



The Global Minimum Tax – SbS, Implementation and recent developments

24 Sept 2026



The Global Minimum Tax - Implementation updates

55+ implementing jurisdictions for 2024-2025

- [Updates to the Central Record](#) (18 May)

Other implementing jurisdictions

- Israel, Montenegro and Uruguay implemented a DMTT in 2026
- Deferred implementation under EU directive



Global Minimum Tax in a nutshell and the side by side package

Identification of low-taxed jurisdictions

Computation of Top-up Tax

Collection of Top-up Tax



Identification of low-tax jurisdictions

Simplifications in SbS package

Determination requires computation of an Effective Tax Rate

- Detailed rules for determining Adjusted Covered Taxes (including deferred taxes) and GloBE Income
- All based on financial accounts to ensure consistent tax base across jurisdictions

Simplified ETR Safe Harbour (beginning 2027)

- Jurisdictional level computations with modular design
- Simplified ETR calculation based on current taxes (+ limited set of deferrals) / income
 - only requires basic adjustments; others are by choice
- Reduces the need to track purchase price adjustments and negative taxes
- No buffer rate and ability to re-qualify in subsequent year

Extension of CbCR safe harbour for one year (2027)



Measuring ETR and Computing Top-up Tax

Better alignment of non-refundable tax credits

QRTCs receive more favourable treatment

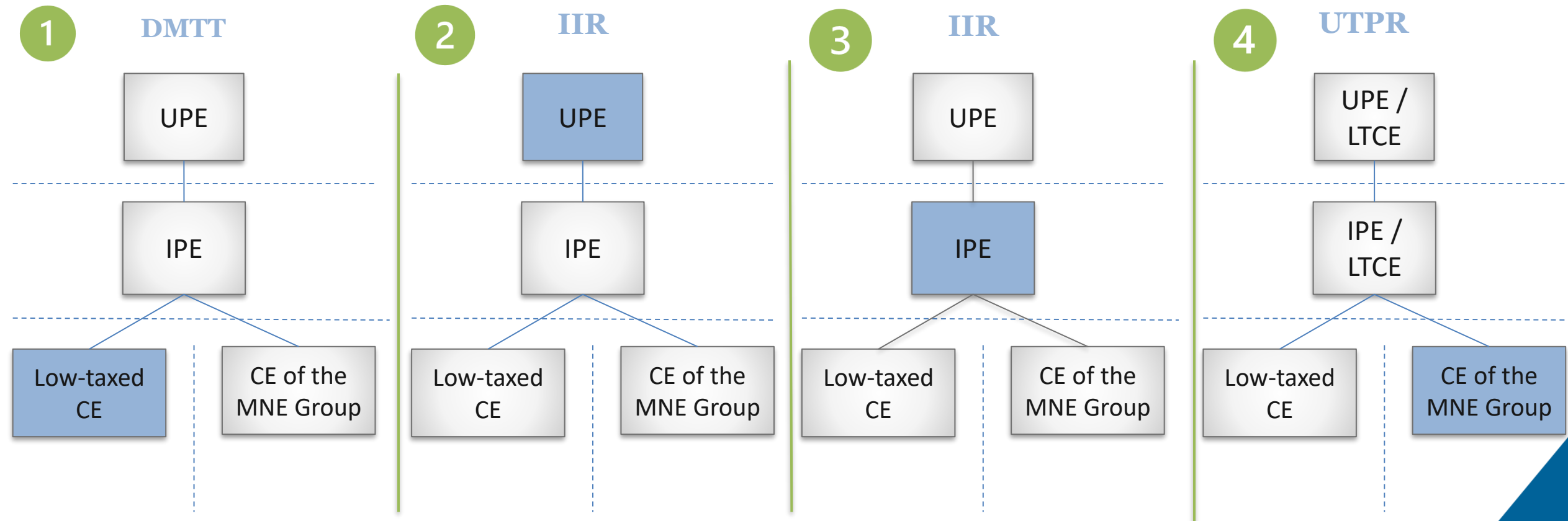
- Similar to grants and accounted for as income
- Long been a source of discontent for countries that don't provide refundable credits
- IF concluded that substance-based tax incentives should receive similar treatment to a certain extent

Substance-based Tax Incentive Safe Harbour

- An add-back to covered taxes equal to qualified tax incentives used in the fiscal year
- Qualified tax incentives are generally available expenditure or production-based credits / deductions
- Cap equal to 5.5% of payroll / depreciation (or 1% of depreciable assets)
- No Cliff-edge effect



Collection of top-up tax – Rule Order





Collection of Top-up Tax

Side by Side package

SbS and UPE Safe Harbour

- Accommodates different systems of minimum taxation that achieve equivalent outcomes
- Limits the application of IIR /UTPR to MNEs headquartered in eligible jurisdictions
- Eligible jurisdictions determined by IF consensus

No impact on primary application of QDMTTs

Stocktake



Other recent publications related to sbs

- [FAQs on GMT updated with Side-by-Side package](#) (30 April)
- [Administrative Guidance for MNEs with a 52/53-week fiscal year](#) (18 May)
- [Updated Consolidated Commentary to the GloBE Model Rules](#) (28 May)



The Global Minimum Tax – Implementation support

Translation and interpretation

- [Spanish Translation of the GloBE Model Rules](#) (1 April)

Implementation support

- [Global Minimum Tax Implementation Toolkit](#) (30 April)

Compliance support

- [Common understanding to support Central GIR Filing and Exchange](#) (18 May)
- [Guidance on the use of the GIR XML Schema for the first GloBE filing and exchange cycle](#) (3 June)



Common Understanding of 2024 Implementing Jurisdictions

Context

- First GIR filings for 2024 Reporting Fiscal Years due by 30 June 2026
 - Default is local filing of GIR
 - Central filing reduces burden but depends on activated exchange relationships
- Delays in making available GIR filing portal or in activating exchange relationships might cause compliance and co-ordination challenges

Common understanding

- 2024 Implementing Jurisdictions have agreed that they will use mechanisms, to the extent available under respective domestic laws, to: (i) waive penalties that might otherwise apply for non-compliance with local filing; or (ii) not enforce local filing before the relevant GIR exchange deadline
 - If the GIR was centrally filed in any of the jurisdictions listed in the Annex (and the GIR notification is received) by the relevant filing deadline



Guidance – September 2026

Full Legislative Review

- Terms of Reference

Updates to GIR

- Incorporates data points and explanatory guidance related to elections for SbS, QTI, and Simplified ETR Safe Harbour
- Used for 2026 Fiscal Years (filed in 2028)
- Updates to XML Schema being finalized

Administrative Guidance

- Explicitly Conditional Taxes
- LFAS Fiscal Period Mismatches



GMT ongoing work

Guidance

- Simplifications (RPSH, DMSH, MOCEs, IEs)
- Integrity rules
- Specific topics (hyperinflation, REIVs, SBIE, loss pushdown, JVs, reorgs)

Qualified Status

- Transitional Qualification Mechanism
- Full legislative review
- Related benefits / discriminatory taxes

GIR

- Incorporation of SbS revisions in the GIR (for 2026 fiscal years and later), updates to XML Schema and validation rules
- Data collection

Administration

- Taxpayer initiated co-ordination mechanism
- Risk assessment project

Support

- Partnerships with international & regional organisations
- Tracking of implementation options and communication (e.g. accounting standard)



APPENDIX



More detail on Simplified ETR Safe Harbour

	Simplified Income	Simplified Taxes
Basic adjustments	• Jurisdictional aggregates • Excludes dividends, equity gains / losses	• Excludes taxes related to excluded income • Applies deferred tax accounting but subset of DTLs (recast at 15%)
Uncommon adjustments	• Illegal payments, penalties • No need to make adjustments for equity reported items or to reverse PPAs when deferred taxes recorded at 15%	• Simplified approach for post-year end tax adjustments • Simplifications for loss making companies (valuation allowance for DTAs, simplified 4.1.5 amount and transitional approach)
Optional adjustments	• Allows further optional adjustments	• Allows further optional adjustments

Transition, re-entry and integrity rules

Minimum rate = 15%



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