

OECD Pillar 2 - Implementing the Side-by-Side Package

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Pillar 2 Implementation Status in Finland

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Pillar 2 Implementation Status in Finland

Legislative Framework

- Pillar 2 fully implemented through national legislation aligned with the EU Minimum Tax Directive

Scope

- Multinational and large domestic groups with consolidated annual revenue exceeding 750 MEUR in at least two of the four preceding financial years

Key pillar 2 Rules

- QIIR applicable to financial years starting on or after 31 December 2023
- QDMTT - QDMTT Safe Harbour applicable
- UTPR applicable to financial years starting on or after 31 December 2024

Automatic Exchange of Information

- Finland has signed the GIR MCAA, first exchange relationships activated

Pillar 2 Filing, Administration and Guidance

Registration

- No registration requirements for Pillar 2 purposes

Filing requirements

- GIR, Top-up Tax Return and notification to be filed within 15 months from the end of the accounting period (first filing within 18 months), first deadline 30 June 2026
- All returns are filed digitally via MyTax portal
 - GIR by dropping an XML file in accordance with the OECD XML schema
 - Top-up Tax Return and notification by filling an electric form
- Filing open as of 30 January 2026

Guidance

- General guidance published by FTA
- Advance rulings available

A stylized, light green illustration of a city skyline. It features various buildings, a bus, wind turbines, and a bridge over water. The background is a solid light green color.

Side-by-Side Package Core Elements Implementation status in Finland

Side-by-Side package - Core elements

Side-by-Side Safe Harbour

- Allows an MNE Group to elect out of the IIR and the UTPR provided that its UPE is located in a jurisdiction with a Qualified SbS Regime
- QDMTTs remain fully applicable
- As of January 2026 USA is the only jurisdiction listed as having a Qualified SbS Regime

UPE Safe Harbour

- UPE jurisdiction has an eligible domestic minimum tax system but does not qualify for a full SbS Regime
- Neutralizes the UTPR with respect to the UPE jurisdiction
- Does not eliminate the IIR or QDMTT

Side-by-Side package - Core elements

Simplified ETR Safe Harbour

- A permanent simplified ETR Safe Harbour to reduce calculation and data requirements
- Applies generally from 2027
- Simplifies the assessment of whether the jurisdiction meets the 15 % minimum tax threshold

Extension of the Transitional CbCr Safe Harbour

- Transitional period extended by on additional year, covering 2027

Substance-Based Tax Incentive (SBTI) Safe Harbour

- Allows qualifying incentives to be treated as an addition to covered taxes
- Ensures that genuine, expenditure-based incentives do not automatically trigger top-up tax

SbS package - Implementation status in Finland



SbS package introduced into national law through amendments to the Minimum Tax Act

The amendments enacted in March 2026, applicable to financial years beginning on or after 1 January 2026



Simplified ETR SH to be implemented through a later amendment



Practical Implications

Implementing the Pillar 2 - FTA experiences



Developing the IT-system a really intensive period



Building up the competence of tax officers a time-consuming task



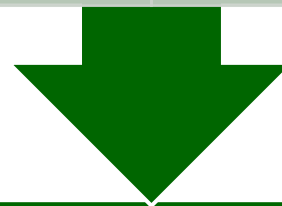
Drafting guidance in local language requires significant resources

Filing of the GIR

Not all Groups/Constituent Entities are familiar with XML-filing

Some seem to find it burdensome to find out what data they need to gather and how to file

Some seem to be confused with varying reporting obligations in jurisdictions



Uncertainty with the availability of central filing as a result of delayed activation of exchange relationships, the constituent entities may need to file locally

SbS-Package - Interpretative Issues

SbS SH and UPE SH applicable only if the UPE jurisdiction is listed in the Central Record

- Interpretative issues not likely

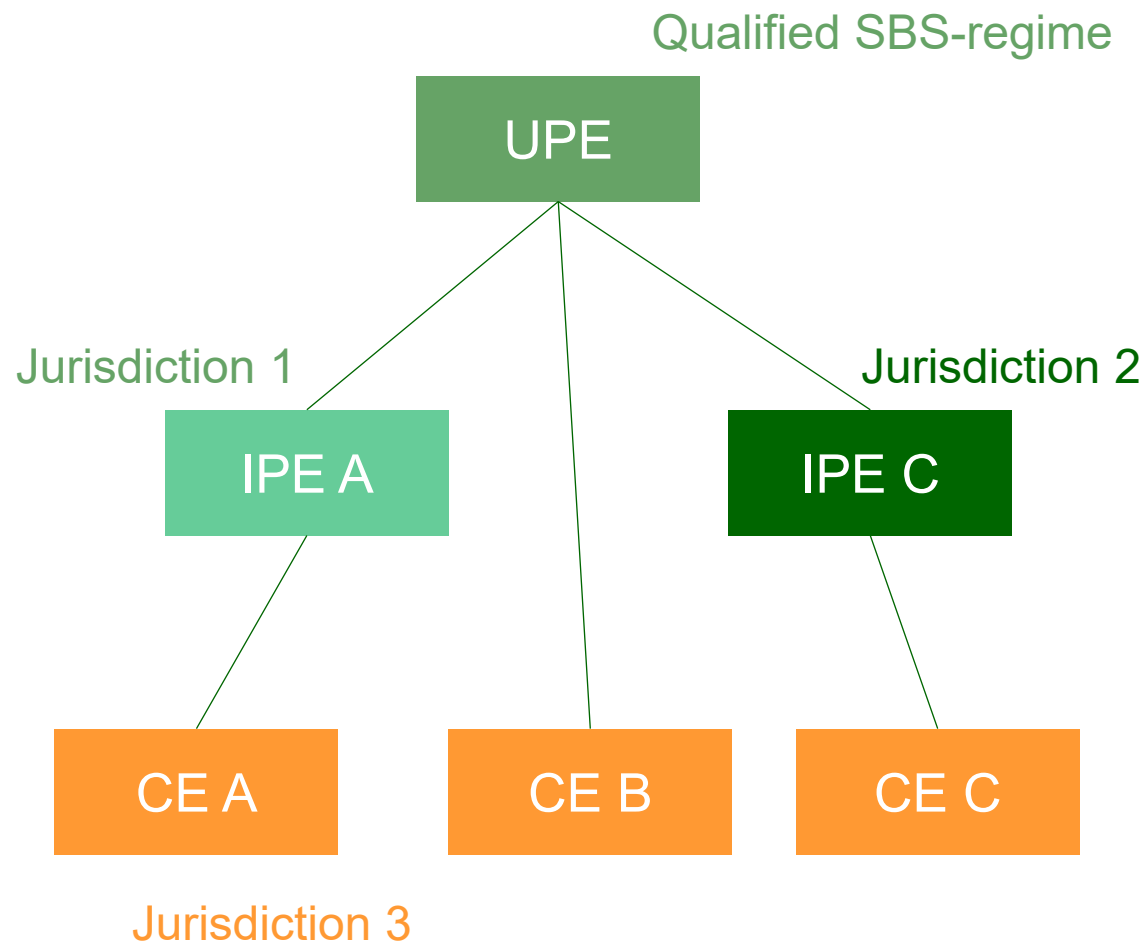
SESH is more complicated

- Not implemented yet in Finland

According to the SBTI Safe Harbour the amount of Top-up-Tax that corresponds to Qualified Tax Incentives for the Fiscal Year is deemed to be zero

- The jurisdiction applying IIR or UTPR needs to determine whether a Tax Incentive in Low Tax Jurisdiction qualifies for a QTI
- Calculation of the adjustment quite complicated
- A potential issue for advance ruling process

Filing of the GIR when SBS Safe Harbour applies



Local entities liable to file the GIR for QDMTT purposes (unless a DFE files centrally for all QDMTT jurisdictions)

> Availability of data could be an issue

Thank you !