M&A transactions
  - Potential areas of disputes and dispute management options

## Field of Study

Taxes

## Who Should Attend?

The course is suitable for government staff, tax advisers, lawyers, accountants, in-house tax directors, controllers and finance staff.

## Course Level and Prerequisites

This is an intermediate-level course. Participants taking this course will be expected to have a good understanding of the basic concepts of the GloBE rules. Those who do not meet this requirement are recommended to follow IBFD's online course Fundamentals of GloBE Rules – Pillar Two before attending this course.

After this masterclass, the participants will be able to:

- apply the complex Pillar Two rules to specific examples, cases and real-life examples
- assess the impact of various elements in the application of Pillar Two minimum taxes e.g. IIR, UTPR and QDMTT, the order of their application and their application to common international tax planning structures – e.g. holding, financing, IP and supply chain structures
- develop strategies to comply with Pillar Two obligations around the globe
- identify the impact of QDMTT and navigate changes and strategies for dealing with tax competition and incentive regimes in the post-Pillar Two era
- evaluate the impact of Pillar Two on M&A transactions and changes that need to be made in M&A due diligence
- identify potential areas of disputes and dispute management options

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## Day 1

08.30 - 09.00 **Registration**

09.00 - 09.20 **Welcome and IBFD Overview**

09.20 - 11.00 **Impact Assessment of Pillar Two Top-Up Taxes**

- Scope of application of IIR, UTPR and QDMTT
- Order of application – LTCE, UPE, IPE
  - Application of Pillar Two to different types of group structures
- Impact of different types of taxes paid – withholding taxes, CFC taxes, GILTI, etc.
  - Deferred taxes
- Practical examples and case studies
- Q&A

11.00 - 11.20 Break – Refreshments

11.20 - 12.45 **QDMTT and Tax Incentive Regimes**

- Application of QDMTT in low-taxed jurisdictions
  - QDMTT vs. DMTT
  - QDMTT as a safe harbour
- Managing impact of QDMTT on group ETR
- Which type of tax incentives are most impacted by QDMTT?
- Practical examples and case studies
- Q&A

12.45 - 14.00 Lunch

14.00 - 15.30 **Application of Pillar Two to International Tax Planning Structures**

- Application of Pillar Two to holding structures
- Financing structures under Pillar Two
- IP structures under Pillar Two
- Supply chain structures under Pillar Two
- Substance and top-up taxes
- Practical examples and case studies
- Q&A

15.30 - 15.50 Break – Refreshments

15.50 - 17.00 **Application of Pillar Two to International Tax Planning Structures** (*continued*)

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## Day 2

### 9.00 - 10.40 **Pillar Two Compliance**

- An overview of Pillar Two compliance obligations
- Compliance step plan
- Survival tips
- Practical examples and case studies
- Q&A

### 10.40 - 11.00 Break – Refreshments

### 11.00 - 12.45 **Pillar Two Compliance – Workshop** *(continued)*

- GloBE information returns
- Application of safe harbours and simplified ETR
- Dealing with special entities:
  - joint ventures, minority-owned constituent entities, multi-parented MNE groups, partially owned parent entities
  - treatment of flow-through entities, hybrid entities, PEs
- Practical compliance case study
- Q&A

### 12.45 - 14.00 Lunch

### 14.00 - 15.30 **Examples of Country Implementation**

- Global Minimum Tax Implementation in the Region
- Key features under the GMT legislation of selected countries in the region
  - In-scope multinational groups
  - Application of safe harbours and transitional provisions
  - Determination of top-up taxes
  - Compliance and administration aspects
- Practical examples and case studies
- Q&A

### 15.30 - 15.50 Break – Refreshments

### 15.50 - 17.00 **Examples of Country Implementation** *(continued)*

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## Day 3

### 09.00 - 10.50 **Post-Pillar Two International Tax Landscape**

- Post-Pillar Two international tax planning considerations
  - QDMTT as a safe harbour
  - Post-Pillar Two tax competition
- “Pillar Two Proof” tax incentives
  - Grants
  - Qualifying Refundable Tax Credits
  - Other
- Practical examples and case studies
- Q&A

10.50 - 11.10 Break – Refreshments

### 11.10 - 12.45 **Pillar Two Considerations in M&A Transactions**

- Post-Pillar Two mergers and acquisitions
  - Impact of jurisdictional blending
- Pillar Two transitional rules and intra-group transfers of assets
  - Onshoring of intangibles
- Practical examples and case studies
- Q&A

12.45 - 14.00 Lunch

### 14.00 - 15.00 **Pillar Two Considerations in M&A Transactions (continued)**

15.00 - 15.20 Break – Refreshments

### 15.20 - 17.00 **Post-Pillar Two Disputes and Dispute Management**

- Areas of potential disputes under Pillar Two
- Tensions between UTPR and EU principles, bilateral tax treaties and principles of public international law
- Pillar Two and bilateral investment treaties and stabilization clauses
- Dispute prevention mechanism
  - Reliance on the Model Rules, Commentary and Administrative Guidance
  - Common risk assessment and coordinated compliance
  - Binding certainty mechanisms
- Practical examples and case studies
- Q&A