



BEPS 2.0 – Pillar Two state of play

Global developments summary

Updated: September 21, 2023

Notices

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This document is intended to provide a high-level overview. It does not represent, and should not be viewed as representing, an exhaustive list of the relevant news and developments with respect to the implementation of BEPS 2.0 Pillar Two.

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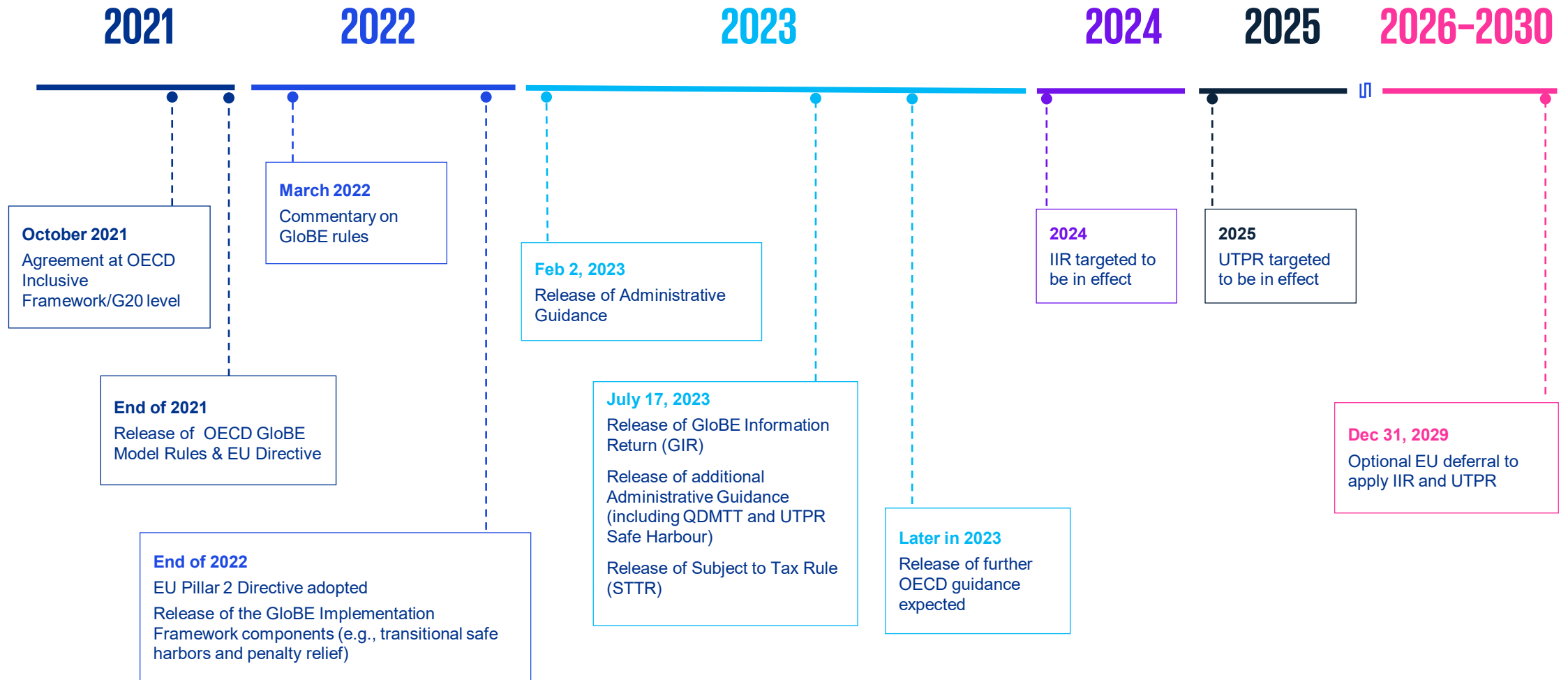
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Timeline

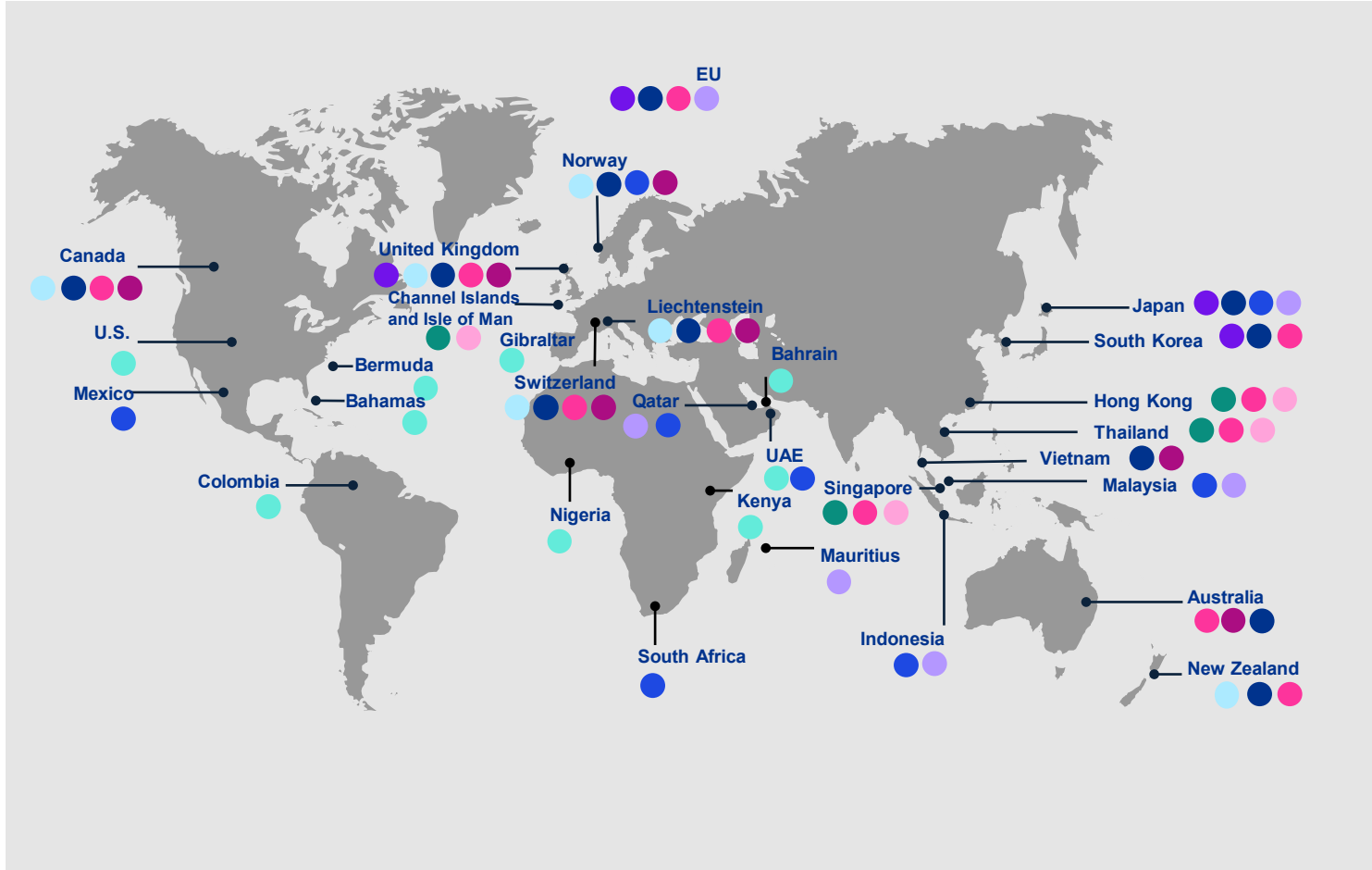


BEPS 2.0 | Pillar Two - Timeline



Announcements

Pillar Two – Global overview | 1



Legend

- Legislation passed/approved
- Draft legislation released
- IIR (2024)
- IIR (2025)
- UTPR (2024)
- UTPR (2025)
- QDMTT (2024)
- QDMTT (2025)
- Intention to apply QDMTT (timing uncertain)
- Intention to apply IIR and UTPR (timing uncertain)
- Other related announcement / legislation



Pillar Two – Global overview | 2

Legislation passed / approved

- EU Directive (December 2022)
- Japan (March 2023)
- South Korea (December 2022)
- United Kingdom – IIR and QDMTT (June 2023)

Draft legislation released

- Canada (August 2023)
- Czech Republic (August 2023)
- Denmark (June 2023)
- Finland (August 2023)
- Germany (August 2023)
- Ireland (July 2023)
- Italy (September 2023)
- Liechtenstein (March 2023)
- Luxembourg (August 2023)
- Netherlands (May 2023)
- New Zealand (May 2023)
- Norway (June 2023)
- Slovenia (June 2023)
- Slovakia (August 2023)
- Sweden (September 2023)
- Switzerland (May 2023)
- United Kingdom – UTPR (July 2023)

IIR (2024)

- Australia
- Canada
- EU – potential deferrals where few UPEs
- Japan
- Liechtenstein
- New Zealand
- Norway
- South Korea
- Switzerland
- United Kingdom
- Vietnam

IIR (2025)

- Channel Islands (Guernsey and Jersey) and Isle of Man
- Hong Kong (SAR), China
- Singapore
- Thailand

Intention to apply IIR and UTPR (timing uncertain/deferred)

- Indonesia
- Japan (UTPR)
- Lithuania (deferral)
- Malaysia
- Mexico
- Qatar
- Slovakia (deferral)
- South Africa
- UAE

UTPR (2025)

- Australia
- Canada
- EU –potential deferrals where few UPEs
- Hong Kong (SAR), China
- Liechtenstein
- New Zealand
- Norway (?)
- Singapore
- South Korea
- Switzerland (?)
- Thailand
- United Kingdom

QDMTT (2025)

- Gibraltar
- Channel Islands and Isle of Man
- Hong Kong (SAR), China

QDMTT (2024)

- Australia
- Canada
- Czech Republic
- Denmark
- Finland
- Germany
- Ireland
- Italy
- Liechtenstein
- Luxembourg
- Netherlands
- Norway
- Slovenia
- Slovakia
- Sweden
- Vietnam
- Switzerland
- United Kingdom

Intention to apply QDMTT (timing uncertain)

- EU (optional)
- Indonesia
- Japan
- Malaysia
- Mauritius
- Qatar
- Lithuania
- Singapore
- Thailand

Other related announcements

- Bahamas – Consulting on policy measures to introduce Pillar Two compliant CIT system
- Bahrain – Considering the introduction of a CIT as part of its commitment to the OECD minimum tax
- Bermuda – Consultation on the introduction of a CIT system for fiscal years starting on or after January 1, 2025
- Colombia 2022 tax reform – 15% minimum tax
- Gibraltar – Policy measures to address impact of Pillar Two under consideration
- Kenya – Plans to review DST and to adopt two-pillar solution
- Nigeria – Policy measures to address impact of Pillar Two under consideration
- UAE new corporate tax 9%
- U.S. corporate alternative minimum tax enacted 15% (not Pillar Two compliant)
- U.S. Republican Committee introduced two bills with UTPR defensive measure



01

Americas



Pillar Two – State of play | Americas



Legend

- Legislation passed/approved
- Draft legislation released
- IIR (2024)
- IIR (2025)
- UTPR (2024)
- UTPR (2025)
- QDMTT (2024)
- QDMTT (2025)
- Intention to apply QDMTT (timing uncertain)
- Intention to apply IIR and UTPR (timing uncertain)
- Other related legislation / announcement



Pillar Two – State of play | Americas

Americas	Status	Income Inclusion Rule (IIR)	Undertaxed Profits Rule (UTPR)	Domestic Top-up Tax (QDMTT)	More information
Bahamas	Formal indication ongoing				Consulting on policy options to comply with Pillar Two
Bermuda	Formal indication				Consultation on the introduction of a CIT system for fiscal years starting on or after January 1, 2025
Canada	Legislative proposal released	2024	2025*	2024	
Colombia	Other				Corporate minimum tax of 15% adopted. Unclear whether may qualify as QDMTT
Mexico	Formal indication	timing uncertain	timing uncertain	uncertain	
United States	Other				<ul style="list-style-type: none"> 15% Corporate alternative minimum tax (CAMT) adopted (general understanding that CAMT is not an IIR equivalent) May 25, 2023: Republican Committee introduced a bill which would impose an additional 5 percent tax rate each year for four years, on the US income of individuals and entities located in jurisdictions that impose an UTPR. After 4 years the rate would go up to 20 percent. July 19, 2023: Republican members of the Ways and Means Committee introduced a bill entitled the “Unfair Tax Prevention Act,” which would increase the BEAT where foreign countries adopt UTPR.

* UTPR legislation pending



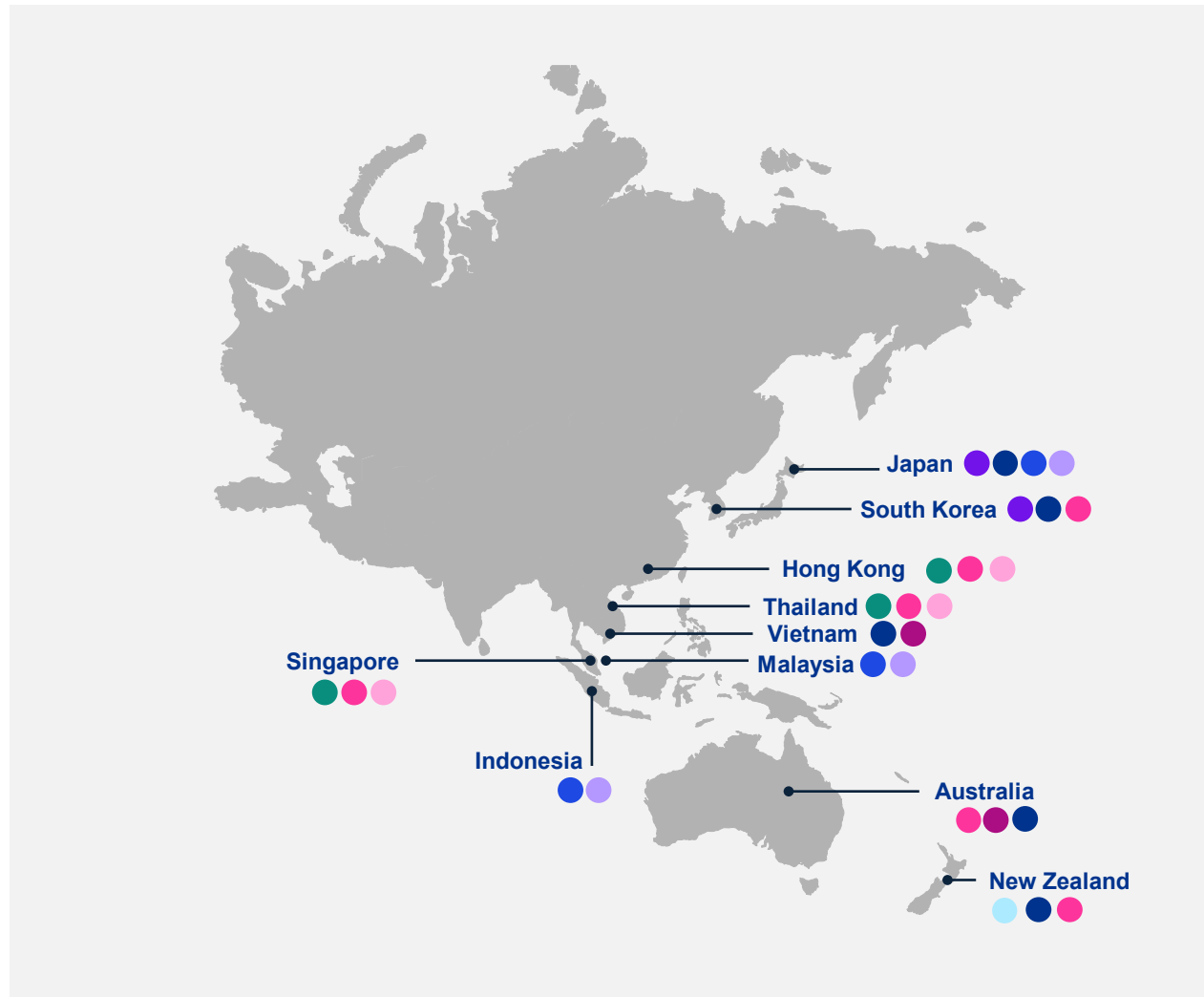
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- **Official plan** – Program for implementation with dates
- **Formal indication** – Written document issued by the government stating an intent to implement
- **E** – Legislation deemed “enacted” for accounting purposes
- **SE** – Legislation deemed “substantively enacted” for accounting purposes

02

Asia Pacific

Pillar Two – State of play | Asia Pacific



Legend

- Legislation passed/approved
- Draft legislation released
- IIR (2024)
- IIR (2025)
- UTPR (2024)
- UTPR (2025)
- QDMTT (2024)
- QDMTT (2025)
- Intention to apply QDMTT (timing uncertain)
- Intention to apply IIR and UTPR (timing uncertain)
- Other related legislation / announcement



Pillar Two – State of play | Asia Pacific

Asia Pacific	Status	Income Inclusion Rule (IIR)	Undertaxed Profits Rule (UTPR)	Domestic Top-up Tax (QDMTT)	More information
Australia	Official Plan	2024	2025	2024	
Hong Kong (SAR)	Official plan	2025	2025 or later	2025	
Indonesia	Formal indication	timing uncertain	uncertain	timing uncertain	
Japan	IIR legislation adopted*	April 2024 ^{SE/E}	April 2025 (estimated)	April 2025 (estimated)	
Malaysia	Formal indication	timing uncertain	timing uncertain	timing uncertain	
New Zealand	Consultation on draft law ended	2024 or later	2025 or later		
Singapore	Official plan	2025	2025	2025	
South Korea	Legislation adopted*; revision of 2023 tax bill announced	2024	2024	uncertain	
Thailand	Official plan	2025	2025	2025	
Vietnam	Informal indication	2024		2024	

* Detailed legislation in form of presidential enforcement decree still to be released later this year.



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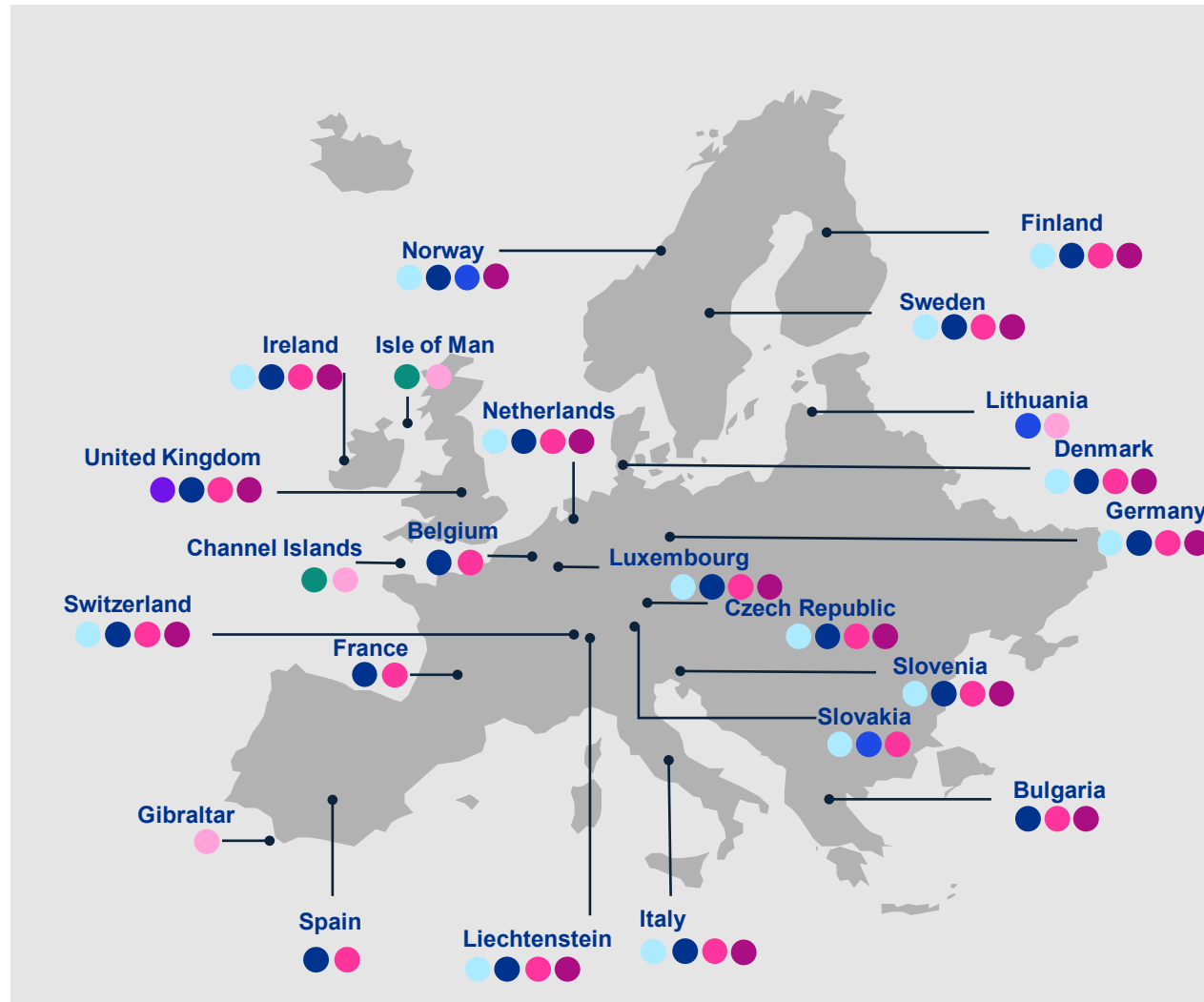


03

Europe



Pillar Two – State of play | Europe (EU & non-EU)



Legend

- Legislation passed/approved
- Draft legislation released
- IIR (2024)
- IIR (2025)
- UTPR (2024)
- UTPR (2025)
- QDMTT (2024)
- QDMTT (2025)
- Intention to apply QDMTT (timing uncertain)
- Intention to apply IIR and UTPR (timing uncertain or deferred)
- Other related legislation / announcement

Pillar Two – State of play | European Union

European Union	Status	Income Inclusion Rule (IIR)	Undertaxed Profits Rule (UTPR)	Domestic Top-up Tax (QDMTT)	More information
EU Directive	Directive adopted	2024*	2025*	optional	
Belgium	Formal indication	2024	2025	uncertain	
Bulgaria	Formal indication	2024	2025	2024	
Czech Republic	Government approved updated draft law	2024	2025	2024	
Denmark	Consultation on draft law ongoing	2024	2025	2024	
Finland	Consultation on draft law ongoing	2024	2025	2024	
France	Formal indication	2024	2025	uncertain	
Germany	Government draft bill published	2024	2025	2024	
Ireland	Consultation on 2 nd feedback statement ongoing	2024	2025	2024	
Italy	Consultation on draft law ongoing	2024	2025	timing uncertain	
Lithuania	Formal indication	Deferred*	Deferred*	2025	

* EU Member States are given the option to defer implementation to December 31, 2029 where there are a maximum of 12 ultimate parent entities (UPEs) based in that jurisdiction (EU countries with likely no more than 12 UPEs include *Bulgaria, Croatia, Cyprus, Estonia, Hungary, Latvia, Malta, Romania, Slovenia and Slovakia*).



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Pillar Two – State of play | European Union (*cont.*)

European Union	Status	Income Inclusion Rule (IIR)	Undertaxed Profits Rule (UTPR)	Domestic Top-up Tax (QDMTT)	More information
Luxembourg	Draft bill released	2024	2025	2024	
Netherlands	Bill presented to Parliament	2024	2025	2024	
Slovakia	Consultation on draft legislation ongoing	Deferred*	Deferred*	2024	
Slovenia	Consultation on draft law ended	2024	2025	2024	
Spain	Formal indication	2024	2025	uncertain	
Sweden	Draft bill released	2024	2025	2024	

* EU Member States are given the option to defer implementation to December 31, 2029 where there are a maximum of 12 ultimate parent entities (UPEs) based in that jurisdiction (EU countries with likely no more than 12 UPEs include *Bulgaria, Croatia, Cyprus, Estonia, Hungary, Latvia, Malta, Romania, Slovenia and Slovakia*).



Pillar Two – State of play | Europe (non-EU)

Rest of Europe	Status	Income Inclusion Rule (IIR)	Undertaxed Profits Rule (UTPR)	Domestic Top-up Tax (QDMTT)	More information
Channel Islands*	Formal indication	2025		2025	
Gibraltar	Formal indication			2025	Policy measures to address impact of Pillar Two under consideration
Isle of Man	Formal indication	2025		2025	
Liechtenstein	Consultation on draft law ended	2024	2025	2024	
Norway	Consultation on draft law ongoing	2024	2025?*	2024	
Switzerland	Consultation on revised draft ordinance ongoing	2024	2025?	2024	
United Kingdom	IIR and DMTT legislation enacted; draft UTPR legislation	2024 ^{SE / E}	2025	2024 ^{SE / E}	

* Jersey and Guernsey

** UTPR legislation pending



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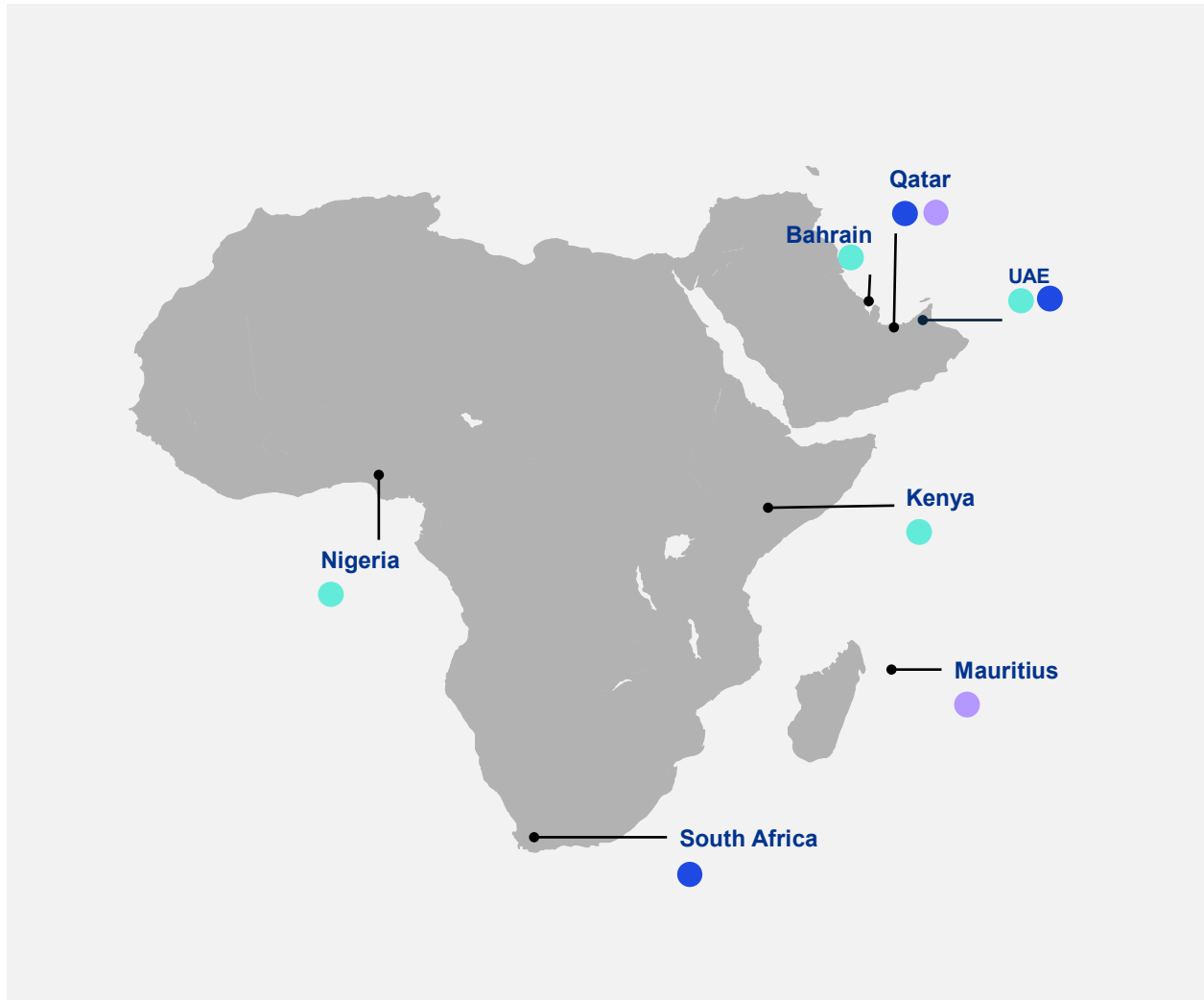


04

Middle East and Africa



Pillar Two – State of play | Middle East and Africa



Legend

- Legislation passed/approved
- Draft legislation released
- IIR (2024)
- IIR (2025)
- UTPR (2024)
- UTPR (2025)
- QDMTT (2024)
- QDMTT (2025)
- Intention to apply QDMTT (timing uncertain)
- Intention to apply IIR and UTPR (timing uncertain)
- Other related legislation / announcement

Pillar Two – State of play | Middle East and Africa

Middle East, and Africa	Status	Income Inclusion Rule (IIR)	Undertaxed Profits Rule (UTPR)	Domestic Top-up Tax (QDMTT)	More information
ATAF	Suggested Approach				Suggested approach for African countries to adopt QDMTT
Bahrain	Other				Considering the introduction of a CIT as part of its commitment to the OECD minimum tax
Kenya	Other				Plans to adopt two-pillar solution
Mauritius	Formal indication	uncertain	uncertain	timing uncertain	
Nigeria	Other				Considering plan to adopt Pillar two legislation
Qatar	Formal indication	timing uncertain	timing uncertain	timing uncertain	
South Africa	Formal indication	timing uncertain	timing uncertain	timing uncertain	
UAE	Formal indication	timing uncertain	timing uncertain	uncertain	Introduced a 9% corporate income tax Public consultation expected in Q1 2024



Citations

Citations by country

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Australia

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Bahrain

- Bahrain; GCC - Bahrain To Introduce Corporate Tax (30 May 2023), News IBFD

Belgium

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Norway

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Qatar

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Singapore

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Americas



Asia Pacific



Europe



Middle East & Africa





Citations by country, continued

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Slovenia

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Sweden

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Thailand

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United Kingdom

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United States

- KPMG TaxNewsFlash, [Ways and Means Chairman introduces bill that would impose additional tax on foreign jurisdictions with UTPR](#) (May 25, 2023)
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Vietnam

- KPMG Member Firm in Vietnam

Americas



Asia Pacific



Europe



Middle East & Africa





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