

# New OECD releases on Global Minimum Tax (GMT)

May 8, 2026

On April 30, 2026, the OECD released the GMT Implementation Toolkit and the GMT Frequently Asked Questions—its first updates since the publication of the Side-by-Side Package in January 2026.

The Toolkit is primarily aimed at tax administrations implementing the GMT but may help businesses in two ways:

- While the Toolkit is only meant to support best practices, it does illustrate the variation and divergence in local rule interpretation and application of the GMT, a key focus area ahead of the June 30, 2026, filing deadlines for calendar year companies.
- It calls for grace periods for return correction, penalty relief, and return filing extensions where merited; though it remains to be seen whether administrations follow through.

The Toolkit will be refined over time, leaving space for further improvements.

## 1 The GMT Implementation Toolkit

### Scope and purposes of the Toolkit

The Toolkit is a practical guide intended to assist countries with GMT implementation and administration. It is a product of the “Amsterdam Dialogue” among the OECD-led Forum on Tax Administration (FTA) and other stakeholders, including business representatives.

The Toolkit focuses on what it describes as “upfront compliance.” It is organized across five modules:

1. Assessing in-scope MNE groups and revenue
2. Legal implementation
3. Organizing and planning for the implementation of the GMT
4. Framework on compliance procedures
5. Exchange of information

The Toolkit notes that the Amsterdam Dialogue will continue to develop a coordinated risk assessment framework and dispute prevention and resolution tools, though does not specify when this may be published.

#### **KPMG observation**

*While the Toolkit is directed at tax administrations, businesses may be interested in some of the observations on existing and advised local administrative approaches, noting that the suggested best practices emerged from discussions between GMT-adopting tax administrations in the FTA. We highlight a sample of these below.*

## Local implementation approaches – country level divergences

Module 2 (Legal Implementation) examines how jurisdictions can incorporate the GMT rules into their domestic legal framework in a manner consistent with the Global Anti-Base Erosion Model Rules (“GloBE Model Rules”) and accompanying commentary, which is key to realizing the GMT “common approach.” Module 2 documents the different approaches taken by jurisdictions to implement GMT, e.g., employing a mix of primary and secondary legislation, using differing legislative techniques to give effect to subsequent rounds of Administrative Guidance (AG), and availing of various mechanisms to explain local rule interpretations to taxpayers.

The Module helps to explain how, in practice, divergences can emerge in the application of the rules across jurisdictions—a situation often observed in practice.

- In some countries, where local legislation directly cross-references OECD rules and guidance, rather than attempting to replicate the rules in their entirety in domestic law, new AG can be brought into effect efficiently and dynamically. When ambulatory cross-references are used, new guidance issued by the OECD can be given effect from a date defined in legislation (e.g., fiscal years starting after the publication of the new guidance). When static cross-references are used, the list of OECD guidance referenced for a fiscal year can be regularly updated through an administrative instrument, e.g., ministerial order.
- The majority of countries generally require the incorporation of new OECD guidance into domestic law before it can be given effect for a fiscal year. While some countries copy the OECD guidance (or a translated version) into local law, others rewrite the rules in line with domestic law drafting conventions. As a further nuance, some jurisdictions assess new AG on a case-by-case basis to determine whether new legislation is required, or whether the AG can be applied to interpret or clarify existing domestic law. The latter approach may be facilitated by specific interpretative clauses included in local legislation that seeks to ensure that local rules are interpreted consistent with OECD guidance.
- These different approaches lead to staggered implementation timelines, adding to the complexity for groups trying to comply with the GMT across multiple jurisdictions.
- In certain cases, some tax administrations (e.g., Australia) may allow taxpayers to apply “anticipated” legislative amendments before agreed AG has been officially implemented into local law. This is comparable to the ambulatory approach described above.

The Toolkit also documents diversity in how tax administrations clarify their preferred interpretation of ambiguous rules in OECD guidance. These include public guidance (such as general rulings, explanatory notes, circulars, FAQs, etc.), which can be variously non-binding, binding only on tax administrations, or binding on both administrations and taxpayers. Private guidance in the form of private rulings and responses to taxpayer queries (also with varying binding effect) are also observed in practice.

### **KPMG observation**

*The effective date of elements of the GMT rules can vary across jurisdictions. For example, jurisdictions have different cut-offs for when the hybrid arbitrage arrangement rules apply to the Transitional CbCR Safe Harbor. Belgium and Luxembourg apply them to all in-scope periods, while the Netherlands, Ireland, and Germany apply them for financial years beginning on or after December 31, 2024. The UK only catches items booked on/after March 14, 2024. Countries also differ in the vintage of arrangements caught. The standard approach is to catch arrangements entered/amended after December 15, 2022 (e.g., the Netherlands, the UK, Germany). However, some countries only catch arrangements entered/amended after December 18, 2023, to ensure non-retroactive effect (e.g., Belgium, Luxembourg, Switzerland).*

*Some local guidance sets out novel interpretations of ambiguities in the OECD GMT rules. For example, whether assets under construction can be included when calculating the Substance-Based Income Exclusion (SBIE), or whether pre-regime period-related tax expenses booked post-regime are retained in the GloBE Effective Tax Rate (ETR) calculation. Countries have provided differing clarifications on both issues. Further local variations have been observed in relation to joint ventures, insurance entities, intragroup financing, transfer pricing, mergers and de-mergers, transitional deferred tax attributes, etc.*

*These differences are among the hardest issues that MNEs must navigate and are a key element of GMT governance and documentation processes.*

## Compliance best practices - Grace periods and transitional penalty relief

Module 4 (Framework on Compliance Procedures) examines how jurisdictions have approached the design of GMT compliance processes. It provides best practice recommendations on a range of issues including GMT registrations, GIR filing and related notifications, GMT returns, top-up tax payment mechanisms, and penalties. Some of the key points raised are:

- **Registration:** Countries are encouraged to consider whether registrations are strictly necessary, as sufficient information may already be available to the tax administration. Where registrations are required, the Module notes that the information demanded should be kept to a minimum.
- **Pay & File:** Information requested in GMT returns should be minimized and should not duplicate information included in the GloBE Information Return (GIR). Countries are encouraged to permit a single jurisdictional filer/payor to manage GMT returns and payment obligations. Requirements for advance/instalment payments are best avoided.
- **Penalties:** Approaches to penalties vary significantly across countries, often being linked to existing CIT penalties. Countries have penalties for failure to register (where they have registration obligations) and for late/non-submission of GMT returns (often calculated as a percentage of outstanding tax). Penalties are commonly applied for late or non-filing of the GIR. The amount may depend on the severity of the non-compliance (e.g., Netherlands), the duration of delay (e.g., Canada), or the number of data items outstanding (e.g., Spain).

As a matter of best practice, the Module advocates for grace periods for supplementing/correcting incomplete/incorrect information and encourages the extension of local filing deadlines when necessary. It also reiterates the call in a 2022 document for penalty relief when reasonable measures were taken to apply the GMT when filing the GIR for FY24 and FY25. That said, it is noted that such relief may be difficult in some countries due to domestic law limitations.

### **KPMG observation**

*The Toolkit emerged from consultation among FTA tax administrations, so it is positive that these authorities appear to have broadly aligned around a need for consistency in compliance processes, framed around best practices. That said, many of the practices that Module 4 urges against are measures that tax administrations have already put in place (e.g., advance payments, extensive registration information requirements in Belgium). It remains to be seen if these demands will be unwound in the future.*

*In terms of the suggestions to extend filing deadlines, we have observed extensions to local GMT return deadlines in certain jurisdictions (e.g., Australia, Belgium). It appears that GIR deadlines are more rigid, given that they are anchored in the GloBE Model Rules. "Grace periods" for correction of centrally filed GIRs would conceivably require a coordinated approach across jurisdictions to provide consistent relief.*

*The Toolkit does not elaborate much on what may constitute reasonable measures for transitional penalty relief. At present, it appears that Australia is the only country to have provided related guidance. The Toolkit acknowledges that reasonableness must be assessed based on the facts and circumstances, such that the process may be a resource intensive exercise. In view of this, the Toolkit suggests the extension of filing deadlines and the provision for a grace period as possible alternatives to penalty relief based on reasonable measures.*

## 2 The GMT FAQs

The FAQ document, which is a refresh of an earlier FAQ document, includes 27 questions divided across five sections. Two sections deal with the basic GMT charging and calculation rules (and largely replicate the content from the earlier FAQ document). The remaining three sections deal with the Side-by-Side Package. While most of the FAQs summarize how the rules are expected to operate, they do not constitute new Administrative Guidance, as they reflect the views of the OECD Secretariat rather than the IF. Even so, the FAQs provide useful insight into how certain aspects of the Side-by-Side Package are intended to apply.

For example, one question considers whether income-based tax incentives can be Qualified Tax Incentives (QTI) under the Substance-Based Tax Incentive Safe Harbour. Questions have arisen whether patent boxes and other IP regimes following the nexus approach could potentially be a QTI. The FAQs clarify that a substance-based eligibility condition to receive a tax incentive (such as a minimum investment requirement) is not equivalent to an incentive that is calculated based on expenditures incurred, hence not a QTI.

### **KPMG observation**

*The Substance-Based Tax Incentive Safe Harbour can have a significant impact for businesses that benefit from QTIs. KPMG analysis on this and other interactions between the GMT and different types of tax incentives is set out in [Pillar Two and tax incentives](#).*

### **KPMG observation**

*The FAQ document notes that the simplified allocation key available for Blended CFC Taxes (such as the U.S. Global Intangible Low-Taxed Income (GILTI) regime) will cease to apply for fiscal years commencing from January 2026, with taxes under such regimes (e.g., the U.S. Net CFC Tested Income (NCTI) regime) instead allocable under the AG on the allocation of cross-border current and deferred taxes issued in June 2024. Once the Side-by-Side Safe Harbor is fully implemented in local law, this guidance will have limited relevance for U.S. groups, but it will affect non-U.S. groups with non-U.S. subsidiaries under the U.S..*

## 3 What MNEs should consider now

Most MNEs are currently focused on GMT compliance, with the GIR filings due June 30, 2026, for calendar year companies. MNEs would generally prefer a central GIR filing, with dissemination of the GIR via exchange relationships established under the Multilateral Competent Authority Agreement (MCAA) or the Directive on Administrative Cooperation (DAC) 9 in an EU context.

As noted in the OECD's accompanying release to the Toolkit, many jurisdictions have been slow to sign and activate exchange relationships under the MCAA, potentially frustrating the central filing option. In concept this would mean that many more local GIR filings will be required. This then raises further questions, e.g., whether partial GIR filings at the local level will suffice.

The Toolkit and FAQs do not resolve these issues, albeit the Module 4 best practice guidance could conceivably influence how tax administrations approach situations of technical non-compliance (e.g., grace periods, penalty relief) where the incomplete status of national information exchange arrangements and systems complicate compliance efforts.

Over the remaining weeks before GIR filing, MNEs will need to closely monitor developments for last minute clarifications of the compliance rules from national tax administrations, and potentially for coordinated guidance. In addition, MNEs should also be mindful of future AG releases (expected in the coming months) that may impact filing positions taken in the 2024 GIR (e.g., on the SBIE treatment of mobile assets, hyperinflation adjustments, or the treatment of real estate investment vehicles).

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