



OECD GLOBAL PARLIAMENTARY NETWORK

Update on addressing the tax challenges of the digitalisation of the economy –
Pillar Two

Achim Pross, Head of Division ICA / CTPA, OECD
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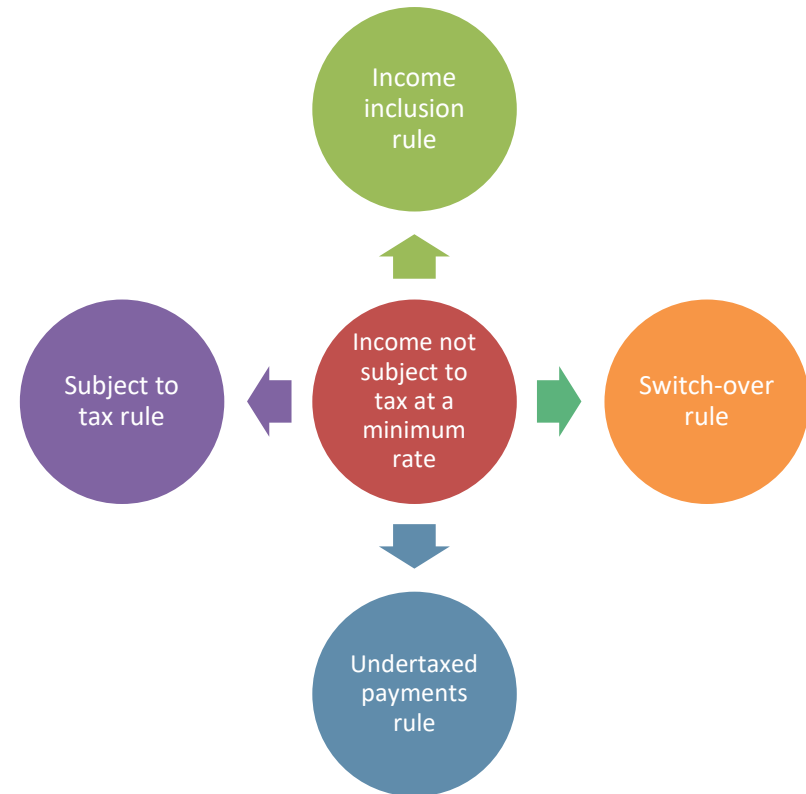
PILLAR 2: GLOBAL ANTI-BASE EROSION (GLOBE) PROPOSAL



Rationale of the GloBE proposal

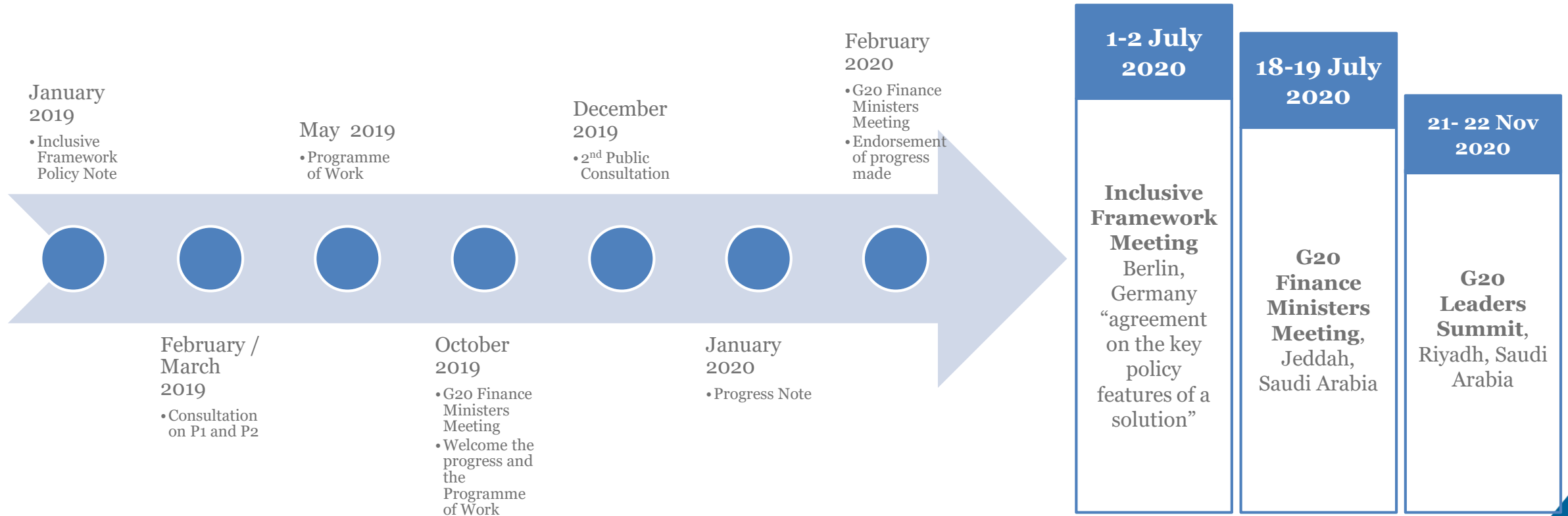
Rationale Given for Pillar Two

- Ensuring that all internationally operating businesses pay a minimum level of tax
- Address remaining BEPS issues
- Multilateral solution to avoid uncoordinated rules, increased complexity and risk of over-taxation
- Reduce pressure on developing countries to grant tax incentives
- Address profit shifting risk from intangibles but not ring-fenced to digital economy
- Recent tax policy developments (e.g. GILTI)



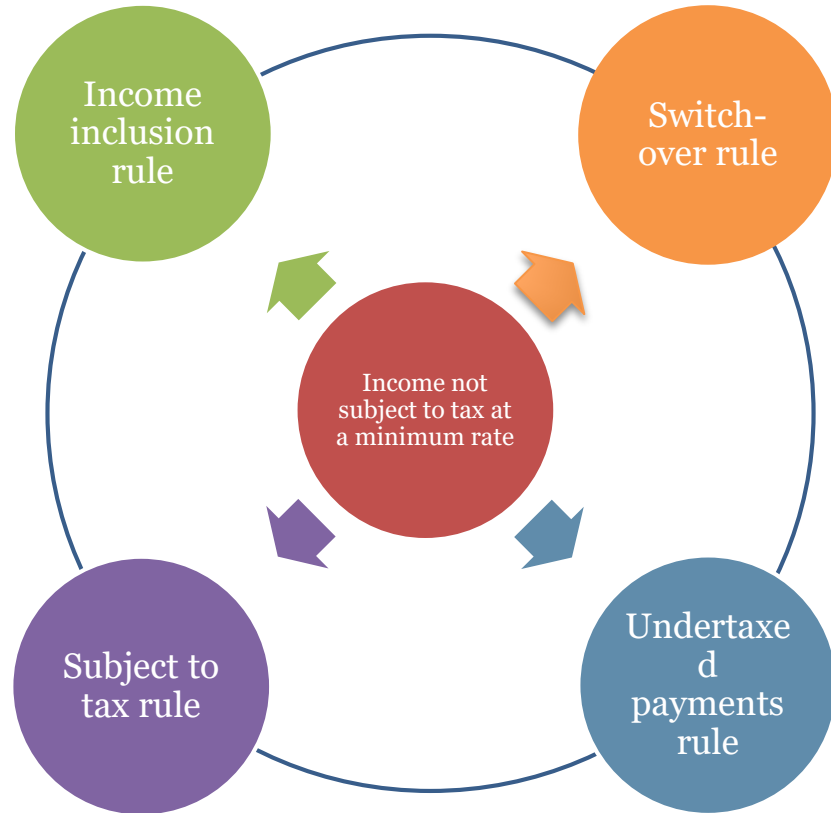


GloBE proposal - Timeline





Overview of the GloBE proposal



Income inclusion rule (IIR)

Switch-over rule

Undertaxed payments rule (UTP)

Subject to tax rule



10 key issues

Minimum rate

Thresholds

Tax base

Covered taxes

Blending

Carve-outs –
general and
sectoral

Ownership
threshold

Rule order and
rule
coordination

Compliance
cost,
simplifications,
administration

Compatibility
with
international
obligations



Additional information

www.oecd.org/tax/

Questions and comments:

Achim.PROSS@oecd.org