

Navigating Global Implementation of Pillar Two Minimum Tax Rules:

Impact Assessment, Planning and Compliance

Amsterdam / 20-22 November 2024

Overview and Learning Objectives

OECD Pillar Two proposals are being implemented by countries from January 2024 in a race to protect their tax revenue from other countries imposing top-up taxes on profits of in-scope multinational groups operating in their countries. This state of flux will likely raise many practical questions for multinational groups facing potential top-up taxes, as well as 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 examples covering the following topics:

- Impact assessment of Pillar Two
 - Scope of application of IIR, UTPR and QDMTT and the order of application
 - QDMTT and changes to tax competition and incentive regimes
 - Application of Pillar Two to international tax planning structures – e.g. holding, financing, IP and supply chain structures
- Examples of country implementation of Pillar Two
- Pillar Two compliance
 - 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
- Post-Pillar Two international tax landscape
 - Tax competition and tax incentives
 - 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 Fundamentals on GloBE Rules – Pillar Two.

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 <i>(Sorina van Kommer, DLA Piper, NL)</i> • 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 - 11.30	Break – Refreshments
11.30 - 12.45	QDMTT and Tax Incentive Regimes <i>(Sorina van Kommer, DLA Piper, NL)</i> • 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 <i>(Christos A. Theophilou, Taxand, CYP)</i> • 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 - 16.00	Break – Refreshments
16.00 – 17.00	Application of Pillar Two to International Tax Planning Structures <i>(continued)</i>

Day 2

9.00 - 10.40	Pillar Two Compliance (<i>Johann H. Müller, BetterTax, Denmark & Doris Gonzalez-Hurtado, Arla Foods, Denmark</i>) • An overview of Pillar Two compliance obligations • 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 ◦ Excluded Entities - Investment Funds • Application of safe harbours and simplified ETR • GloBE information returns • Practical examples and case studies • Q&A
10.40 - 11.30	Break – Refreshments
11.30 - 12.45	Pillar Two Compliance (<i>continued</i>)
12.45 - 14.00	Lunch
14.00 - 15.30	Examples of Country Implementation (<i>Ralf Thelosen, Citco, the Netherlands & Shee Boon Law, IBFD, the Netherlands</i>) • Implementation by UPE/IPE countries ◦ Key features under the EU Directive • Implementation by Intermediate/Low-taxed Jurisdictions – Switzerland, Singapore, UAE, etc. • Implementation by market jurisdictions • Practical examples and case studies
15.30 - 16.00	Break – Refreshments
16.00 – 17.00	Examples of Country Implementation (<i>continued</i>)

Day 3

09.00 - 10.45 **Post-Pillar Two International Tax Landscape**

(Carlos Gutiérrez Puente, IBFD, the Netherlands)

- 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

10.45 - 11.15 Break – Refreshments

11.15 - 12.45 **Pillar Two Considerations in M&A Transactions**

(Jean Paul Dresen & Robin Theuns, DLA Piper, the Netherlands)

- 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 - 15.30 Break – Refreshments

15.30 – 17.00 **Post-Pillar Two Disputes and Dispute Management**

(Shee Boon Law, IBFD, the Netherlands)

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