

Public consultation document

# Pillar Two – GloBE Information Return

20 December 2022 – 3 February 2023



# Public Consultation Document - GloBE Information Return

## Background

The Inclusive Framework on BEPS has begun the work on developing a standardised GloBE Information Return that will facilitate compliance with and administration of the GloBE rules. To date the work of the Inclusive Framework has primarily focused on the identification of a comprehensive set of the data points for calculating an MNE's GloBE tax liability. Such data points (and the explanatory guidance) are set out in an Annex to this document and are being released to the public for the purposes of obtaining input from stakeholders to inform the work on the GloBE Information Return.

## Public Consultation

Interested parties are invited to send their comments on this consultation document no later than **Friday 3 February 2023**. They should be sent electronically (in Word format) by email to [taxpublicconsultation@oecd.org](mailto:taxpublicconsultation@oecd.org) and may be addressed to: International Co-operation and Tax Administration Division, OECD/CTPA.

Please note that all written comments received will be made publicly available on the OECD website. Comments submitted in the name of a collective "grouping" or "coalition", or by any person submitting comments on behalf of another person or group of persons, should identify all enterprises or individuals who are members of that collective group, or the person(s) on whose behalf the commentator(s) are acting.

**The views and proposals included in this document neither represent the consensus views of the Inclusive Framework, the Committee of Fiscal Affairs (CFA) or their subsidiary bodies nor prejudice the decision as to the expected implementation of the proposals, but are intended to provide stakeholders with substantive proposals for analysis and comment.**

# Table of Contents

Public Consultation Document - GloBE Information Return	1
Table of Contents	2
GloBE Information Return	3
1. Background	3
2. GloBE Information Return	3
3. Further input	4
4. Public Consultation	6
Annex A.	
Annex A1. Data points	
Annex A2. Explanatory guidance	

# GloBE Information Return

## 1. Background

1. The GloBE Model Rules provides for the development of a standardised GloBE Information Return (GIR) that provides information on the tax calculations made by the MNE Group and contains the information a tax administration needs to evaluate the correctness of a Constituent Entity's GloBE tax liability and to perform an appropriate risk assessment. Article 8.1.4 of the GloBE Model Rules provides an outline of the items of information to be included in the GIR. The rules also provide that this list shall be further specified, expanded or restricted in accordance with the GloBE Implementation Framework, including through the development of simplified reporting procedures.

2. The Inclusive Framework formed a multi-disciplinary Focus Group in May of this year to undertake the work of developing a standardised GIR. This Focus Group on GloBE Co-ordination, Information Collection and Exchange (CICE) is made up of policy experts with experience in the technical development of the GloBE Rules and exchange of information as well as tax administration experts from the Large Business and International Programme of the Forum on Tax Administration. In addition, the Focus Group on GloBE CICE has consulted regularly with the Pillar Two Business Advisory Group (BAG) to obtain input from business on the development and design of the GIR.

3. In developing the data points and explanatory guidance that could be used for the GIR, the Inclusive Framework has sought to strike an appropriate balance between administrative requirements and compliance concerns. In particular, the main objective of the Inclusive Framework is to ensure that the information and tax calculations that an MNE Group is required to file are sufficiently comprehensive to allow tax administrations to evaluate the correctness of a Constituent Entity's tax liability under the GloBE Rules and perform an appropriate risk assessment. At the same time, the Inclusive Framework has sought to avoid imposing unnecessary information collection, computation and reporting requirements on MNE Groups or exposing taxpayers to multiple, uncoordinated requests for further information in each implementing jurisdiction.

4. The obligation to prepare a GIR is separate from the tax return requirements. The operation of tax filing and payment obligation rules is left to the determination of each implementing jurisdiction based on the design of that jurisdiction's existing tax filing and payment procedures.

## 2. GloBE Information Return

5. The immediate task of the Focus Group on GloBE CICE has been of identifying a comprehensive set of the data points that an MNE Group may need to collect in order to calculate the MNE Group's GloBE tax liability. The data points set out in Annex A are those that are considered sufficient to calculate the MNE Group's GloBE tax liability and are sorted into the following four sections:

- **General information**, which includes general information about the MNE Group and the Filing Constituent Entity;
- **Corporate structure**, which includes information about the corporate structure of the MNE Group, in particular each Constituent Entity's ownership structure, whether it is required to apply the IIR and whether the UTPR could apply with respect to such Constituent Entity, as well as information about changes to the ownership structure that took place during the Fiscal Year;
- **ETR computation and Top-up Tax computation**, which includes information about the Effective Tax Rate and Top-up Tax computations for those jurisdictions where Constituent Entities or

members of JV Groups are located, as well as any elections made in accordance with the relevant provisions of the GloBE Rules. This section would also incorporate the simplified compliance procedures associated with any agreed safe harbours;

- **Top-up Tax allocation and attribution**, which includes information on the attribution of Top-up Tax as well as those implementing jurisdictions where such Top-up Tax is payable in accordance with the agreed rule order. It further provides more details on the computation of each Parent Entity's Allocable Share of Top-up Tax to apply the IIR and on the computation of the UTPR Top-up Tax Amount, if any, as well as of the UTPR Percentage for each UTPR Jurisdiction, where applicable.

6. To provide for clarity and facilitate consistency in the interpretation of the GIR, detailed explanations are attached in Annex A.

7. Annex A represents the best efforts of the Inclusive Framework to identify all the data points of the MNE Group that it may need to collect in order to calculate its GloBE tax liability. Organising these data points into tables is intended to facilitate a common understanding of each data point as well as the relationship between them and their connection to the underlying GloBE calculation mechanics, however it does not necessarily represent the final form of the GIR. The collection of these data points, and their organisation in line with the GloBE calculation mechanics, constitutes the first step in the process of developing common information filing and exchange requirements.

### 3. Further input

#### *Identifying the necessary data points*

8. While Annex A aims at identifying all the data points that an MNE Group may need to collect to calculate its GloBE tax liability, it is not expected that it will be necessary, in all cases, for the MNE Groups to collect all this information in respect of every Constituent Entity and jurisdiction in order to determine whether a GloBE tax liability has arisen in respect of a particular implementing jurisdiction. The actual information that an MNE Group may need or use to calculate its GloBE tax liability will depend on a variety of factors. These factors include the nature and structure of the MNE Group's operations in a jurisdiction, and whether the MNE Group is relying on any simplifications or safe harbours in calculating its GloBE tax liability and the way the MNE Group extracts the relevant information from its accounts.

9. The detailed scope of the information that needs to be made available to a tax authority (whether through local filing or exchange of information) is still subject to discussion under the GloBE Implementation Framework. All the information that an MNE Group may need in order to calculate its tax liability for GloBE purposes does not necessarily need to be reported to a tax authority (whether through local filing or exchange of information). Imposing detailed up-front reporting requirements may increase compliance costs on MNE Groups. Requiring the disclosure of significant amounts of financial and tax information, especially in respect of those jurisdictions that do not give rise to a GloBE tax liability, may increase costs for MNE Groups. At the same time, increased compliance and administration costs could also arise where the information furnished on the GIR does not provide enough information to an implementing jurisdiction to indicate how a GloBE tax liability was calculated with respect to Top-up Tax owed in that jurisdiction such that the tax administration is compelled to seek further and more detailed information to establish the accuracy of the calculations made by the MNE Group.

10. In reaching an agreement on the filing and record keeping requirements in respect of the GloBE Rules, a balance must be struck between ensuring tax administrations have the necessary information on the tax calculations made by the MNE Group to evaluate the correctness of a Constituent Entity's GloBE

tax liability and perform risk assessment under the GloBE Rules while avoiding imposing unnecessary reporting requirements on MNE Groups.

11. As part of its work in developing a GIR, the Inclusive Framework seeks input from stakeholders on the amount and type of GloBE information that MNE Groups should be expected to collect, retain and report to a tax administration (whether through local filing or exchange of information). The Inclusive Framework welcomes input from stakeholders on how the data points, and explanatory guidance, could be modified based on the nature and structure of the MNE Group's operations. Such modifications should nevertheless provide information on the tax calculations made by the MNE Group to allow tax administrations to evaluate the correctness of a Constituent Entity's tax liability under the GloBE Rules and perform an appropriate risk assessment while avoiding the imposition of unnecessary information collection and computation requirements on MNE Groups.

### ***Dissemination of GloBE Information***

12. The GIR aims at identifying and standardising the data points that MNE Groups are expected to collect for purposes of calculating their GloBE tax liability. However, not all those data points and tax calculations made by the MNE Group may need to be required by all implementing jurisdictions where an MNE Group has a Constituent Entity in order to allow them to evaluate the correctness of a Constituent Entity's tax liability under the GloBE Rules. For instance, an MNE Group with Parent Entities located in implementing jurisdictions may only have a GloBE tax liability in a limited number of jurisdictions and the calculation and allocation of the GloBE tax liability in each implementing jurisdiction will differ depending on the MNE Group's structure and the requirements of rule order.

13. There could be cases where not all implementing jurisdictions would need all the information and tax calculations made by the MNE Group that are reported in the GIR in order to evaluate the correctness of a Constituent Entity's tax liability under the GloBE Rules. The Inclusive Framework is therefore exploring the implications of segmenting the information reported under the GIR.

14. The discussions about segmentation of the GIR are ongoing and a decision on segmentation will be made after receiving feedback through consultation on the data points contained in the GIR. The Inclusive Framework seeks input from stakeholders on the implications and burdens of this approach to the segmentation of the GIR in light of their own corporate structure and expected tax liabilities under the GloBE Rules. The feedback on the implications and burdens of segmentation will inform the Inclusive Framework discussions on which data points may be needed by each implementing jurisdiction and in what circumstances.

### ***Exchange of Information***

15. Under Article 8.1.2 of the GloBE Rules, the requirement for each Constituent Entity to file a GIR is removed when the UPE or a Designated Filing Entity files the GIR with the tax administration of the jurisdiction where it is located and there is a Qualifying Competent Authority Agreement in effect to exchange GloBE information with the jurisdiction of the Constituent Entity. Input received in the last public consultation on the GloBE Implementation Framework indicated strong support for a single point of filing followed by the exchange of GloBE information between tax administrations. Work will therefore continue on the development of these centralised filing requirements and the appropriate mechanisms to allow tax administrations to automatically exchange GloBE information collected, including a framework of bilateral or multilateral competent authority agreements and IT-solutions to support the exchange of information, in particular a dedicated XML schema.

### ***Risk assessment and follow-up information requests***

16. The Inclusive Framework may also explore the possibility of developing other administrative mechanisms to facilitate further coordination and consistent application of the GloBE Rules. For instance, work could be undertaken to develop a coordinated framework for further information requests in respect of risks identified based on the information in the GIR. Equally, implementing jurisdictions could conduct coordinated risk assessment activities on the basis of the information provided in the GIR in order to determine whether further actions such as a tax audit are required.

## **4. Public Consultation**

17. In light of the progress made in developing the data points for the GIR and the need for further input, the Inclusive Framework has agreed to release the data points for the GIR for public comments. The Inclusive Framework seeks general feedback on the GIR. The request for feedback includes ideas as to possible simplifications to the ETR calculation (including under applicable safe harbours) and how these simplifications could be incorporated into the design of the GIR. In particular, the Inclusive Framework will further consider the circumstances under which data points provided at a jurisdictional level may provide sufficient detail on the tax calculations made by the MNE Group in order for a tax administration to evaluate the correctness of a Constituent Entity's tax liability under the GloBE Rules.

18. The Inclusive Framework also seeks input on the proposed approach described in paragraphs 12-13 to identify the implications and burdens of this approach to the segmentation of the GIR under which a different set of data points may be made available to each implementing jurisdiction. For instance, the scope of GloBE information to be made available to each jurisdiction may vary depending on the MNE Group's corporate structure. In that context, stakeholders are invited to provide input in light of their own corporate structure on possible solutions to mitigate the compliance burdens associated with the information filings to multiple jurisdictions while providing tax administrations with the information and tax calculations needed to evaluate the correctness of a Constituent Entity's tax liability under the GloBE Rules and perform an appropriate risk assessment.

### ***Questions for Public Consultation***

19. The GIR is intended to provide a framework for collecting information from MNE Groups in scope of the GloBE Rules on an annual basis so that a tax administration is provided with the necessary information on the tax calculations made by the MNE Group to evaluate the correctness of a Constituent Entity's tax liability under the GloBE Rules. Standardising the GIR facilitates compliance, administration and transparency of outcomes by ensuring that an MNE Group is subject to the same information reporting requirements in each jurisdiction and that such information is sufficient to ensure compliance with the GloBE Rules while avoiding the imposition of unnecessary information collection, computation and reporting requirements on MNE Groups.

20. Annex A sets out a comprehensive set of the data points needed to support the calculation of an MNE Group's GloBE tax liability organised in the form of tables with explanatory guidance to facilitate an understanding of each data point and its connection to the underlying GloBE ETR and Top-up Tax calculations. This work constitutes an important first step in the process of developing common information filing and exchange requirements under the GloBE Rules and provides a starting point for soliciting broader public input on both the scope and the detail of the reporting obligations under the GloBE Rules.

21. In light of the progress made, Inclusive Framework members are seeking public input on the information to be collected, calculated, reported and exchanged under the GIR. Questions that stakeholders may wish to address include:

- a. Do you have any comments relating to the data points identified in Annex A1? In particular, stakeholders are invited to:
  - i. provide suggestions for simplified income or tax calculations that could be developed as part of the permanent safe harbours described in the document on safe harbours and penalty relief
  - ii. identify cases where the MNE Group should not be required to collect all the data points
  - iii. identify cases where the MNE Group should be able or might be required to collect different data points
  - iv. identify circumstances where data points are not available at the Constituent Entity level or would create an unreasonable burden and where data points collected at the jurisdictional level may be sufficient.
- b. Do you have any comments on the explanations in the Notes set out in Annex A2?
- c. Do you have views on the amount and type of GloBE information that MNE Groups should be expected to collect, retain and report to the tax authority in order to maximise the efficiency, accuracy and the verifiability of information reported without undermining effective administration and risk assessment?
- d. Do you have any comments on the potential implications and burdens of the approach to the segmentation of the data points set out in Annex A1?
- e. Do you have views on the best way to integrate the reporting requirements applicable under a QDMTT in a jurisdiction with the provision of information in the GIR?
- f. Do you have any comments on the possibility of developing other administrative mechanisms to enhance tax certainty, facilitate further coordination and consistent application of the GloBE Rules?

22. Stakeholder input on the development of a standardised GIR will be critical in identifying the Inclusive Framework's priorities in developing common information filing and exchange requirements for the GloBE Rules. The ultimate objective of this work will be to develop a consistent and transparent set of standards for information collection that preserve consistency and certainty of outcomes for MNE Groups while avoiding duplication of compliance burden.





## Annex A.

## Annex A1. Data points

### 1. General Information

#### 1.1. MNE Group and Reporting Fiscal Year

1. Name of the MNE Group	2. Start date of the Reporting Fiscal Year	3. End date of the Reporting Fiscal Year	4. Amended Return
			Yes/No

#### 1.2. Identification of the Filing Constituent Entity

1. UPE is the Filing Constituent Entity	2. Name of the Filing Constituent Entity	3. Tax identification number	4. Role	5. Jurisdiction where the Filing CE is located
Yes/No				

#### 1.3. MNE General accounting information

1. Consolidated Financial Statements of the UPE (type)	2. Financial Accounting standard used for the CFS of the UPE	3. Functional currency used for the CFS of the UPE

## 2. Corporate Structure

### 2.1. Ultimate Parent Entity

1. UPE Jurisdiction	
2. Applicable rules?	
3. Name of the UPE	
4. TIN of the UPE	
5. TIN of the UPE in the Filing Jurisdiction (if different, and if any)	
6. Status for GloBE purposes	
7. If the UPE is an Excluded Entity - Type	

## 2.2. Group Entities (other than the UPE) and members of JV Groups

### 2.2.1. Constituent Entities and members of JV Groups

Changes	1. Changes from previous Reporting Fiscal Year?	Yes/No
Jurisdiction	2. Jurisdiction	
	3. Applicable rules?	
Identification of the Constituent Entity, JV or JV Subsidiary	4. Name of Constituent Entity, JV or JV Subsidiary	
	5. TIN	
	6. TIN for filing jurisdiction (if any)	
	7. Status for GloBE purposes	
Ownership structure of the Constituent Entity, JV or JV Subsidiary	For each entity holding Ownership interests in the Constituent Entity, JV or JV Subsidiary: 8. Type 9. TIN (for CEs or members of JV Groups) 10. Ownership interest held (percentage)	
If the CE is a POPE or an Intermediate Parent Entity, is the Entity required to apply a QIIR?	11. Parent Entity Status	
	12. Does the exception provided in Article 2.1.3 apply?	Yes/No
	13. If the exception provided in Article 2.1.3 shall apply, and there is another Intermediate Parent Entity required to apply the IIR, identify the other Intermediate Parent Entity (TIN)	
	14. Does the Parent Entity have more than 20% of the Ownership Interests in its profits held (directly or indirectly) by persons that are not Constituent Entities of the MNE Group?	Yes/No
	15. If the exception provided in Article 2.1.5 shall apply, identify the other POPE required to apply a QIIR (TIN)	
Is UTPR applicable in respect of the entity?	16. Initial phase of International Activity (Article 9.3) applicable?	Yes/No
	17. Aggregate Ownership Interests (respectively Allocable Share of Top-up Taxes) of Parent Entities required to apply a QIIR in respect of the CE (respectively member of JV Group) (in percentage)	
	18. Are the UPE's Ownership Interests in the CE (respectively UPE's allocable share of Top-up Tax for the member of JV Group) greater the aggregate Ownership Interests (respectively allocable share) of Parent Entities required to apply a QIIR in that CE (respectively member of JV group)?	Yes/No

### 2.2.2. Excluded Entities

1. Changes from previous Reporting Fiscal Year?	Yes/No
2. Name of the Excluded Entity	
3. Type of the Excluded Entity	

### 2.3. Changes in the corporate structure that occurred during the Reporting Fiscal Year

1. Name of the Constituent Entity (or other Entity of the MNE Group) or member of JV Group	2. TIN	3. Effective Date of the change	4. Status for GloBE purposes before the change	5. Status for GloBE purposes after the change	6. Entities holding Ownership interests in that CE (or other Entity) or member of JV Group before or after the change	7. Ownership Interests held in that CE (or other Entity) or member of JV Group before the change (Percentage)	8. Ownership Interests held in that CE (or other Entity) or member of JV Group after the change (Percentage)

## 3. ETR Computation and Top-up Tax Computation

### 3.1. Characteristics of the jurisdiction

1. Name of the jurisdiction	
2. Identification of subgroups (if any)	

### 3.2. Jurisdictional exceptions applicable in respect of this jurisdiction (Top-up Tax reduced to zero)

#### 3.2.1. Safe harbour jurisdiction election

a. Scope for the Transitional CbCR Safe Harbour Election	
1. Transitional CbCR Safe Harbour Election – applicable test	
2. Total Revenue	
3. Profit (Loss) before Income Tax	
4. Income Tax Expense (after eliminating uncertain tax positions)	

### 3.2.2. Election for de minimis exclusion

- Election to apply the de minimis exclusion for the Reporting Fiscal Year

a. Scope of the election				
	1. Revenue (Financial Accounts)	2. GloBE Revenue	3. Financial Accounting Net Income (or Loss)	4. GloBE Income (or Loss)
a. Reporting Fiscal Year				
b. 1st preceding Fiscal Year (if applicable)				
c. 2nd preceding Fiscal Year (if applicable)				
d. Average of the three Fiscal Years				

### 3.3. Jurisdictional computations

a. Subgroup for the ETR and Top-up Tax computation	

#### 3.3.1. Jurisdictional ETR and Top-up Tax

ETR Computation					If ETR below 15%			Top-up Tax computation		
a. Financial Accounting Net Income or Loss	b. Net GloBE Income or Loss	c. Income tax expense	d. Adjusted Covered Taxes	e. ETR	f. Top-up Tax Percentage	g. Substance-based Income Exclusion	h. Excess Profits	i. Additional Current Top-up Tax	j. QDMTT payable	k. Top-up Tax
	[A]		[B]	$[C]=[B]/[A]$	$[D]=15\%-[C]$	[E]	$[F]=[A]-[E]$	[G]	[H]	$=[D]\times[F]+[G]-[H]$



### 3.3.1.1. Computation of GloBE Income (Loss)

1. Aggregate FANIL amount after allocations in Articles 3.4 and 3.5 (All CEs in the jurisdiction)	
Adjustments	Net amount
(a) Net Taxes Expense - Article 3.2.1 (a)	
(b) Excluded Dividends – Article 3.2.1 (b)	
(c) Excluded Equity Gain or Loss – Article 3.2.1 (c)	
(d) Included Revaluation Method Gain or Loss – Article 3.2.1 (d)	
(e) Gain or loss from disposition of assets and liabilities excluded under Article 6.3 – Article 3.2.1 (e)	
(f) Asymmetric Foreign Currency Gains or Losses – Article 3.2.1 (f)	
(g) Policy Disallowed Expenses – Article 3.2.1 (g)	
(h) Prior Period Errors – Article 3.2.1 (h)	
(i) Changes in Accounting Principles – Article 3.2.1(h)	
(j) Accrued Pension Expense – Article 3.2.1 (i)	
(k) Stock-based compensation – Article 3.2.2	
(l) Arm's length adjustments – Article 3.2.3	
(m) Qualified Refundable Tax Credit – Article 3.2.4	
(n) Election for Gains and losses using realisation principle – Article 3.2.5	
(o) Election for Adjusted Asset Gain – Article 3.2.6	
(p) Intragroup Financing Arrangement expense – Article 3.2.7	
(q) Election for intragroup transactions in same jurisdiction – Article 3.2.8	
(r) Insurance company taxes charged to policyholders – Article 3.2.9	
(s) Increase/decrease to equity attributed to Additional Tier One Capital distributions paid/payable or received/receivable – Article 3.2.10	
(t) Constituent Entities joining and leaving an MNE Group – Article 3.2.11 and 6.2	
(u) Reduction of GloBE Income of the UPE that is a Flow-through Entity – Article 3.2.11 and 7.1	

(v) Reduction of GloBE Income of the UPE that is subject to a Deductible Dividend Regime – Article 3.2.11 and 7.2	
(w) Taxable Distribution Method election – Article 3.2.11 and 7.6	
(x) International Shipping Income – Article 3.3	
2. Net GloBE Income (Loss) of the Jurisdiction	

### 3.3.1.2. Computation of Adjusted Covered Taxes

1. Aggregate Current tax expense with respect to Covered Taxes after allocations in Article 4.3 (All CEs in the jurisdiction)	
Adjustments	Net Amount
(a) Covered Tax accrued as an expense in the profit before taxation in the financial accounts - Article 4.1.2 (a)	
(b) GloBE Loss Deferred Tax Asset established under Article 4.5.1 or used – Article 4.1.2 (b) combined with Article 4.5.3	
(c) Covered Taxes for uncertain tax position recorded as a reduction to Covered Taxes in prior year – Article 4.1.2 (c)	
(d) Qualified Refundable Tax Credit recorded as a reduction to current tax expense – Article 4.1.2 (d)	
(e) Current tax expense on income excluded from GloBE Income or Loss – Article 4.1.3 (a)	
(f) Non-Qualified Refundable Tax Credit not recorded as a reduction to current tax expense – Article 4.1.3 (b)	
(g) Covered Taxes refunded or credited (except for any Qualified Refundable Tax Credit) not treated as an adjustment to current tax expense – Article 4.1.3 (c)	
(h) Current tax expense related to uncertain tax position– Article 4.1.3 (d)	
(i) Current tax expense not expected to be paid within three years – Article 4.1.3 (e)	
(j) Post-filing adjustments – Article 4.6.1	
(k) Covered Taxes relating to Net Asset Gain or Net Asset Loss – Article 3.2.6	
(l) Reduction of Covered Taxes of the UPE that is a Flow-through Entity – Article 7.1	
(m) Covered Taxes for GloBE Income of the UPE that is reduced under a Deductible Dividend Regime – Article 7.2.2	
(n) Deemed Distribution Tax– Article 7.3	
(o) Taxable Distribution Method election – Article 7.6	
(p) Total Deferred Tax Adjustment Amount – Article 4.1.1(b)	

(q) Increase or decrease in Covered Taxes recorded in equity or Other Comprehensive Income relating to amounts included in GloBE Income or Loss that will be subject to tax under local tax rules – Article 4.1.1 (c)	
2. Adjusted Covered Taxes	

### 3.3.1.3. Computation of Substance-based Income Exclusion (if applicable)

#### (a) Total amount of the Substance Based Income Exclusion

Payroll carve-out		Tangible Assets carve-out		Total
1. Relevant Eligible Payroll Costs of Eligible Employees performing activities in the jurisdiction	2. Application of relevant mark-up percentage for the Reporting Fiscal Year	3. Carrying value of relevant Eligible Tangible Assets located in the jurisdiction	4. Application of relevant mark-up percentage for the Reporting Fiscal Year	5. Substance-based Income Exclusion
[A]	[B]	[C]	[D]	[E]=[A]x[B]+[C]x[D]

#### (b) Allocation of Eligible Payroll Costs and carrying value of Eligible Tangible Assets to Permanent Establishments for purposes of the Substance Based Income Exclusion

1. Relevant Eligible Payroll Costs	2. Carrying value of relevant Eligible Tangible Assets	3. Jurisdiction of PEs	4. Relevant Eligible Payroll Costs allocated to PEs	5. Carrying value of relevant Eligible Tangible Assets allocated to PEs

#### (c) Allocation of Eligible Payroll Costs and carrying value of Eligible Tangible Assets of a Flow-through Entity for purposes of the Substance Based Income Exclusion

1. Relevant Eligible Payroll Costs	2. Carrying value of relevant Eligible Tangible Assets	3. Jurisdiction of CE owners (or members of JV Group)	4. Relevant Eligible Payroll Costs allocated to CE owner (or excluded)	5. Carrying value of relevant Eligible Tangible Assets allocated to CE owner (or excluded)

3.3.1.4. *Additional Current Top-up Tax for the jurisdiction (if any)*

**(a) Additional Current Top-up Tax for purposes other than Article 4.1.5**

1. Relevant Articles	2. Relevant year	3. As previously reported or recalculated	4. Net GloBE Income/Loss	5. Adjusted Covered Taxes	6. ETR	7. Excess Profit	8. Top-up Tax Percentage	9. Top-up Tax	10. Additional Current Top-up Tax
	Prior Fiscal Year X	a. Previously Reported							
		b. Recalculated							

**(b) Additional Current Top-up Tax for purposes of Article 4.1.5**

1. Adjusted Covered Taxes for the jurisdiction (if negative)	[A]
2. GloBE Loss for the Jurisdiction	[B]
3. Expected Adjusted Covered Taxes	[C]=[B]×15%
4. Additional Current Top-up Tax	[D]=[C]-[A]

3.3.1.5. *QDMTT*

1. Financial Accounting Standard	
2. QDMTT Amount	

**3.3.2. Jurisdictional computations relating to deferred tax accounting**

3.3.2.1. *Deferred Tax adjustments*

**(a) High-level summary**

1. Deferred tax expense amount	[A]
2. Recasting the deferred tax expense to the Minimum Rate - Article 4.4.1, where:	[B] = [C] + [D]
3. The recast is an increase of the deferred tax expense recorded at a lower tax rate than the Minimum Rate	[C]
4. The recast is a decrease of the deferred tax expense recorded at a higher tax rate than the Minimum Rate	[D]
5. Total amount of the adjustments	[E]
6. Total Deferred Tax Adjustment Amount	[F] = [B] +/- [E]

**(b) Breakdown of the adjustments**

	Net amount
1. Adjustments to deferred tax expense	
(a) Deferred tax expense related to items excluded from GloBE Income or Loss – Article 4.4.1 (a)	
(b) Deferred tax expense related to Disallowed Accruals– Article 4.4.1 (b)	
(c) Deferred tax expense related to Unclaimed Accruals – Article 4.4.1 (b)	
(d) Valuation adjustment or accounting recognition adjustment related to a deferred tax asset – Article 4.4.1 (c)	
(e) Deferred tax expense arising from a re-measurement related to changes in the tax rate – Article 4.4.1 (d)	
(f) Deferred tax expense related to the generation and use of tax credits – Article 4.4.1 (e)	
(g) Disallowed Accruals or Unclaimed Accruals paid during the fiscal year – Article 4.4.2 (a)	
(h) Recapture Deferred Tax Liability paid during the fiscal year– Article 4.4.2 (b)	
(i) Recognition of a loss Deferred Tax Asset not included in the financials – Article 4.4.2 (c)	
(j) Deferred tax expense adjustment resulting from a reduction to a tax rate – Article 4.6.2	
(k) Deferred tax expense adjustment resulting from an increase to a tax rate – Article 4.6.3	
(l) Constituent Entities joining and leaving an MNE Group – Article 6.2	
(m) Deferred tax expense of the UPE that is a Flow-through Entity – Article 7.1	
(n) Deferred tax expense of the UPE that is subject to Deductible Dividend Regime – Article 7.2	
2. Total amount of the adjustments	[E]

**(c) Loss carry backs**

	1. Deemed deferred tax assets attributable to loss carry backs	2. Covered Tax refund relating to loss carry backs
a. Amount attributed to Prior Fiscal Year X		
b. Amount attributed to Prior Fiscal Year Y, etc.		
c. Total		

3.3.2.2. Recapture mechanism

1. Fiscal Year	2. Deferred Tax Liability taken into account under Article 4.4	3. Deferred Tax Liability reversed						4. Deferred Tax Liability not reversed
		4 <sup>th</sup> preceding Fiscal Year	3 <sup>rd</sup> preceding Fiscal Year	2 <sup>nd</sup> preceding Fiscal Year	1 <sup>st</sup> preceding Fiscal Year	Reporting Fiscal Year	Total	
5 <sup>th</sup> preceding Fiscal Year	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]=[A]-[G]
4 <sup>th</sup> preceding Fiscal Year		Not applicable						
3 <sup>rd</sup> preceding Fiscal Year		Not applicable	Not applicable					
2 <sup>nd</sup> preceding Fiscal Year		Not applicable	Not applicable	Not applicable				
1 <sup>st</sup> preceding Fiscal Year		Not applicable	Not applicable	Not applicable	Not applicable			
Reporting Fiscal Year		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	

3.3.2.3. Transition rules

1. Transition Year	
--------------------	--

(a) Application of Article 9.1.1 and 9.1.2.

Deferred tax liabilities	
1. Deferred tax liabilities at the beginning of the Transition Year	2. Deferred tax liabilities recast at the Minimum Rate (if applicable)

Deferred tax assets			
3. Deferred tax assets at the beginning of the Transition Year	4. Deferred tax assets recast at the Minimum Rate (if applicable)	5. Deferred tax assets arising from excluded items under Article 9.1.2	6. Deferred tax assets taken into account for GloBE purposes
[A]	[B]	[C]	[D] = [ [A] or [B], if applicable ] - [C]

**(b) Application of Article 9.1.3.**

1. Jurisdiction of the disposing entities	2. Carrying Value of the transferred assets for GloBE purposes	3. Net Deferred tax asset or liability is determined with respect to the transferred assets for GloBE purposes

**3.3.3. Jurisdictional elections (if any)***3.3.3.1. Jurisdictional elections (other than Article 7.3.1)*

1. Annual elections		
a. Aggregate asset gain election (Article 3.2.6)		<input type="checkbox"/>
b. Immaterial decrease in Covered Taxes election (Article 4.6.1)		<input type="checkbox"/>
c. Election not to apply the Substance-based Income Exclusion (Article 5.3.1)		<input type="checkbox"/>
2. Five-year Elections		
d. Stock-based compensation election (Article 3.2.2)	3. Election Year	4. Revocation Year
e. Realisation principle election (Article 3.2.5)		
f. Intra-group transactions election (Article 3.2.8)		
5. Other elections		
g. GloBE Loss Election (Article 4.5)	6. Election Year	7. Revocation Year

3.3.3.2. Election for Article 7.3.1

1. Deemed Distribution Tax election (Article 7.3.1)	<input type="checkbox"/>
---	--------------------------

**(a) Recapture mechanism for Article 7.3**

1. Fiscal Year	2. Deemed Distribution Tax determined under Article 7.3.2	3. Deemed Distribution Tax paid or used					4. Outstanding balance of a Deemed Distribution Tax Recapture Account
		3 <sup>rd</sup> preceding Fiscal Year	Fiscal Year	2 <sup>nd</sup> preceding Fiscal Year	1 <sup>st</sup> preceding Fiscal Year	Reporting Fiscal Year	
4 <sup>th</sup> preceding Fiscal Year							
3 <sup>rd</sup> preceding Fiscal Year		Not applicable					
2 <sup>nd</sup> preceding Fiscal Year		Not applicable	Not applicable				
1 <sup>st</sup> preceding Fiscal Year		Not applicable	Not applicable	Not applicable			
Reporting Fiscal Year		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

**(b) Application of Article 7.3.7**

1. Reduction to the Adjusted Covered Taxes for a prior Fiscal Year	2. Incremental Top-up tax	3. Disposition Recapture Ratio
[A]	[B]	[C]

**3.4. Constituent Entity Computations**

**3.4.1. GloBE Income or Loss**

**(a) Adjustments to the Financial Accounts Net Income or Loss**

1. CE or member of JV Group (TIN)		
2. FANIL amount after allocations in Articles 3.4 and 3.5		
Adjustments	Additions	Reductions
(a) Net Taxes Expense - Article 3.2.1 (a)		
(b) Excluded Dividends – Article 3.2.1 (b)		



(c) Excluded Equity Gain or Loss – Article 3.2.1 (c)		
(d) Included Revaluation Method Gain or Loss – Article 3.2.1 (d)		
(e) Gain or loss from disposition of assets and liabilities excluded under Article 6.3 – Article 3.2.1 (e)		
(f) Asymmetric Foreign Currency Gains or Losses – Article 3.2.1 (f)		
(g) Policy Disallowed Expenses – Article 3.2.1 (g)		
(h) Prior Period Errors – Article 3.2.1 (h)		
(i) Changes in Accounting Principles – Article 3.2.1(h)		
(j) Accrued Pension Expense – Article 3.2.1 (i)		
(k) Stock-based compensation – Article 3.2.2		
(l) Arm's length adjustments – Article 3.2.3		
(m) Qualified Refundable Tax Credit – Article 3.2.4		
(n) Election for Gains and losses using realisation principle – Article 3.2.5		
(o) Election for Adjusted Asset Gain – Article 3.2.6		
(p) Intragroup Financing Arrangement expense – Article 3.2.7		
(q) Election for intragroup transactions in same jurisdiction – Article 3.2.8		
(r) Insurance company taxes charged to policyholders – Article 3.2.9		
(s) Increase/decrease to equity attributed to Additional Tier One Capital distributions paid/payable or received/receivable – Article 3.2.10		
(t) Constituent Entities joining and leaving an MNE Group – Article 3.2.11 and 6.2		
(u) Reduction of GloBE Income of the UPE that is a Flow-through Entity – Article 3.2.11 and 7.1		
(v) Reduction of GloBE Income of the UPE that is subject to a Deductible Dividend Regime – Article 3.2.11 and 7.2		
(w) Taxable Distribution Method election – Article 3.2.11 and 7.6		
(x) International Shipping Income – Article 3.3		
3. GloBE Income (Loss) of the CE or member of JV Group		

**(b) Allocation of income or loss between a Main Entity and a PE and from an FTE (Articles 3.4 and 3.5)**

1. CE or members of JV Groups located in this jurisdiction or stateless CE (TIN)	2. FANIL before the adjustment	3. Basis for the adjustment	4. Other CE or member of JV Group (TIN)	5. Jurisdiction of other CE or member of JV Group (ISO)	6. Additions to this CE	7. Reductions to this CE	8. FANIL after the adjustment

**(c) Cross-border adjustments**

1. CE or member of JV Group (TIN)	2. Basis for the adjustment	3. Other CE or member of JV Group (TIN)	4. Jurisdiction of other CE (ISO)	5. Additions to this CE	6. Reductions to this CE

**(d) Adjustments to the GloBE Income of the UPE under Article 7.1 or Article 7.2**

1. CE (or member of JV Group) located in this jurisdiction (TIN)	2. Basis for reduction	3. Identification of holders of Ownership Interests or dividend recipients (see note)	4. Ownership interest directly held (in percentage)	5. Reductions for this CE

**3.4.2. Adjusted Covered taxes****(a) Adjustments to the Current tax expense in the Financial Accounts**

1. CE or member of JV Group (TIN)		
2. Current tax expense with respect to Covered Taxes after allocations in Article 4.3		
	Adjustments	
	Additions	Reductions
(a) Covered Tax accrued as an expense in the profit before taxation in the financial accounts - Article 4.1.2 (a)		
(b) GloBE Loss Deferred Tax Asset established under Article 4.5.1 or used – Article 4.1.2 (b) combined with Article 4.5.3		
(c) Covered Taxes for uncertain tax position recorded as a reduction to Covered Taxes in prior year – Article 4.1.2 (c)		
(d) Qualified Refundable Tax Credit recorded as a reduction to current tax expense – Article 4.1.2 (d)		
(e) Current tax expense on income excluded from GloBE Income or Loss – Article 4.1.3 (a)		
(f) Non-Qualified Refundable Tax Credit not recorded as a reduction to current tax expense – Article 4.1.3 (b)		

(g)	Covered Taxes refunded or credited (except for any Qualified Refundable Tax Credit) not treated as an adjustment to current tax expense – Article 4.1.3 (c)		
(h)	Current tax expense related to uncertain tax position– Article 4.1.3 (d)		
(i)	Current tax expense not expected to be paid within three years – Article 4.1.3 (e)		
(j)	Post-filing adjustments – Article 4.6.1		
(k)	Covered Taxes relating to Net Asset Gain or Net Asset Loss – Article 3.2.6		
(l)	Reduction of Covered Taxes of the UPE that is a Flow-through Entity – Article 7.1		
(m)	Covered Taxes for GloBE Income of the UPE that is reduced under a Deductible Dividend Regime – Article 7.2.2		
(n)	Deemed Distribution Tax– Article 7.3		
(o)	Taxable Distribution Method election – Article 7.6		
(p)	Total Deferred Tax Adjustment Amount – Article 4.1.1(b)		
(q)	Increase or decrease in Covered Taxes recorded in equity or Other Comprehensive Income relating to amounts included in GloBE Income or Loss that will be subject to tax under local tax rules – Article 4.1.1 (c)		
<b>3. Adjusted Covered Taxes</b>			

**(b) Cross allocation of taxes**

1. CE located in this jurisdiction or stateless CE (or member of JV Group) (TIN)	2. Covered Taxes of the CE (or member of JV Group) before the adjustment	3. Basis for the adjustment	4. Other CE (or member of JV Group) (TIN)	5. Jurisdiction of other CE (or member of JV Group) (ISO)	6. Additions to this CE	7. Reductions to this CE	8. Covered Taxes of the CE (or member of JV Group) after the adjustment

**(c) Deferred tax expense**

1. CE or member of JV Group (TIN)		
2. Deferred tax expense amount		
3. Adjustments to deferred tax expense	Additions	Reductions
(a) Deferred tax expense related to items excluded from GloBE Income or Loss – Article 4.4.1 (a)		
(b) Deferred tax expense related to Disallowed Accruals– Article 4.4.1 (b)		

(c) Deferred tax expense related to Unclaimed Accruals – Article 4.4.1 (b)		
(d) Valuation adjustment or accounting recognition adjustment related to a deferred tax asset – Article 4.4.1 (c)		
(e) Deferred tax expense arising from a re-measurement related to changes in the tax rate – Article 4.4.1 (d)		
(f) Deferred tax expense related to the generation and use of tax credits – Article 4.4.1 (e)		
(g) Disallowed Accruals or Unclaimed Accruals paid during the fiscal year – Article 4.4.2 (a)		
(h) Recapture Deferred Tax Liability paid during the fiscal year– Article 4.4.2 (b)		
(i) Recognition of a loss Deferred Tax Asset not included in the financials – Article 4.4.2 (c)		
(j) Deferred tax expense adjustment resulting from a reduction to a tax rate – Article 4.6.2		
(k) Deferred tax expense adjustment resulting from an increase to a tax rate – Article 4.6.3		
(l) Constituent Entities joining and leaving an MNE Group – Article 6.2		
(m) Deferred tax expense of the UPE that is a Flow-through Entity – Article 7.1		
(n) Deferred tax expense of the UPE that is subject to Deductible Dividend Regime – Article 7.2		
4. Total Deferred Tax Adjustment Amount		

**3.4.3. Constituent Entity elections (or elections that apply to a JV Group)**

1. Constituent Entities (or member of JV Group) for which an election is made (TIN)	2. Annual Elections		3. Five-Year Elections		
	a. Unclaimed Accrual Election (Article 4.4.7)		b. Not treating an Entity as an Excluded Entity election (Article 1.5.3)	c. Investment entity tax transparency election (Article 7.5)	d. Taxable distribution method election (Article 7.6)
	<input type="checkbox"/>	4. Election Year			
		5. Revocation Year			

## e. Fair value election (Article 6.3.4)

1. Constituent Entities (members of JV Groups) for which the election is made (TIN)	2. Fiscal Year of the triggering event	3. Inclusion in the Fiscal Year of the triggering event as provided under Article 6.3.4 (c) (i) or 5-year inclusion (as provided under Article 6.3.4 (c) (ii))

**3.4.4. International shipping income exclusion****(a) International shipping income exclusion**

1. CE or member of JV Group located in this jurisdiction (TIN)		
International shipping income	2. Category	
	3. Revenue	[A]
	4. Costs	[B]
	5. International Shipping Income	[C]=[A]-[B]
Qualified Ancillary International Shipping Income	6. Category	
	7. Revenue	[D]
	8. Costs	[E]
	9. Qualified Ancillary International Shipping Income	[F]=[D]-[E]
Effect on substance-based income exclusion	10. Payroll costs attributable to the excluded International Shipping Income or Qualified Ancillary International Shipping Income	
	11. Carrying value of tangible assets used in the generation of the excluded International Shipping Income or Qualified Ancillary International Shipping Income	
Covered taxes	12. Covered taxes attributable to the excluded International Shipping Income or Qualified Ancillary International Shipping Income	

**(b) Jurisdictional cap for the qualified ancillary international shipping income exclusion**

1. Total International Shipping Income for all CEs (or members of JV Group)	[A]
2. 50% cap	50%x[A]
3. Total Qualified Ancillary International Shipping Income for all CEs (or members of JV Group)	[B]
4. Excess of the cap if B exceeds 50% of A	[B]-50%x[A]

**3.4.5. Other Accounting Standard**

1. Constituent Entity (or member of JV Group) with FANIL based on a different accounting standard (TIN)	2. Acceptable or Authorised Financial Accounting Standard

**3.5. MNE Group in the initial phase of international activity (if applicable)**

1. First day of the First Fiscal Year in which the MNE Group originally came within the scope of GloBE Rules	
2. Reference Jurisdiction	
3. Net Book Value of Tangible Assets in Reference Jurisdiction for the Fiscal Year in which the MNE Group originally comes within the scope of GloBE Rules	
4. Number of jurisdictions where the MNE Group has Constituent Entities for the Fiscal Year in which the MNE Group originally comes within the scope of GloBE Rules	
5. Tangible Assets of Constituent Entities located outside the Reference Jurisdiction for the Fiscal Year in which the MNE Group originally comes within the scope of GloBE Rules	a. Jurisdiction
	b. Net Book Values of Tangible Assets of all Constituent Entities located in each jurisdiction
6. Number of jurisdictions where the MNE Group has Constituent Entities during the Reporting Fiscal Year	
7. Sum of the Net Book Values of Tangible Assets of all Constituent Entities located in other jurisdictions than the Reference Jurisdiction during the Reporting Fiscal Year	

## 4. Top-up Tax Allocation and Attribution

### 4.1. Low-tax Jurisdictions in respect of which the IIR or UTPR apply

#### 4.1.1. Identification of the Low-Tax Jurisdiction

1. Name of the Low-Tax jurisdiction (incl. Stateless)	Jurisdiction A
2. Scope of ETR computation	
3. Jurisdictional Top-up Tax	[T] = Jurisdictional Top-up Tax for jurisdiction A for the relevant option

#### 4.1.2. Application of the IIR in respect of this Low-tax jurisdiction

1. Group Entity allocated top-up tax	a. LTCE or member of JV Group (TIN)		
	b. GloBE Income of the LTCE or member of JV Group		[A]
	c. Top-up Tax of the Low-Taxed CE or the member of the JV Group		$[C] = [T] \times [A]/[A+B+etc]$
2. Parent Entities required to apply a QIIR	a. Parent Entity (TIN)	[Parent Entity 1]	
	b. Parent Entity Jurisdiction	Jurisdiction B	
	c. The amount of GloBE Income attributable to Ownership Interests held by other owners	[D]	
	d. Parent Entity's Inclusion Ratio	$[F] = ([A] - [D])/[A]$	
3. IIR Top-up Tax	a. Parent Entity's Allocable Share of the Top-up Tax	$[G] = [C] \times [F]$	
	b. IIR Offset	[H]	
	c. Top-up Tax payable by Parent Entity	$[I] = [G] - [H]$	

#### 4.1.3. Total UTPR Top-up Tax amount in respect of this Low-Tax Jurisdiction

1. LTCE (or member of JV Group) for which Article 2.5.2 does not apply (TIN)	
2. Top-up Tax taken into account for Article 2.5.1	
3. Total UTPR Top-up Tax Amount in respect of this jurisdiction	

#### 4.2. Attribution of Top-up Tax under the UTPR

1. UTPR Jurisdictions	2. UTPR Top-up Tax carry-forward	3. Number of Employees	4. Net Book Value of Tangible Assets	5. UTPR Percentage	6. UTPR Top-up Tax Amount attributed for the Reporting Fiscal Year	7. Additional cash tax expense incurred by CEs in UTPR jurisdiction	8. UTPR Top-up tax left to be carried forward
Total							





## Annex A2. Explanatory guidance

## Explanatory Guidance

### **Structure of the guidance**

This guidance follows the same outline as Annex A1 which identifies the data points. It provides clarifications on the information that is identified in the tables provided in Annex A1. The clarifications may include possible options for such information.

### **Numbering of the Notes**

The numbering of the notes in the guidance also follows the outline of the tables in Annex A1. In particular, each note is numbered after the section in which the table is found, with an additional reference to the column(s) and/or the row(s) to which it refers. For example, Note 3.3.1.2.1 refers to row 1 of the table provided in section 3.3.1.2 of Annex A1.

# 1. General Information

## Functioning of this section - General Information Section

The Filing Information section identifies both the MNE Group and the Filing Constituent Entity and provides general accounting information on the Reporting Fiscal Year and the Consolidated Financial Statements of the UPE.

### 1.1. MNE Group and Reporting Fiscal Year

**Note 1.1.1:** the Filing Constituent Entity shall report the name of the MNE Group that is commonly used in the preparation of the Consolidated Financial Statements.

**Note 1.1.2:** the Filing Constituent Entity shall report the start date of the Reporting Fiscal Year.

**Note 1.1.3:** the Filing Constituent Entity shall report the end date of the Reporting Fiscal Year.

**Note 1.1.4:** the Filing Constituent Entity shall report “Yes” if the GloBE Information Return being filed is an amended return.

### 1.2. Identification of the Filing Constituent Entity

**Note 1.2.1 and 1.2.2:** the Filing Constituent Entity is the one that files this GloBE Information Return. If multiple Filing Constituent Entities file the GloBE Information Return, each of them shall file a separate GloBE Information Return.

**Note 1.2.2, 1.2.3, 1.2.4 and 1.2.5:** these columns shall not be completed if the Filing Constituent Entity is the UPE.

**Note 1.2.3:** the Filing Constituent Entity shall identify its TIN used for purposes of Covered Taxes in the Filing Jurisdiction or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 1.2.4:** the relevant option shall be selected: • Designated Filing Entity • Designated Local Entity • Constituent Entity

**Note 1.2.5:** the Filing Constituent Entity shall report the 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard for the jurisdiction where it is located.

### 1.3. MNE General accounting information

**Note 1.3.1:** the Filing Constituent Entity shall report the relevant subparagraph (a), (b), (c), (d) of the definition of Consolidated Financial Statements in Article 10 that applies to the Consolidated Financial Statements of the UPE. When letter (d) applies, the Filing Constituent Entity shall use reasonable diligence and good faith efforts for purposes of the identification of the UPE.

**Note 1.3.2:** the Filing Constituent Entity shall report the Financial Accounting Standard that is used for the Consolidated Financial Statements of the UPE. If the UPE does not prepare

Consolidated Financial Statements, the Filing Constituent Entity shall report the Authorised Financial Accounting Standard that is used for purposes of the GloBE Rules.

**Note 1.3.3:** the Filing Constituent Entity shall report the currency that is used for the Consolidated Financial Statements of the UPE. if the UPE does not prepare Consolidated Financial Statements, the Filing Constituent Entity shall report the currency that is used for purposes of the GloBE Rules.

## 2. Corporate Structure

### Functioning of this section – Corporate structure

The corporate structure information is relevant for purposes of applying the GloBE Rules and identifying which Constituent Entities could be subject to the GloBE Rules and required to pay Top-up Tax (if any) under the GloBE Rules. This section provides information on the UPE in table 2.1 as well as information on the corporate structure of the Constituent Entities and members of JV Groups (table 2.2.1). Table 2.2.2 requires the identification of all Excluded Entities and the reason why they are excluded. Table 2.3 requires the reporting of all changes to the corporate structure of Constituent Entities (or other Entities of the MNE Group) and members of JV Groups occurred during the Reporting Fiscal Year.

### 2.1. Ultimate Parent Entity

**Note 2.1:** the information in the table shall be reported as of last day of the Reporting Fiscal Year.

**Note 2.1:** if the MNE Group is a Multi-Parented MNE Group, the Filing Constituent Entity shall complete this table for each UPE.

**Note 2.1.1:** the Filing Constituent Entity shall report the 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard for the jurisdiction where the UPE is located for GloBE purposes.

**Note 2.1.2:** the Filing Constituent Entity shall report whether the UPE jurisdiction has a QIIR, QUTPR and/or QDMTT in force for the Reporting Fiscal Year. The relevant option(s) shall be selected: (i) QIIR applicable to Low-Taxed Constituent Entities located in other jurisdictions only (ii) QIIR applicable to both Low-Taxed Constituent Entities located in other jurisdictions and in the jurisdiction of the Parent Entity (iii) QUTPR (iv) QDMTT. If more than one option is relevant, the Filing Constituent Entity shall select all relevant options.

**Note 2.1.1 and 2.1.2:** the Filing Constituent Entity shall not report this information if the UPE is an Excluded Entity.

**Note 2.1.3:** the Filing Constituent Entity shall report the name of the UPE.

**Note 2.1.4:** the Filing Constituent Entity shall report the TIN of the UPE used for purposes of Covered Taxes in the jurisdiction where the UPE is located for GloBE purposes or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 2.1.5:** the Filing Constituent Entity shall report the TIN (if any) issued to the UPE by the jurisdiction where filing takes place (“the Filing Jurisdiction”).

**Note. 2.1.6:** the relevant option(s) shall be selected: Constituent Entity • Flow Through Entity - Tax Transparent • Flow Through Entity - Reverse Hybrid • Hybrid Entity • Main Entity • Investment Entity • Insurance Investment Entity • Excluded Entity. If more than one option is relevant, the Filing Constituent Entity shall select all relevant options.

**Note 2.1.7:** if the UPE is an Excluded Entity, the Filing Constituent Entity shall report whether the UPE is: (i) a Governmental Entity, (ii) an International Organisation; (iii) a Non-profit Organisation; (iv) a Pension Fund; (v) an Investment Fund that is the UPE; (vi) a Real Estate Investment Vehicle that is the UPE.

## 2.2. Group Entities (other than the UPE) and members of JV Groups

### 2.2.1. Constituent Entities and members of JV Groups

**Note 2.2.1:** the information reported in the table shall be reported as of last day of the Reporting Fiscal Year.

**Note 2.2.1.1:** the Filing Constituent Entity shall report “No” if the information reported in rows 2.1.1.2 to 2.2.1.18 of the GIR filed for the preceding Reporting Fiscal Year is still valid and complete for the Reporting Fiscal Year. If the answer is No, the Filing Constituent Entity shall not complete rows 2.1.1.2 to 2.2.1.18. If the answer is Yes, the Filing Constituent Entity shall complete all rows 2.1.1.2 to 2.2.1.18 with respect to all Constituent Entities and members of JV Groups.

**Note 2.2.1.2:** the Filing Constituent Entity shall report the 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard for the jurisdiction where the Constituent Entity (other than the UPE), the JV or the JV Subsidiary is located for GloBE purposes. This row could include the UPE jurisdiction if Constituent Entities other than the UPE, JVs or JV Subsidiaries are located in the UPE jurisdiction. The Filing Constituent Entity shall insert “Stateless” for Stateless Constituent Entities.

**Note 2.2.1.3:** the relevant option(s) shall be selected: (i) QIIR applicable to Low-Taxed Constituent Entities located in other jurisdictions only (ii) QIIR applicable to both Low-Taxed Constituent Entities located in other jurisdictions and in the jurisdiction of the Parent Entity (iii) QUTPR (iv) QDMTT. If more than one option is relevant, the Filing Constituent Entity shall select all relevant options.

**Note 2.2.1.4:** the Filing Constituent Entity shall report the name of the Constituent Entity, JV or JV Subsidiary.

**Note 2.2.1.5:** the Filing Constituent Entity shall report the TIN of the Constituent Entity, JV or JV Subsidiary used for purposes of Covered Taxes in the jurisdiction or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 2.2.1.6:** the Filing Constituent Entity shall report the TIN of the relevant Constituent Entity, JV or JV Subsidiary issued (if any) by the jurisdiction where the filing of the GloBE Information Return takes place.

**Note 2.2.1.7:** the relevant option(s) shall be selected: • Constituent Entity • Flow-Through Entity - Tax Transparent • Flow-Through Entity - Reverse Hybrid • Hybrid Entity • Permanent Establishment • Main Entity • Minority-Owned Parent Entity • Minority-Owned Subsidiary • Minority-Owned Constituent Entity • Investment Entity • Insurance Investment Entity • Joint Venture (JV) • JV Subsidiary. If more than one option is relevant, the Filing Constituent Entity shall select all relevant options.

**Note 2.2.1.8:** the Filing Constituent Entity shall report the type of entity that holds direct Ownership Interests in the Constituent Entity or member of a JV Group or indirect Ownership Interests in the Constituent Entity or member of a JV Group through Excluded Entities or non-Group members. The relevant option shall be selected (only one applicable): • UPE • Constituent Entities • Joint Ventures • JV Subsidiaries • Excluded Entities (aggregate) • Non-

Group members (aggregate). “Excluded Entities (aggregate)” and “Non-Group members (aggregate)” are reported in the aggregate.

**Note 2.2.1.9:** the Filing Constituent Entity shall report the TIN (or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number) of the Constituent Entities, JVs or JV Subsidiaries that hold Ownership Interests in the Constituent Entity, JV or JV Subsidiary. No TIN shall be reported for Excluded Entities that are not the UPE and non-Group members as they are reported in the aggregate (i.e., “Excluded Entities (aggregate)” and “Non-Group members (aggregate)”).

**Note 2.2.1.10:** the Filing Constituent Entity shall report (in percentage) the Ownership Interests directly held in the Constituent Entity, JV or JV Subsidiary by the Constituent Entities, JV, JV subsidiaries, Excluded Entities and non-Group members identified in 2.2.1.8. The Filing Constituent Entity shall report Ownership Interests held by non-Group members in the aggregate. When several Excluded Entities hold direct Ownership Interest in a Constituent Entity, JV or JV Subsidiary, the aggregate amount held by all Excluded Entities shall be reported. When a Group Entity holds indirect Ownership Interest in a Constituent Entity, Joint Venture or JV subsidiary through one or more Excluded Entities or through non-Group members, the Filing Constituent Entity shall report, in addition to any Ownership Interest that this Group Entity holds directly, the Ownership Interests that it holds indirectly through Excluded Entities or non-Group members. To avoid double counting, in this case, the Ownership Interests directly held in the Constituent Entity, Joint Venture or JV subsidiary by such Excluded Entities or non-Group members taken into account in computing that Group Entity’s Ownership Interest shall not be reported separately. If the Constituent Entity is a Permanent Establishment, the Filing Constituent Entity shall identify the Main Entity in 2.2.1.9 and report 100% in 2.2.1.10.

**Note 2.2.1.11 to 2.2.1.15:** this information shall only be reported in respect of the CE if a QIIR applies in the jurisdiction where the CE is located and if the CE is a POPE or an Intermediate Parent Entity. This information shall not be reported in respect of members of JV Groups or Entities that do not own any Ownership Interest (direct or indirect) in another CE as those Group Entities are not potential Parent Entities.

**Note 2.1.1.11:** the Filing Constituent Entity shall report the type of Parent Entity that applies. The relevant option shall be selected (if any): • POPE • Intermediate Parent Entity.

**Note 2.2.1.12:** the exception provided in Article 2.1.3 applies if the UPE is required to apply a QIIR or another Intermediate Parent Entity that owns (directly or indirectly) a Controlling Interest in the Parent Entity is required to apply a QIIR. When the exception applies, the Parent Entity shall not be required to apply the QIIR.

**Note 2.2.1.13:** the Filing Constituent Entity shall report the TIN used for Covered Taxes in the jurisdiction where the other Intermediate Parent Entity is located for GloBE purposes or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 2.2.1.14:** pursuant to the definition of the Partially-Owned Parent Entity, the Parent Entity is a Partially-Owned Parent Entity if it has more than 20% of the Ownership Interests in its profits held (directly or indirectly) by persons that are not Constituent Entities of the MNE Group and if it owns (directly or indirectly) an Ownership Interest in another Constituent Entity of the same MNE Group.

**Note 2.2.1.15:** pursuant to Article 2.1.5, a POPE is not required to apply the IIR if it is wholly owned (directly or indirectly) by another POPE that is required to apply a Qualified IIR for the Reporting Fiscal Year. If the exception in Article 2.1.5 applies, the Filing Constituent Entity shall report the TIN used for Covered Taxes in the jurisdiction where the other Partially-Owned Parent



Entity is located for GloBE purposes or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 2.2.1.16:** if the answer is “Yes”, the Filing Constituent Entity shall not complete rows 2.2.1.17 and 2.2.1.18.

**Note 2.2.1.17:** the Filing Constituent Entity shall report the aggregate Ownership Interests in percentage over the total of Ownership Interests held in that Constituent Entity. The aggregate (direct and indirect) Ownership Interests of Parent Entities required to apply a QIIR is the sum of the Ownership Interests held by each Parent Entity that is required to apply a QIIR with respect to the Low-Taxed Constituent Entities. The aggregate amount shall be zero if no Parent Entity is required to apply a QIIR in respect of the low-taxed income of the Low-Taxed Constituent Entity. If a Parent Entity (that owns an Ownership Interest in a Low-Taxed Constituent Entity indirectly through an Intermediate Parent Entity or a Partially-Owned Parent Entity that is not eligible for an exclusion from the IIR under Article 2.1.3 or 2.1.5) is required to apply the IIR, the relevant Ownership Interests shall be counted only once for purposes of computing the aggregate amount.

**Note 2.2.1.17:** the Filing Constituent Entity shall report the aggregate Allocable Share of Top-up Taxes of the member of the JV Group in percentage over the total amount of Top-up Tax for that member of a JV Group. The aggregate Allocable Share of Top-up Taxes of Parent Entities required to apply a QIIR is the sum of the Allocable Share of Top-up Taxes of each Parent Entity that is required to apply a QIIR with respect to the Low-Taxed Joint Venture or JV Subsidiary. The aggregate amount shall be zero if no Parent Entity is required to apply a QIIR in respect of the low-taxed income of the Joint Venture or JV Subsidiary. If a Parent Entity holds an Ownership Interest in a Low-Taxed Joint Venture or JV subsidiary indirectly through another other Parent Entity that is required to apply the IIR, the Allocable Share of Top-up Taxes shall be counted only once for purposes of computing the aggregate amount.

**Note 2.2.1.18:** the Filing Constituent Entity shall report whether the UPE's Ownership Interests in the CE (respectively UPE's allocable share of Top-up Tax for the member of JV Group) is greater than the aggregate Ownership Interests (respectively allocable share) of Parent Entities required to apply a QIIR in that CE (respectively member of JV group).

## **2.2.2. Excluded Entities**

**Note 2.2.2:** the information reported in the table shall be reported for each Excluded Entity as of last day of the Reporting Fiscal Year. An Excluded Entity is a Group Entity that is defined in Article 1.5.1 or Article 1.5.2.

**Note 2.2.2.1:** the Filing Constituent Entity shall report “No” if the information reported in 2.2.2.2 and 2.2.2.3 of the GIR filed for the preceding Reporting Fiscal Year is still valid and complete for the Reporting Fiscal Year. If the answer is No, The Filing Constituent Entity shall not complete 2.2.2.2 and 2.2.2.3. If the answer is Yes, The Filing Constituent Entity shall complete 2.2.2.2 and 2.2.2.3 with respect to all Excluded Entities.

**Note 2.2.2.2:** the Filing Constituent Entity shall identify the name of each Excluded Entity.

**Note 2.2.2.3:** the Filing Constituent Entity shall the type of each Excluded Entity. The relevant option shall be selected (only one applicable): • Governmental Entity • International Organisation • Non-profit Organisation • Pension Fund • Investment Fund that is an UPE • Real Estate Investment Vehicle that is an UPE • Entity owned by Excluded Entities under Article 1.5.2 (a) • Entity owned by Excluded Entities under Article 1.5.2 (b).

### 2.3. Changes in the corporate structure that occurred during the Reporting Fiscal Year

**Note 2.3:** the Filing Constituent Entity shall not complete the table if no Constituent Entity (or other Entity of the MNE Group) or member of a JV Group was subject to changes during the Reporting Fiscal Year.

**Note 2.3.1:** the Filing Constituent Entity shall report all Constituent Entities (or other Entity of the MNE Group, e.g. Excluded Entities) or members of JV Groups that were subject to changes in their ownership structure or in their status during the Reporting Fiscal Year.

**Note 2.3.2:** the Filing Constituent Entity shall report the TIN used for purposes of Covered Taxes in the jurisdiction where the Constituent Entity (or other Entity of the MNE Group) or member of a JV Group is located for GloBE purposes or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 2.3.3:** the Filing Constituent Entity shall report the effective date (using dd-mm-yyyy format) of any changes in the ownership structure or any changes in the status of the Constituent Entity (or other Entity of the MNE Group) or member of a JV Group. If a Constituent Entity (or other Entity of the MNE Group) or a member of a JV Group was subject to more than one change during the Reporting Fiscal Year, the Filing Constituent Entity shall complete a separate row for each of such changes.

**Note 2.3.4:** the Filing Constituent Entity shall report the relevant status for GloBE purposes of the Constituent Entity (or other Entity of the MNE Group) or member of JV Group on the day immediately preceding the date of the change. The relevant option(s) shall be selected: Constituent Entity • Flow-Through Entity - Tax Transparent • Flow-Through Entity - Reverse Hybrid • Hybrid Entity • Permanent Establishment • Main Entity • Minority-Owned Parent Entity • Minority-Owned Subsidiary • Minority-Owned Constituent Entity • Investment Entity • Insurance Investment Entity • Joint Venture (JV) • JV Subsidiary • POPE • Intermediate Parent Entity • Ultimate Parent Entity • Excluded Entity • Non-Group member. If more than one option is relevant, the Filing Constituent Entity shall select all relevant options.

**Note 2.3.5:** the Filing Constituent Entity shall report the relevant status for GloBE purposes of the Constituent Entity (or other Entity of the MNE Group) or member of JV Group on the day of the change after the transaction. The relevant option(s) shall be selected: Constituent Entity • Flow-Through Entity - Tax Transparent • Flow-Through Entity - Reverse Hybrid • Hybrid Entity • Permanent Establishment • Main Entity • Minority-Owned Parent Entity • Minority-Owned Subsidiary • Minority-Owned Constituent Entity • Investment Entity • Insurance Investment Entity • Joint Venture (JV) • JV Subsidiary • POPE • Intermediate Parent Entity • Ultimate Parent Entity • Excluded Entity • Non-Group member. If more than one option is relevant, the Filing Constituent Entity shall select all relevant options.

**Note 2.3.6 to 2.3.8:** the Filing Constituent Entity shall not complete the 2.3.6 and 2.3.7 columns with respect to Excluded Entities that were Excluded Entities before the change. The Filing Constituent Entity shall not complete the 2.3.6 and 2.3.8 columns with respect to Excluded Entities that were Excluded Entities after the change.

**Note 2.3.6:** if the Constituent Entity (or other Entity of the MNE Group) or member of a JV Group is a Permanent Establishment, the Filing Constituent Entity shall identify its Main Entity in the 2.3.6 column and report 100% in the 2.3.7 or 2.3.8 column.

**Note 2.3.6:** the Filing Constituent Entity shall report all Constituent Entities, Group Entities, Excluded Entities, members of JV Groups or non-Group members that directly held Ownership Interests in the Constituent Entity (or other Entity of the MNE Group) or member of a JV Group on the day immediately preceding the date of the transaction. Excluded Entities that are not the

UPE and non-Group members should be reported in the aggregate (i.e., “Excluded Entities (aggregate)” and “Non-Group members (aggregate)”). The Filing Constituent Entity shall also report any Group Entity that indirectly held Ownership Interests in the Constituent (or other Entity of the MNE Group) through Excluded Entities or non-Group members on the day immediately preceding the date of the transaction.

**Note 2.3.7:** the Filing Constituent Entity shall report (in percentage) the Ownership Interests held in the Constituent Entity (or other Entity of the MNE Group) or member of a JV Group by the Constituent Entities, Excluded Entities, members of JV Groups and non-Group members identified in 2.3.6 on the day immediately preceding the date of change in accordance with the guidance provided in Note 2.2.1.10.

**Note 2.3.8:** the Filing Constituent Entity shall report (in percentage) the Ownership Interests held in the Constituent Entity (or other Entity of the MNE Group) or member of a JV Group by the Constituent Entities, Excluded Entities, members of JV Groups and non-Group members identified in 2.3.6 on the day of the change after the transaction in accordance with the guidance provided in Note 2.2.1.10.

## 3. ETR Computation and Top-up Tax Computation

### Functioning of this section - ETR and Top-up Tax computation

Sections 3.1 to 3.4. provide information to support the ETR and Top-up Tax computation made by the MNE Group. Like the GloBE Rules, the GloBE Information Return follows a jurisdictional approach. The Filing Constituent Entity is therefore required to report the relevant information on a jurisdictional basis. Under specific circumstances, the ETR and Top-up Tax computation shall be performed on a sub-group basis. Section 3.1 therefore requires the identification of such subgroups. Section 3.2 includes the information relevant for the exceptions to the Top-up Tax computation, i.e. cases where the Top-up Tax is reduced to zero because of the application of either a Safe Harbour or the de-minimis exclusion. Section 3.3 contains jurisdictional information that is relevant for the computation of the ETR and the Top-up Tax. Section 3.4 contains more detailed information at the entity level.

Section 3.5 provides information demonstrating that the MNE Group is eligible for the exclusion for purposes of the UTPR (Article 9.3). If Article 9.3 is applicable and no Group Entity is required to apply a QIIR, the Filing Constituent Entity does not need to report sections 3.1. to 3.4 for the relevant jurisdictions for which the Top-up Tax is reduced to zero.

### 3.1. Characteristics of the jurisdiction

**Note 3.1:** the Filing Constituent Entity shall report the information in respect of each jurisdiction where the MNE Group has Constituent Entities or where members of JV Groups are located.

**Note 3.1.1:** the Filing Constituent Entity shall report the 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard for the jurisdiction. The Filing Constituent Entity shall report “Stateless” for each Stateless Constituent Entity.

**Note 3.1.2:** a “subgroup” should be identified for each perimeter of ETR computation. Several subgroups can be identified in this row. The relevant options should be selected from the following list: Constituent Entities, Minority-Owned Subgroup (specify which Minority-Owned Subgroup), Standalone MOCEs, Investment Entities and/or Joint Venture Group (specify which JV Group) as well as Stateless Constituent Entity. Standalone MOCEs are Minority-Owned Constituent Entities that are not part of any Minority-Owned Group. Investment Entities also include JVs or JV subsidiaries that qualify as Investment Entities but do not include Investment Entities for which an election is made under Article 7.5. Minority-Owned Subgroups may be made of members of JV Groups. When JV subgroups or multiple minority owned subgroups are located in the jurisdiction, each of them should be identified with a different name. The Filing Constituent Entity shall report the relevant information in Sections 3.3 and 3.4 for each subgroup, unless some exceptions may apply (see Section 3.2).

## 3.2. Jurisdictional exceptions applicable in respect of this jurisdiction (Top-up Tax reduced to zero)

### Functioning of this section - Jurisdictional exceptions applicable in respect of this jurisdiction

This section includes the information relevant for the exceptions to the Top-up Tax computation, i.e. cases where the Top-up Tax is reduced to zero because of the application of either a Safe Harbour or the de-minimis exclusion. Section 3.2.1 requires the Filing Constituent Entity that elected to apply the CbCR Transitional Safe Harbour to report the information needed to demonstrate that the MNE Group is eligible for that safe harbour for the jurisdiction. This section could be expanded over time to reflect other safe harbours (e.g. permanent safe harbours), where relevant.

Similarly, Section 3.2.2 requires the Filing Constituent Entity that elected for the application of the de-minimis exclusion to report the information needed to demonstrate that the jurisdiction is eligible for the de-minimis exclusion.

### 3.2.1. Safe harbour jurisdiction election

**Note 3.2.1.a:** the Filing Constituent Entity shall identify the scope of the election. The relevant option(s) should be selected from the list provided in Table 3.1.2, where relevant. If more than one option is relevant, the Filing Constituent Entity shall select all relevant options.

**Note 3.2.1:** where the Transitional CbCR Safe Harbour applies, the Filing Constituent Entity shall not complete any other table in Section 3 with respect to Constituent Entities or members of JV Groups that are covered by the Transitional CbCR Safe Harbour (except otherwise indicated in the notes below). The safe harbour jurisdiction shall also not be considered as a Low-Tax Jurisdiction with respect to Constituent Entities or members of JV Groups that are covered by the Transitional CbCR Safe Harbour for purposes of Section 4.

**Note 3.2.1:** where the Qualified Financial Statements used to complete this table are the separate financial statements of a Constituent Entity or a member of a JV Group, the Filing Constituent Entity shall complete Table 3.4.5.

**Note 3.2.1.1:** the Filing Constituent Entity shall identify the test that it elects to apply for this jurisdiction. The Filing Constituent Entity shall select the relevant option: (a) De minimis test; (b) Simplified ETR test; or (c) Routine profits test. If option (c) is selected, the Filing Constituent Entity shall also complete section 3.3.1.3 (relating to the Substance-based Income Exclusion) with respect to the relevant Constituent Entities or members of JV Groups in accordance with agreed Safe Harbours.

**Note 3.2.1.2:** the Filing Constituent Entity shall report the Total Revenue for the jurisdiction as reported in the Qualified CbC Report of the MNE Group (or Qualified Financial Statements for members of JV Groups) for the Reporting Fiscal Year. If option (b) or option (c) is selected in 3.2.1.1, the Filing Constituent Entity shall not complete 3.2.1.2.

**Note 3.2.1.3:** the Filing Constituent Entity shall report the Profit (Loss) before Income Tax for the jurisdiction as reported in the Qualified CbC Report of the MNE Group (or Qualified Financial Statements for members of JV Groups) for the Reporting Fiscal Year.

**Note 3.2.1.4:** the income tax expense includes both the current tax expense and the deferred tax expense of the relevant Constituent Entities or members of JV Groups in accordance with

agreed Safe Harbours. If option (a) or option (c) is selected in 3.2.1.1, the Filing Constituent Entity shall not complete 3.2.1.4.

### **3.2.2. Election for de minimis exclusion**

**Note 3.2.2.a:** the Filing Constituent Entity shall identify the scope to which the de minimis exclusion applies. The Filing Constituent Entity shall select the relevant option(s): • Constituent Entities • JV Group (specify which JV Group). When the election to apply the de minimis exclusion for a jurisdiction is made for a subgroup, the Filing Constituent Entity shall complete the table for that subgroup and the Filing Constituent Entity shall not complete any other tables in Section 3 for that subgroup for that jurisdiction.

**Note 3.2.2:** Investment Entities and Stateless Constituent Entities are not eligible for the de minimis exclusion. The GloBE Revenue and GloBE Income or Loss of both types of entities are excluded from the computation in Art. 5.5.3. The GloBE Revenue and the GloBE Income or Loss of the Minority-Owned Constituent Entities is taken into account together with those of other Constituent Entities for purposes of determining the Average GloBE Revenue and the Average GloBE Income or Loss of the jurisdiction where they are located.

**Note 3.2.2:** where the Filing Constituent Entity elects to apply the de minimis exclusion with respect to an eligible jurisdiction, the Filing Constituent Entity shall not complete sections 3 other than tables 3.2.2 and 3.4.5 (where applicable) for the jurisdiction.

**Note 3.2.2.1:** the Filing Constituent Entity shall report here the sum of the revenue of Constituent Entities or members of JV Groups located in the jurisdiction before any adjustments under Chapter 3.

**Note 3.2.2.2:** the Filing Constituent Entity shall report here the sum of the GloBE Revenue of Constituent Entities or members of JV Groups located in the jurisdiction.

**Note 3.2.2.3:** the Filing Constituent Entity shall report here the aggregate FANIL of Constituent Entities or members of JV Groups located in the jurisdiction.

**Note 3.2.2.4:** the Filing Constituent Entity shall report here the sum of the GloBE Income or Loss of Constituent Entities or members of JV Groups located in the jurisdiction.

**Notes 3.2.2.1.a-c:** the Filing Constituent Entity shall report the relevant amounts in respect of the Reporting Fiscal Year, the first preceding fiscal year (if applicable) and the second preceding fiscal year (if applicable), respectively.

**Note 3.2.2.1.d:** where appropriate, the Average of the three Fiscal Years shall be computed by adjusting the corresponding revenue and income (or loss) calculations in proportion to the period covered by the preceding Fiscal Year over a calendar year.

### 3.3. Jurisdictional computations

#### Functioning of this section – Jurisdictional computations

This section contains jurisdictional information that is relevant for the computation of the ETR and the Top-up Tax.

In Section 3.3.1, a breakdown of all the adjustments made to the FANIL and to the current tax expense of all Constituent Entities or members of JV Groups is provided on a jurisdictional basis to identify the net GloBE Income or Loss of the jurisdiction as well as the Adjusted Covered Taxes for the jurisdiction. In section 3.4, a breakdown of all these adjustments is also provided for each Constituent Entity or member of JV Group. The inclusion of the information at the Constituent Entity level may not be necessary if simplifications are developed. This section also contains information on the computation of the substance-based Income Exclusion as well as information relevant to compute any Additional Current Top up Tax and to take into account any amount payable under a QDMTT that would apply in the jurisdiction.

Section 3.3.2 includes information on the jurisdictional computations that relate to deferred tax accounting such as the adjustments to the deferred tax expense and the application of the recapture mechanism. It also includes information relevant for the application of the transition rules.

Finally, Section 3.3.3 includes information on the jurisdictional elections that are made by the Filing Constituent Entity.

**Note 3.3.a:** the Filing Constituent Entity shall identify the scope of ETR and Top-up Tax computation. The relevant option should be selected from the following list: Constituent Entity, Minority-Owned Constituent Entity (specify which Minority-Owned Subgroup), Standalone MOCE, Investment Entity, or members of JV Group (specify which JV Group), Stateless Constituent Entity. If more than one option is relevant, relevant, the Filing Constituent Entity shall select all relevant options.

#### 3.3.1. Jurisdictional ETR and Top-up Tax

**Note 3.3.1.a:** the Filing Constituent Entity shall report the aggregate amount of Financial Accounting Net Income or Loss determined for all Constituent Entities (or members of JV Group) located in the jurisdiction in preparing the Consolidated Financial Statements of the UPE.

**Note 3.3.1.b:** the Filing Constituent Entity shall report the Net GloBE Income or Loss for the jurisdiction.

**Note 3.3.1.c:** the Filing Constituent Entity shall report the aggregate amount of income tax expense that is recorded in the financial accounts of Constituent Entities (or members of JV Group) located in the jurisdiction.

**Note 3.3.1.d:** the Filing Constituent Entity shall report the aggregate amount of Adjusted Covered Taxes of all Constituent Entities (or members of JV Groups) located in the jurisdiction.

**Note 3.3.1.e:** the Filing Constituent Entity shall report the Effective Tax Rate for the jurisdiction.

**Note 3.3.1.f:** the Filing Constituent Entity shall report the Top-up Tax Percentage for the jurisdiction.

**Note 3.3.1.g:** the Filing Constituent Entity shall report the Substance-based Income Exclusion for the jurisdiction.

**Note 3.3.1.h:** the Filing Constituent Entity shall report the Excess Profit for the jurisdiction.

**Note 3.3.1.i:** the Filing Constituent Entity shall report the Additional Current Top-up Tax for the

jurisdiction.

**Note 3.3.1.j:** the Filing Constituent Entity shall report the QDMTT payable in the jurisdiction.

**Note 3.3.1.k:** the Filing Constituent Entity shall report the Jurisdictional Top-up Tax.

### 3.3.1.1. Computation of GloBE Income (Loss)

#### Functioning of this section – Computation of GloBE Income (Loss)

In the table below, the Filing Constituent Entity is required to report all the adjustments made to the FANIL of all the Constituent Entities or members of JV Groups located in the jurisdiction, on an aggregate basis. The FANIL is the starting point for the computation of the GloBE Income or Loss. The Filing Constituent Entity is required to identify the net amount of each type of adjustment made to the FANIL on an aggregate basis, at the jurisdictional level, by reporting the relevant amount of the adjustment being made in the table below.

**Note 3.3.1.1.1:** the Filing Constituent Entity shall report the aggregate FANIL of Constituent Entities or members of JV Groups located in the jurisdiction after the allocation of GloBE Income or Loss between Main Entities and Permanent Establishments (Article 3.4) and the allocation of GloBE Income or Loss from Flow-through Entities (Article 3.5). Article 3.5 also covers the allocation of GloBE Income or Loss from an Investment Entity or an Insurance Investment Entity that is treated as a Tax Transparent Entity as a result of the election under Article 7.5.

**Note 3.3.1.1.2:** the Filing Constituent Entity shall report the Net GloBE Income (Loss) of the Jurisdiction.

### 3.3.1.2. Computation of Adjusted Covered Taxes

#### Functioning of this section – Computation of Adjusted Covered Taxes

The table below follows a similar approach as for the computation of the net GloBE Income or Loss of the Jurisdiction. The Filing Constituent Entity is required to report all the adjustments made to the current tax expense with respect to Covered Taxes accrued in Financial Accounting Net Income or Loss of all the Constituent Entities or members of JV Groups located in the jurisdiction, on an aggregate basis. The Filing Constituent Entity is required to identify the net amount of each type of adjustment made to the current tax expense on an aggregate basis, at the jurisdictional level, by reporting the relevant amount of the adjustment being made in the table below.

**Note 3.3.1.2.1:** the Filing Constituent Entity shall report the aggregate current tax expense (with respect to Covered Taxes accrued in Financial Accounting Net Income or Loss of all the Constituent Entities or members of JV Groups located in the jurisdiction) after the allocation of Covered Taxes from one Constituent Entity to another Constituent Entity (Article 4.3). Article 4.3 also covers the allocation of Covered Taxes from an Investment Entity or an Insurance Investment Entity that is treated as a Tax Transparent Entity as a result of the election under Article 7.5. Post-filing adjustments identified in this table do not include the adjustments made for a Fiscal Year other than the Reporting Fiscal Year in accordance with an ETR Adjustment Article. The post-filing adjustments related to Article 4.6.1 are the adjustments resulting in a material decrease in Covered Taxes for a previous Fiscal Year and the adjustments resulting in an immaterial decrease when an election is not made under 4.6.1.

**Note 3.3.1.2.2:** the Filing Constituent Entity shall report the Adjusted Covered Taxes of all Constituent Entities or members of JV Groups located in the jurisdiction.



### 3.3.1.3. Computation of Substance-based Income Exclusion (if applicable)

#### (a) Total amount of the Substance Based Income Exclusion

**Note 3.3.1.3.a:** if the Filing Constituent Entity does not complete the table for the jurisdiction, it is assumed that the election to not apply the Substance Based Income Exclusion in 3.3.3.1.c has been made.

**Note 3.3.1.3.a.1:** the Relevant Eligible Payroll Costs of Eligible Employees performing activities in the jurisdiction shall not include payroll costs that are: (i) capitalised and included in the carrying value of Eligible Tangible Assets; or (ii) attributable to a Constituent Entity's International Shipping Income and Qualified Ancillary International Shipping Income.

**Note 3.3.1.3.a.1:** when an Entity becomes or ceases to be a Constituent Entity of an MNE Group as a result of a transfer of direct or indirect Ownership Interests in such Entity, the computation of the target's Eligible Payroll Costs shall take into account only those costs reflected in the Consolidated Financial Statements of the Ultimate Parent Entity as provided under Article 6.2.1(d).

**Note 3.3.1.3.a.2:** the Filing Constituent Entity shall report the application of the relevant mark-up percentage for the Reporting Fiscal Year.

**Note 3.3.1.3.a.3:** the Carrying value of relevant Eligible Tangible Assets located in the jurisdiction shall not include: (i) the carrying value of property (including land or buildings) that is held for sale, lease or investment; and (ii) the carrying value of tangible assets used in the generation of the Constituent Entity's International Shipping Income and Qualified Ancillary International Shipping Income.

**Note 3.3.1.3.a.3:** when an Entity becomes or ceases to be a Constituent Entity of an MNE Group as a result of a transfer of direct or indirect Ownership Interests in such Entity, the computation of carrying value of the target's Eligible Tangible Assets shall be adjusted proportionally to correspond with the length of the relevant Fiscal Year that the target was a member of the MNE Group as provided under Article 6.2.1(e).

**Note 3.3.1.3.a.4:** the Filing Constituent Entity shall report the application of the relevant mark-up percentage for the Reporting Fiscal Year.

**Note 3.3.1.3.a.5:** the Filing Constituent Entity shall report the Substance-based Income Exclusion for the jurisdiction.

#### (b) Allocation of Eligible Payroll Costs and carrying value of Eligible Tangible Assets to Permanent Establishments for purposes of the Substance Based Income Exclusion

**Note 3.3.1.3.b.1:** the Filing Constituent Entity shall report the aggregate Relevant Eligible Payroll Costs for all Main Entities located in the jurisdiction before any adjustment under Article 5.3.6 (i.e. allocation to Permanent Establishments).

**Note 3.3.1.3.b.2:** the Filing Constituent Entity shall report the aggregate carrying value of the Relevant Eligible Tangible Assets for all Main Entities located in the jurisdiction before any adjustment under Article 5.3.6 (i.e. allocation to Permanent Establishments).

**Note 3.3.1.3.b.3:** the Filing Constituent Entity shall identify the jurisdiction (in the form of a 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard) where the Permanent Establishments are located for GloBE purposes. The Filing Constituent Entity shall complete a separate row for each jurisdiction where Permanent Establishments that are allocated Eligible Payroll Costs and carrying value of Eligible Tangible Assets under Article 5.3.6 are located. The Filing Constituent Entity shall report "Stateless" if the Permanent Establishment is Stateless for GloBE purposes.

**Note 3.3.1.3.b.4:** the Filing Constituent Entity shall report the aggregate relevant Eligible Payroll Costs allocated to Permanent Establishments located in each jurisdiction identified in the 3.3.1.3.b.3 column under Article 5.3.6. Eligible Payroll Costs of Constituent Entities or members of JV Groups whose income has been wholly or partly excluded in accordance with Article 3.5.3 or Article 7.1.4 are excluded from the Substance-based Income Exclusion computations in the same proportion.

**Note 3.3.1.3.b.5:** the Filing Constituent Entity shall report the aggregate carrying value of the relevant Eligible Tangible Assets allocated to Permanent Establishments located in each jurisdiction identified in the 3.3.1.3.b.3 column under Article 5.3.6. The carrying value of Eligible Tangible Assets of Constituent Entities or members of JV Groups whose income has been wholly or partly excluded in accordance with Article 3.5.3 or Article 7.1.4 are excluded from the Substance-based Income Exclusion computations in the same proportion.

**Note 3.3.1.3.b.4 and 3.3.1.3.b.5:** the Eligible Payroll Costs and Eligible Tangible Assets of a Permanent Establishment are not taken into account for the Eligible Payroll Costs and Eligible Tangible Assets of the Main Entity (i.e. the Eligible Payroll Costs and Eligible Tangible Assets of the Main Entity are reduced, respectively, by the Eligible Payroll Costs and Eligible Tangible Assets allocated to its Permanent Establishments).

**(c) Allocation of Eligible Payroll Costs and carrying value of Eligible Tangible Assets of a Flow-through Entity for purposes of the Substance Based Income Exclusion**

**Note 3.3.1.3.c.1:** the Filing Constituent Entity shall report the aggregate relevant Eligible Payroll Costs for all Flow-through Entities located in the jurisdiction after any adjustments under Article 5.3.6 and before any adjustments under Article 5.3.7.

**Note 3.3.1.3.c.2:** the Filing Constituent Entity shall report the aggregate carrying value of the relevant Eligible Tangible Assets for all Flow-through Entities located in the jurisdiction after any adjustments under Article 5.3.6 and before any adjustments under Article 5.3.7.

**Note 3.3.1.3.c.3:** if Article 5.3.7 (a) applies, the Filing Constituent Entity shall report the 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard for the jurisdiction where the Constituent Entity-owners (or members of JV Group) are located for GloBE purposes. The Filing Constituent Entity shall report “Stateless” for each Stateless Constituent Entity-owner. The Filing Constituent Entity shall complete a separate row for each jurisdiction where Constituent Entity-owners (or members of JV Group) that are attributed Eligible Payroll Costs and Eligible Tangible Assets under Article 5.3.7 (a) are located. If Article 5.3.7 (b) applies, the Filing Constituent Entity shall report “UPE” in a separate row (for Eligible Payroll Costs and Eligible Tangible Assets that are allocated to the UPE after the application of Article 7.1.1). The Filing Constituent Entity shall report “Not applicable” for all other Eligible Payroll Costs and Eligible Tangible Assets that are excluded from the Substance-based Income Exclusion computations of the MNE Group under Article 5.3.7 (c).

**Note 3.3.1.3.c.4:** if Article 5.3.7 (a) applies, the Filing Constituent Entity shall report the aggregate relevant Eligible Payroll Costs allocated to Constituent Entity-owners (or members of JV Groups) located in each jurisdiction identified in the 3.3.1.3.c.3 column. If Article 5.3.7 (b) applies, the Filing Constituent Entity shall report the Eligible Payroll Costs that are attributed to the UPE after the application of Article 7.1.1. The Filing Constituent Entity shall report the Eligible Payroll Costs that are excluded under Article 5.3.7 (c) from the Substance-based Income Exclusion (see note below).

**Note 3.3.1.3.c.5:** if Article 5.3.7 (a) applies, the Filing Constituent Entity shall report the aggregate carrying value of the relevant Eligible Tangible Assets allocated to Constituent Entity-

owners (or members of JV Groups) located in each jurisdiction identified in the 3.3.1.3.c.3 column. If Article 5.3.7 (b) applies, the Filing Constituent Entity shall report the carrying value of the relevant Eligible Tangible Assets that are attributed to the UPE after the application of Article 7.1.1. The Filing Constituent Entity shall report the carrying value of the relevant Eligible Tangible Assets that are excluded under Article 5.3.7 (c) from the Substance-based Income Exclusion (see note below).

**Note 3.3.1.3.c.4 and 3.3.1.3.c.5:** Eligible Payroll Costs and Eligible Tangible Assets are excluded under Article 5.3.7 (c) from the Substance-based Income Exclusion to the extent that they are associated with: (i) FANIL allocated to a Reverse Hybrid Entity; (ii) FANIL excluded from the GloBE Income or Loss under Article 3.5.3 (i.e. attributable to non-Group members); (iii) FANIL excluded from the GloBE Income or Loss under Article 7.1.1 (i.e. UPE Flow-through Entities); and (iv) FANIL attributed to a Constituent Entity-owner (or member of JV Group) when the Eligible Employees and Eligible Tangible Assets are not located in the jurisdiction of the CE-owner.

#### 3.3.1.4. Additional Current Top-up Tax for the jurisdiction (if any)

##### Functioning of this section – Additional Current Top-up Tax

This section provides two tables for purposes of the Additional Current Top-up Tax.

- Table (a) requires the identification of the relevant Articles other than Article 4.1.5 of the GloBE Rules that lead to Additional Current Top-up Tax being due in the Reporting Fiscal Year as well as a summary of calculation of the ETR and Top-up Tax as previously reported and as recalculated for the prior Fiscal Year, based on which the Additional Current Top-up Tax is determined.
- Table (b) assesses whether Article 4.1.5 should apply if the jurisdiction has a net GloBE Loss for the Reporting Fiscal Year.

#### (a) Additional Current Top-up Tax for purposes other than Article 4.1.5

**Note 3.3.1.4.a.1:** the Filing Constituent Entity shall select all the ETR Adjustment Articles that require or permit a recalculation of the ETR and Top-up Tax for a prior Fiscal Year under Article 5.4.1. The relevant option(s) should be selected from the following list: 3.2.6, 4.4.4, 4.6.1, 4.6.4, 7.3.5, 7.3.7.

**Note 3.3.1.4.a.1:** Article 4.4.4 shall only be selected when the relevant Fiscal Year is the fifth preceding Fiscal Year and the amount of Additional Current Top-up Tax shall be determined on the basis of the information provided in section 3.3.2.2. Article 7.3.5 shall only be selected when the relevant Fiscal Year is the fourth preceding Fiscal Year and the amount of the Additional Current Top-up Tax shall be determined on the basis of the information provided in section 3.3.3.2 further below.

**Note 3.3.1.4.a.2:** the Filing Constituent Entity shall report the prior Fiscal Year(s) to which the ETR Adjustment Articles reported in 3.3.1.4.a.1 apply.

**Note 3.3.1.4.a.4-9.a:** the amount as previously reported shall take into account any adjustments required by the relevant ETR Adjustment Articles in a prior Fiscal Year (if any).

**Note 3.3.1.4.a.4-9.b:** the amount recalculated shall take into account any adjustments required by the relevant ETR Adjustment Articles applied in a prior Fiscal Year (if any) and in the Reporting Fiscal Year.

**Note 3.3.1.4.a.10:** the Additional Current Top-up Tax is equal to the difference between the Top-up Tax as previously reported and Top-up Tax as recalculated.

**(b) Additional Current Top-up Tax for purposes of Article 4.1.5**

**Note 3.3.1.4.b:** this Table does not need to be completed if the MNE Group has a positive amount of Net GloBE Income in the jurisdiction.

**Note 3.3.1.4.b.1:** the Filing Constituent Entity shall report the negative amount of Adjusted Covered Taxes for the jurisdiction.

**Note 3.3.1.4.b.2:** the Filing Constituent Entity shall report the GloBE Loss for the Jurisdiction.

**Note 3.3.1.4.b.3:** the Filing Constituent Entity shall report the Expected Adjusted Covered Taxes for the jurisdiction.

**Note 3.3.1.4.b.4:** the Filing Constituent Entity shall report the Additional Current Top-up Tax under Article 4.1.5 for the jurisdiction.

*3.3.1.5. QDMTT*

**Note 3.3.1.5.1:** the Filing Constituent Entity shall complete this column if the QDMTT computes Domestic Excess Profits based on a financial accounting standard other than the financial accounting standard used in preparing the Consolidated Financial Statements of the UPE. The Filing Constituent Entity shall report the Acceptable Financial Accounting Standard permitted by the Authorised Accounting Body in the jurisdiction or the Authorised Financial Accounting Standard adjusted to prevent any Material Competitive Distortions that is used for the computation of Domestic Excess Profits under the QDMTT.

**Note 3.3.1.5.2:** the Filing Constituent Entity shall report the amount payable under the QDMTT of the jurisdiction for the Reporting Fiscal Year.

**3.3.2. Jurisdictional computations relating to deferred tax accounting**

*3.3.2.1. Deferred Tax adjustments*

**(a) High-level summary**

**Note 3.3.2.1.a.1:** the Filing Constituent Entity shall report the aggregate deferred tax expense amount in the Financial Accounts for all Constituent Entities or members of JV Groups located in the jurisdiction.

**Note 3.3.2.1.a.2:** the Filing Constituent Entity shall report the sum of the deferred tax expense recast at the Minimum Rate reported in 3.3.2.1.a.3 and 3.3.2.1.a.4.

**Note 3.3.2.1.a.3:** the Filing Constituent Entity shall demonstrate that the deferred tax asset is attributable to a GloBE Loss (Article 4.4.3.) to recast and increase the deferred tax expense recorded at a lower tax rate than the Minimum Rate.

**Note 3.3.2.1.a.4:** the Filing Constituent Entity shall report the amount of deferred tax expense as recast at the Minimum Rate.

**Note 3.3.2.1.a.5:** the total amount of the adjustments shall be the total amount of the adjustments in 3.3.2.1.b.2. The adjustments made in table 3.3.2.1.b shall affect the deferred tax expense after any recasting.

**Note 3.3.2.1.a.6:** the Filing Constituent Entity shall report the Total Deferred Tax Adjustment Amount for the jurisdiction.

**(b) Breakdown of the adjustments**

**Note 3.3.2.1.b:** the Filing Constituent Entity shall report the adjustments as broken down in the table.

**(c) Loss carry backs****Functioning of this section – Loss carry backs**

This section applies when a domestic tax loss is carried back to a prior Fiscal Year and gives rise to a tax refund. Unless the refund is immaterial as defined in Article 4.6.1 and the Filing Constituent Entity has elected to take such amount into account in the current Fiscal Year, the Filing Constituent Entity shall report the amount of deemed deferred tax assets that shall be established, together with the refund of Covered Taxes that was issued, with respect to each Prior Fiscal Year to which the loss is carried back.

**Note 3.3.2.1.c.1.a,b,etc:** the Filing Constituent Entity shall report the amount of deferred tax assets that shall be treated as reversed for a prior Fiscal Year to which the domestic tax loss has been carried back.

**Note 3.3.2.1.c.2.a,b,etc:** the Filing Constituent Entity shall report the refund of Covered Taxes relating to a domestic tax loss carried back to a prior Fiscal Year. The amount of the refund shall match with the domestic tax loss that has been carried back to the prior Fiscal Year.

**Note 3.3.2.1.c.1.c:** the Filing Constituent Entity shall report the total amount of deemed deferred tax assets that shall be treated as reversed for prior Fiscal Years. This total amount should be capped at an amount equal to the domestic tax loss multiplied by the Minimum Rate as provided in paragraphs 124-125 of the Commentary under Article 4.6.1.

**Note 3.3.2.1.c.2.c:** the Filing Constituent Entity shall report the total amount of refund of Covered Taxes. This total amount shall be the amount of refund of tax with respect to loss carry backs issued in the Reporting Fiscal Year.

**Note 3.3.2.1.c.1.c and 3.3.2.1.c.2.c:** the difference between the 3.3.2.1.c.1.c and 3.3.2.1.c.2.c would be the adjustment to the Covered Tax for the Reporting Fiscal Year with respect to loss carry backs. The amount shall be taken into account for the adjustment under Article 4.6.1 for the Reporting Fiscal Year reported in 3.3.1.2.1.j.

*3.3.2.2. Recapture mechanism***Functioning of this section – Recapture mechanism**

The purpose of the following table is to identify whether there is any deferred tax liability to be recaptured under Article 4.4.4.

The table identifies any deferred tax liability that is not a Recapture Exception Accrual, recorded for the Reporting Fiscal Year and the five preceding Fiscal Years. The Filing Constituent shall report the deferred tax liability that is reversed in each subsequent Fiscal Year to determine whether there is Recaptured Deferred Tax Liability.

**Note 3.3.2.2.2:** the Deferred Tax Liability reported in this column is the amount taken into account under Article 4.4 for the relevant Fiscal Year and shall not include Recapture Exception Accruals.

**Note 3.3.2.2.3:** the Deferred Tax Liability that is not in a category that meets the Recapture Exception Accrual definition should be tested in each Fiscal Year for recapture under the mechanics of Article 4.4.4 as interpreted in the Commentary and any future Agreed Administrative Guidance. Amounts are aggregated for presentational purposes only in this table.

**Note 3.3.2.2.4:** if the deferred tax liability recorded in the 5th preceding Fiscal Year has not

reversed by the end of the last day of the Reporting Fiscal Year, the amount must be recaptured. If the amount needs to be recaptured, the Recapture Deferred Tax Liability is treated as a reduction of the Covered Taxes of the 5th preceding Fiscal Year. The Effective Tax Rate and Top-up Tax of such Fiscal Year needs to be re-calculated under Article 5.4.1. The reporting requirements related to the Additional Current Top-up Tax are identified in 3.3.1.4.

### 3.3.2.3. Transition rules

#### Functioning of this section – Transition rules

The purpose of the following tables is to identify pre-existing deferred tax accounting attributes to be taken into account at the beginning of the Transition Year.

- Table (a) requires the identification of the deferred tax assets and deferred tax liabilities that could be utilised in calculating ETR in a jurisdiction in the Transition Year and subsequent years.
- Table (b) requires the information of the disposing Entity's carrying value of the transferred assets for GloBE purposes with the deferred tax assets and liabilities brought into GloBE based on that basis in the case of a transfer of assets between Constituent Entities or members of JV Groups after 30 November 2021 and before the Transition Year.

#### (a) Application of Article 9.1.1 and 9.1.2

**Note 3.3.2.3.a.1:** the Deferred tax liabilities at the beginning of the Transition Year is the aggregate amount of Deferred tax liabilities that have been recorded in the financial accounts at the beginning of the Transition Year for a jurisdiction, which shall not include any deferred tax liability arising from a transfer of assets between Constituent Entities or members of JV Groups after 30 November 2021 and before the commencement of a Transition Year. These deferred tax liabilities shall be reflected in the table that relates to the application of Article 9.1.3.

**Note 3.3.2.3.a.2:** the recast at the Minimum Rate does not apply if the applicable domestic tax rate is lower than the Minimum Rate.

**Note 3.3.2.3.a.3:** the deferred tax assets at the beginning of the Transition Year is the aggregate amount of Deferred tax assets that have been recorded in the financial accounts at the beginning of the Transition Year for a jurisdiction, which shall not include any deferred tax assets arising from a transfer of assets between Constituent Entities or members of JV Groups after 30 November 2021 and before the commencement of a Transition Year. These deferred tax assets shall be reflected in the table that relates to the application of Article 9.1.3.

**Note 3.3.2.3.a.4:** the recast at the Minimum Rate does not apply if the applicable domestic tax rate is lower than the Minimum Rate, unless it could be demonstrated that the deferred tax asset is attributable to a GloBE Loss, in this case, the deferred tax asset that has been recorded at a rate lower than the Minimum Rate could be recast at the Minimum Rate.

**Note 3.3.2.3.a.5:** deferred tax assets arising from items excluded from the computation of GloBE Income or Loss under Chapter 3 should be excluded if such deferred tax assets are generated in a transaction that takes place after 30 November 2021.

**Note 3.3.2.3.a.6:** deferred tax assets taken into account for GloBE purposes is the aggregate amount of deferred tax assets that should be recognized for purposes of the GloBE Rules at the beginning of the Transition Year.

#### (b) Application of Article 9.1.3

**Note 3.3.2.3.b.1:** the Filing Constituent Entity shall list all jurisdictions in which disposing Constituent Entities or members of JV Groups are located when such Constituent Entities or members of JV Groups have disposed assets to Constituent Entities or members of JV Groups located in this jurisdiction after 30 November 2021 and before the commencement of a

Transition Year. Those jurisdictions in which disposing Constituent Entities or members of JV Group are located could be the same jurisdiction of the acquiring entities. The Filing Constituent Entity shall identify the jurisdiction (in the form of a 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard) of the disposing Constituent Entity or member of JV Group. The Filing Constituent Entity shall report “Stateless” for Stateless Constituent Entities.

**Note 3.3.2.3.b.2:** the Carrying Value of the transferred assets for GloBE purposes is the aggregate amount of the Carrying Value of the transferred assets that should be recognised for purposes of the GloBE Rules at the beginning of the Transition Year. This amount shall be determined on the basis of the disposing Entity’s carrying value of the transferred assets upon disposition.

**Note 3.3.2.3.b.3:** the net deferred tax asset or liability with respect to the transferred assets for GloBE purposes is the net amount of the aggregate deferred tax assets and liabilities that should be recognised for purposes of the GloBE Rules at the beginning of the Transition Year with respect to the transferred assets. This amount shall be determined on the basis of the net amount of the aggregate pre-existing deferred tax assets and liabilities as accrued in the financial accounts of the disposing entity prior to the transfer, in relation to the transferred assets. Deferred tax assets shall be reported as a positive number and deferred tax liabilities shall be reported as a negative number.

### 3.3.3. Jurisdictional elections (if any)

#### Functioning of this section – jurisdictional elections (if any)

Article 8.1.4(d) provides that the GloBE Information Return includes a record of the elections made in accordance with the relevant provisions of the GloBE Rules. The tables below make a distinction between: (i) jurisdictional elections (i.e. elections that apply to all Constituent Entities (or members of JV Group) located in a jurisdiction); and (ii) Constituent Entity elections (i.e. elections that apply to single Constituent Entities or members of JV Group). The tables further identify: (i) annual elections, and (ii) Five-Year Elections. For Five-Year Elections, the Filing Constituent Entity is also required to report the revocation year, i.e. the year where the election was revoked (if any). The GloBE Loss Election is identified separately and the Filing Constituent Entity is required to report the Election Year and the revocation year (which can happen only once).

#### 3.3.3.1. Jurisdictional elections (other than Article 7.3.1)

**Note 3.3.3.1:** jurisdictional elections are elections that apply to all Constituent Entities (or members of a JV Group) located in the jurisdiction.

**Note 3.3.3.1.c:** if the Filing Constituent Entity does not complete table 3.3.1.3 for the jurisdiction, it is assumed that the election in 3.3.3.1.c not to apply the Substance Based Income Exclusion has been made for the jurisdiction.

**Note 3.3.3.1.g:** the Filing Constituent Entity can only make the GloBE Loss Election with the first GloBE Information Return that includes the jurisdiction for which the election is made. If the election is subsequently revoked, the Filing Constituent Entity cannot make a new election for the same jurisdiction.

**Note 3.3.3.1.3:** for Five-year Elections, the Filing Constituent Entity shall report the Election Year.

**Note 3.3.3.1.4:** for Five-year Elections, the Filing Constituent Entity shall report the year where the election was revoked (if any).

### 3.3.3.2. Election for Article 7.3.1

#### (a) Recapture mechanism for Article 7.3

##### Functioning of this section – Recapture mechanism

The table below identifies the outstanding balances of Deemed Distribution Tax Recapture Accounts established for each prior Fiscal Year in which the election in Article 7.3.1 applies. If there is an outstanding balance of a Deemed Distribution Tax Recapture on the last day of the 4th Fiscal Year after the Fiscal Year for which such account was established, the amount must be recaptured under Article 5.4.1. If a Departing Constituent Entity (or member of JV Group) leaves the MNE Group (or JV Group) or transfers substantially all of its assets, the Effective Tax Rate and Top-up Tax for each preceding year is re-calculated in accordance with the principles of Article 5.4.1.

**Note 3.3.3.2.a.2:** the Filing Constituent entity shall report the amount of the Deemed Distribution Tax determined under Article 7.3.2 for the Fiscal Year for which it was established.

**Note 3.3.3.2.a.3:** at the end of each succeeding Fiscal Year, the outstanding balances of Deemed Distribution Tax Recapture Accounts are reduced in chronological order but not below zero, as provided under Article 7.3.3, by the tax paid by the Constituent Entities (or members of JV Groups), by the amount of any Net GloBE Loss of the jurisdiction multiplied by the Minimum Rate and then by the amount of Recapture Account Loss Carry-forward applied to the current Fiscal Year.

**Note 3.3.3.2.a.4:** if there is an outstanding balance on the last day of the fourth Fiscal Year after the Fiscal Year for which the account was established (first row of this table), Article 7.3.5 applies. In the Fiscal Year a Departing Constituent Entity (or member of a JV Group) leaves the MNE Group or transfers substantially all of its assets, Article 7.3.7 applies. The amount is to be used to determine whether the Additional Current Top-up Tax is generated and the result will be presented in 3.3.1.4.a.

#### (b) Application of Article 7.3.7

**Note 3.3.3.2.b.1:** the Filing Constituent Entity shall identify all Prior Fiscal Years for which a Deemed Distribution Tax Recapture Account is outstanding is re-calculated in accordance with the principles of Article 5.4.1.

**Note 3.3.3.2.b.2:** the incremental top up tax is the total amount of Top-up Tax determined under Article 5.4.1 if Article 7.3.7 applies.

**Note 3.3.3.2.b.3:** the Disposition Recapture Ratio is defined in Article 7.3.8 and determined for each Departing Constituent Entity (member of JV Group) using the following formula: *GloBE Income of the CE (or member of JV Group)/Net Income of the jurisdiction*.



## 3.4. Constituent Entity Computations

### Functioning of this section – Constituent Entity Computations

This section contains entity level information supporting the computation of the ETR and the Top-up Tax. Section 3.4.1 provides a breakdown of all the adjustments made to the FANIL of each Constituent Entity or member of JV a Group, as well as cross-border adjustments and adjustments made in cases where the UPE either is a Flow-through Entity or it is subject to a Deductible Dividend Regime. Section 3.4.2 includes information on adjustments made to the current tax expense of each Constituent Entity and member of JV Groups located in a jurisdiction, as well as information on the cross-allocation of Covered Taxes from one Constituent Entity (or member of a JV Group) to another Constituent Entity (or member of JV Group). Section 3.4.3 includes information on the elections that apply to a single Constituent Entity (or member of a JV Group). Section 3.4.4 contains details on income that is excluded from the application of the GloBE Rules either under Article 3.3 (i.e. International Shipping Income exclusion). Finally, Section 3.4.5 provides information on the accounting standard used in specific cases.

### 3.4.1. GloBE Income or Loss

#### (a) Adjustments to the Financial Accounts Net Income or Loss

**Note 3.4.1.a.1:** the Filing Constituent Entity shall report the TIN of the Constituent Entity, JV or JV Subsidiary used for purposes of Covered Taxes in the jurisdiction or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 3.4.1.a.2:** the Filing Constituent Entity shall report the FANIL of the Constituent Entity or member of a JV Group after the allocation of GloBE Income or Loss between Main Entities and Permanent Establishments (Article 3.4) and the allocation of GloBE Income or Loss from Flow-through Entities (Article 3.5). Article 3.5 also covers the allocation of GloBE Income or Loss from an Investment Entity or an Insurance Investment Entity that is treated as a Tax Transparent Entity as a result of the election under Article 7.5.

**Note 3.4.1.a.3:** the Filing Constituent Entity shall report the GloBE Income (Loss) of the Constituent Entity or member of a JV Group.

#### (b) Allocation of income or loss between a Main Entity and a PE and from an FTE (Articles 3.4 and 3.5)

**Note 3.4.1.b:** no adjustments are required under Article 3.4 if, by virtue of maintaining its own (separate) financial accounts in the jurisdiction, the FANIL of the CE (or members of JV Groups) located in the jurisdiction already reflects income or losses attributable to Permanent Establishments in such jurisdiction. Adjustments under Article 3.5 apply to Flow-Through Entities as well as Constituent Entities or members of JV Groups in respect of which an election is made under Article 7.5.

**Note 3.4.1.b.1:** the Filing Constituent Entity shall report the TIN of the Constituent Entity, JV or JV Subsidiary used for purposes of Covered Taxes in the jurisdiction or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 3.4.1.b.2:** the FANIL of the CE or member of JV Group before the relevant adjustment shall be reported under this column. In the case where multiple adjustments apply, the FANIL

to be reported under 3.4.1.(b)-2 should reflect the FANIL taking into account the preceding adjustment(s).

**Note 3.4.1.b.3:** the Filing Constituent Entity shall identify the relevant adjustment from the following list: Article 3.4, Article 3.5.3, Article 3.5.1(a) and/or Article 3.5.1(b). For each type of adjustment the respective addition or reduction to FANIL of the Constituent Entity or member of JV Group shall be reported. In the case where multiple adjustments apply, one row shall be reported for each option and the relevant options shall be reported in the following order: Article 3.4, Article 3.5.3, Article 3.5.1(a) and/or Article 3.5.1(b).

- The adjustments under Article 3.4 shall include the adjustments made to allocate GloBE Income or Loss to PEs located in this jurisdiction or Stateless PEs (additions) as well as to allocate GloBE Income or Loss from a Main Entity located in this jurisdiction to a PE (reductions). The adjustments related to Article 3.4 should not include the allocation of GloBE Income or Loss to a Permanent Establishment of a Flow-Through Entity.
- The adjustments under Article 3.5.3 shall include the reductions to the GloBE Income or Loss of the amount allocated to other owners that are not Group Entities.
- The adjustments under Article 3.5.1(a) shall include the allocation of GloBE Income or Loss from a Flow-through Entity to a PE in this jurisdiction or to this Stateless PE (additions) and the allocation from this Stateless Flow-through Entity (or a Flow-through Entity located in this jurisdiction if it is the UPE) to a PE in another jurisdiction (reductions).
- The adjustments under Article 3.5.1(b) shall include the allocation of GloBE Income or Loss from a Tax Transparent Entity that is not the UPE to a CE-owner in this jurisdiction (additions) and the allocation from a Tax Transparent Entity that is not the UPE to a CE owner in another jurisdiction (reductions).

**Note 3.4.1.b.3:** the Filing Constituent Entity shall report the TIN of the other Constituent Entity, JV or JV Subsidiary used for purposes of Covered Taxes in the jurisdiction or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 3.4.1.b.5:** the Filing Constituent Entity shall identify the jurisdiction (in the form of a 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard) of the other Constituent Entity or member of JV Group. The Filing Constituent Entity shall report "Stateless" for Stateless Constituent Entities.

**Note 3.4.1.b.6:** the amount of any adjustment that increases the GloBE Income of the CE or member of JV Group identified in column 3.4.1.b.1 shall be reported under this column.

**Note 3.4.1.b.7:** the amount of any adjustment that decreases the GloBE Income of the CE or member of JV Group identified in column 3.4.1.b.1 shall be reported under this column.

**Note 3.4.1.b.8:** the FANIL of the CE or member of JV Group after the relevant adjustment shall be reported under this column. In the case where multiple adjustments apply, the FANIL to be reported under 3.4.1.(b).2 should reflect the FANIL taking into account the adjustment identified in the same row.

### (c) Cross-border adjustments

**Note 3.4.1.c:** the Filing Constituent Entity shall not report the cross-border adjustments under Article 3.2.3 when they relate to intragroup transactions that do not exceed EUR 35 million in aggregate during the Reporting Fiscal Year.

**Note 3.4.1.c.1:** the Filing Constituent Entity shall report the TIN of the Constituent Entity or member of JV Group located in this jurisdiction (or Stateless CE where relevant) for which an adjustment applies. Where a TIN is unavailable, the Filing Constituent Entity shall report a functional equivalent, such as a business/company registration code/number.

**Note 3.4.1.c.2:** the Filing Constituent Entity shall identify whether the adjustment relates to Article 3.2.3 or 3.2.7.

**Note 3.4.1.c.3:** the Filing Constituent Entity shall report the TIN of the other CE or member of JV Group involved in the adjustment identified. Where a TIN is unavailable, the Filing Constituent Entity shall report a functional equivalent, such as a business/company registration code/number.

**Note 3.4.1.c.4:** the Filing Constituent Entity shall identify the jurisdiction (in the form of a 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard) of the other Constituent Entity or member of JV Group involved in the adjustment. The Filing Constituent Entity shall report “Stateless” for Stateless Constituent Entities.

**Note 3.4.1.c.5:** the amount of any adjustment that increases the GloBE Income of the CE or member of JV Group identified in column 3.4.1.c.1 shall be reported under this column.

**Note 3.4.1.c.6:** the amount of any adjustment that decreases the GloBE Income of the CE or member of JV Group identified in column 3.4.1.c.1 shall be reported under this column. The adjustment under Article 3.2.7 that excludes expenses will result in an addition to the GloBE Income. Therefore, column 6 is not likely to be used for purposes of those adjustments.

### (d) Adjustments to the GloBE Income of the UPE under Article 7.1 or Article 7.2

**Note 3.4.1.d:** the Filing Constituent Entity shall complete this table in cases where Article 7.1 or Article 7.2 applies.

**Note 3.4.1.d.1:** when Articles 7.1 or 7.2 apply, the CE located in this jurisdiction is the UPE of the MNE Group. In that case, the Filing Constituent Entity shall report “UPE”. If Article 7.1.4 applies, the Filing Constituent Entity shall report the TIN of the Permanent Establishments to which Article 7.1 applies or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number. If Article 7.2.3 applies, the Filing Constituent Entity shall report the TIN of the Constituent Entities to which Article 7.2 applies or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 3.4.1.d.2:** the Filing Constituent Entity shall report the Article (i.e. Article 7.1.1, Article 7.1.2, Article 7.2.1 or Article 7.2.2) that applies, together with the relevant subparagraph letter and number.

**Note 3.4.1.d.3:** the Filing Constituent Entity shall complete a separate row for each holder of Ownership Interests (respectively, dividend recipient) in respect of which Article 7.1.1(a) or 7.1.1(c) (respectively, 7.2.1(a) or 7.2.1(c)) applies. The Filing Constituent Entity shall identify the Natural Persons in the aggregate. The Filing Constituent Entity shall identify the holders of Ownership Interests (respectively, dividend recipients) for which a reduction of the GloBE Income applies as follows:

(a) Each holder of Ownership Interests (respectively, dividend recipient) in respect of which Article 7.1.1(a) (respectively, 7.2.1(a)) applies, is identified through the reporting of (i) its TIN,

(ii) the jurisdiction where it is a tax resident and (iii) the nominal tax rate or the expected aggregate tax rate (percentage) applicable when comparing the aggregate amount of Adjusted Covered Taxes of the UPE and taxes of the holder of the Ownership Interest on the excluded income (respectively, the taxes paid by the dividend recipient on the dividend income) with the amount of excluded income. If the dividend recipient is a natural person in respect of which Article 7.2.1(a)(iii) applies, the jurisdictions where the natural persons are tax resident shall be reported instead, together with the number of natural persons that are tax resident in each jurisdiction.

(b) The total number of Natural Persons in respect of which Article 7.1.1(b) (respectively, 7.2.1(b)) applies shall be reported instead of identifying such Natural Persons.

(c) Each holder of Ownership Interests (respectively, dividend recipient) in respect of which Article 7.1.1(c) (respectively, 7.2.1(c)) applies, is identified through the reporting of (i) its TIN (or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number) and (ii) the type of entity (Governmental Entity, International Organisation, Non-profit Organisation, Pension Fund or, for purposes of Article 7.2.1 (c), Pension Fund that is not a Pension Services Entity).

**Note 3.4.1.d.4:** the Filing Constituent Entity shall report (in percentage) the Ownership Interests directly held in the UPE by each holder identified in 3.4.1.d.3.

**Note 3.4.1.d.5:** the amount of any adjustment that decreases the GloBE Income of the CE or member of JV Group identified in column 3.4.1.d.1 shall be reported under this column. If Article 7.1 applies, the Filing Constituent Entity shall report the GloBE Income or (Loss) attributable to each Ownership Interest in 3.4.1.d.4. If Article 7.2 applies, the Filing Constituent Entity shall report the amount of Deductible Dividends distributed to each shareholder (i.e. dividend recipient) in 3.4.1.d.3.

### **3.4.2. Adjusted Covered taxes**

#### **(a) Adjustments to the Current tax expense in the Financial Accounts**

**Note 3.4.2.a.1:** the Filing Constituent Entity shall report the TIN of the Constituent Entity or member of JV Group used for purposes of Covered Taxes in the jurisdiction or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 3.4.2.a.2:** the Filing Constituent Entity shall report the current tax expense (with respect to Covered Taxes accrued in Financial Accounting Net Income or Loss of the Constituent Entity or member of a JV Group) after the allocation of Covered Taxes from one Constituent Entity or member of JV Group to another Constituent Entity or member of JV Group (Article 4.3). Article 4.3 also covers the allocation of Covered Taxes from an Investment Entity or an Insurance Investment Entity that is treated as a Tax Transparent Entity as a result of the election under Article 7.5. Post-filing adjustments identified in this table do not include the adjustments made for a Fiscal Year other than the Reporting Fiscal Year in accordance with an ETR Adjustment Article. The post-filing adjustments related to Article 4.6.1 are the adjustments resulting in a material decrease in Covered Taxes for a previous Fiscal Year and the adjustments resulting in an immaterial decrease when an election is not made under 4.6.1.

**Note 3.4.2.a.2.p:** Total Deferred Tax Adjustment Amount should not include any deferred tax expense arising in the jurisdiction of the Permanent Establishment with respect to losses for which the GloBE Loss of a Permanent Establishment is treated as an expense of the Main Entity pursuant to Article 3.4.5.

**Note 3.4.2.a.3:** the Filing Constituent Entity shall report the Adjusted Covered Taxes of the Constituent Entity or member of a JV Group.

### (b) Cross allocation of taxes

**Note 3.4.2.b.1:** the Filing Constituent Entity shall report the TIN of the Constituent Entity (or member of JV Group) or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 3.4.2.b.2:** the Filing Constituent Entity shall report the Covered Taxes of the Constituent Entity (or member of JV Group) before the adjustment.

**Note 3.4.2.b.3:** the Filing Constituent Entity shall identify the relevant subparagraph of Article 4.3.2 or 4.3.4 that applies.

**Note 3.4.2.b.4:** the Filing Constituent Entity shall report the TIN of the other Constituent Entity (or member of JV Group) or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 3.4.2.b.5:** for allocation of Covered Tax from a Constituent Entity (or member of JV Group) to another Constituent Entity (or member of JV Group), the Filing Constituent Entity shall identify the jurisdiction (in the form of a 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard) of the other Constituent Entity (or member of JV Group). If the other Constituent Entity is a Stateless Constituent Entity, the Filing Constituent Entity shall report "Stateless".

**Note 3.4.2.b.6:** the Filing Constituent Entity shall report the additions to Covered Taxes of the Constituent Entity (or member of JV Group) identified in column 3.4.2.b.1.

**Note 3.4.2.b.7:** the Filing Constituent Entity shall report the reductions to Covered Taxes of the Constituent Entity (or member of JV Group) identified in column 3.4.2.b.1.

### (c) Deferred tax expense

**Note 3.4.2.c.1:** the Filing Constituent Entity shall report the TIN of the Constituent Entity (or member of JV Group) or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 3.4.2.c.2:** the Filing Constituent Entity shall report the Deferred tax expense amount for the Constituent Entity (or member of JV Group) before the adjustments.

**Note 3.4.2.c.3:** the Filing Constituent Entity shall report the amount of each adjustment to the Constituent Entity (or member of JV Group)'s Deferred tax expense.

**Note 3.4.2.c.4:** the Filing Constituent Entity shall report the Total Deferred Tax Adjustment Amount for the Constituent Entity (or member of JV Group).

### ***3.4.3. Constituent Entity elections (or elections that apply to a JV Group)***

**Note 3.4.3.4:** for Five-year Elections, the Filing Constituent Entity shall report the Election Year.

**Note 3.4.3.5:** for Five-year Elections, the Filing Constituent Entity shall report the year where the election was revoked (if any).

**Note 3.4.3.3.d:** additional information may need to be collected when an election is made under Article 7.6.

**Note 3.4.3.e.1:** the Filing Constituent Entity shall report the Constituent Entities (or members of JV Groups) for which the election under Article 6.3.4 applies.

**Note 3.4.3.e.2:** the Filing Constituent Entity shall report the Fiscal Year of the event that triggered the tax adjustment (i.e. triggering event).

**Note 3.4.3.e.3:** the Filing Constituent Entity shall report (i) if the net of the total amounts determined under Article 6.3.4 (a) is included in the computation of the GloBE Income or Loss in the Fiscal Year in which the triggering event occurs. The Filing Constituent Entity shall report (ii) if amount equal to the net total of the amounts divided by five is included in the

computation of the GloBE Income or Loss in the Fiscal Year in which the triggering event occurs and in each of the immediate four subsequent Fiscal Years.

### **3.4.4. International shipping income exclusion**

#### **Functioning of this section – International shipping income exclusion**

The Filing Constituent Entity shall provide details on income that is excluded from the application of the GloBE Rules under Article 3.3 (i.e. International Shipping Income exclusion).

Tables 3.4.4 (a) and (b) require the Filing Constituent Entity to report detailed information on the computation of International Shipping Income and Qualified Ancillary International Shipping Income, including associated costs and Covered Taxes.

#### **(a) International shipping income exclusion**

**Note 3.4.4.a.1:** the Filing Constituent Entity shall report the TIN (or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number) of the Constituent Entity, or the member of a JV Group to which the International Shipping Income or Qualified Ancillary International Shipping Income exclusion applies.

**Note 3.4.4.a.2:** the Filing Constituent Entity shall report all of the relevant activities specified in subparagraphs (a) through (f) of Article 3.3.2 in respect of which International Shipping Income was obtained (several options can apply).

**Note 3.4.4.a.3-5:** the Filing Constituent Entity shall report the aggregate revenue derived from and costs attributable to all relevant activities specified in subparagraphs (a) through (f) of Article 3.3.2, as well as the aggregate International Shipping Income of the Constituent Entity.

**Note 3.4.4.a.6:** the filing Constituent Entity shall report all of the relevant activities specified in subparagraphs (a) through (f) of Article 3.3.2 in respect of which Qualified Ancillary Shipping Income was obtained (several options can apply).

**Note 3.4.4.a.7-9:** the Filing Constituent Entity shall report the aggregate revenue derived from and costs attributable to each relevant activity specified in subparagraphs (a) through (e) of Article 3.3.3, as well as the aggregate Qualified Ancillary International Shipping Income of the Constituent Entity (or member of JV Group).

**Note 3.4.4.a.10:** the Filing Constituent Entity shall report the payroll costs attributable to International Shipping Income or Qualified Ancillary International Shipping Income.

**Note 3.4.4.a.11:** the Filing Constituent Entity shall report the carrying value of tangible assets used in the generation of International Shipping Income or Qualified Ancillary International Shipping Income (other than attributable to excess income over the cap for Qualified Ancillary International Shipping Income).

**Note 3.4.4.a.12:** the Filing Constituent Entity shall report any Covered Taxes associated with the excluded International Shipping Income or Qualified Ancillary International Shipping Income.

#### **(b) Jurisdictional cap for the qualified ancillary international shipping income exclusion**

**Note 3.4.4.b.1:** the Filing Constituent Entity shall report the total International Shipping Income for the CEs or members of JV Group of the relevant subgroup identified in 3.3 and section located in the jurisdiction.

**Note 3.4.4.b.2:** the Filing Constituent Entity shall report the amount of the 50% cap.

**Note 3.4.4.b.3:** the Filing Constituent Entity shall report the total Qualified Ancillary International Shipping Income for all CEs or members of JV Group of the relevant subgroup identified in section 3.3 and located in the jurisdiction.

**Note 3.4.4.b.4:** the Filing Constituent Entity shall report the excess of the cap if the Total Qualified Ancillary International Shipping Income for all CEs or members of JV Group of the relevant subgroup identified in section 3.3 exceeds 50% of the Total International Shipping Income for all CEs or members of JV Group of the relevant subgroup identified in section 3.3, such excess income being included in the GloBE Income. To the extent that direct or indirect costs are attributable to income from qualified ancillary activities in excess of the 50% limitation under Article 3.3.4, those costs are taken into account in the computation of a CE's GloBE Income (or the GloBE Income of a member of a JV Group) because the related income is included in the computation as well. The payroll costs and the carrying value of tangible assets attributable to a Constituent Entity's excess income (or the excess income of a member of a JV Group) over the cap for the Qualified Ancillary International Shipping Income shall be included in the payroll carve-out and the tangible asset carve-out computation.

### 3.4.5. Other Accounting Standard

**Note 3.4.5.1:** the Filing Constituent Entity shall report: (i) the Constituent Entities located in the jurisdiction for which the Financial Accounting Net Income or Loss is based on an Acceptable Financial Accounting Standard or an Authorised Financial Accounting Standard other than the accounting standard used for the Consolidated Financial Statements of the UPE as provided under Article 3.1.3; (ii) the JV Subsidiaries located in the jurisdiction for which the Financial Accounting Net Income or Loss is based on an Acceptable Financial Accounting Standard or an Authorised Financial Accounting Standard other than the accounting standard used for the Consolidated Financial Statements of the Joint Venture as provided under Article 3.1.3; and (iii) the Joint Venture located in the jurisdiction for which the Financial Accounting Net Income or Loss is based on an Acceptable Financial Accounting Standard or an Authorised Financial Accounting Standard other than the accounting standard used for the Consolidated Financial Statements of the UPE as a result of Article 6.4.1(a).

**Note 3.4.5.2:** the Filing Constituent Entity shall report the Acceptable Financial Accounting Standard or the Authorised Financial Accounting Standard that is used for the computation of the Financial Accounting Net Income or Loss of the Constituent Entity, Joint Venture or JV Subsidiary.

## 3.5. MNE Group in the initial phase of international activity (if applicable)

### Functioning of this section – MNE Group in the initial phase of international activity

The Top-up tax is reduced to zero for purposes of the UTPR if the MNE Group is in its initial phase of international activity (Article 9.3). If applicable, the table below provides information demonstrating that the MNE Group is eligible for the exclusion.

**Note 3.5:** when Article 9.3 applies, and no Group Entity is required to apply a QIIR, the Filing Constituent Entity does not need to report section 3.1. to 3.4 for the relevant jurisdictions for which the Top-up Tax is reduced to zero. If no Group Entity is required to apply a QIIR and the Top-up tax is reduced to zero for all jurisdictions for purposes of the UTPR, section 4 of the GloBE Information Return shall not be reported.

**Note 3.5.1:** Article 9.3 does not apply for any Fiscal Year that starts later than five years after the first day of the Fiscal Year reported in 3.5.1. For MNE Groups in scope of the GloBE Rules when they come into effect, the date reported in 3.5.1 shall be replaced with the date when the

UTPR rules come into effect.

**Note 3.5.2:** the Reference Jurisdiction is defined in Article 9.3.3.

**Note 3.5.3:** the Filing Constituent Entity shall report the Net Book Values of Tangible Assets of all Constituent Entities located in the jurisdiction for the Fiscal Year in which the MNE Group originally comes within the scope of the GloBE Rules.

**Note 3.5.4:** the location of Joint Ventures and JV Subsidiaries or Investment Entities that are not Excluded Entities is not taken into account to determine the number of jurisdictions where the MNE Group has Constituent Entities.

**Note 3.5.5.a:** the Filing Constituent Entity shall report the 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard of each jurisdiction, other than the Reference Jurisdiction, where Constituent Entities are located for the Fiscal Year in which the MNE Group originally comes within the scope of the GloBE Rules. The number of jurisdictions other than the Reference Jurisdiction shall be up to five.

**Note 3.5.5.b:** the Filing Constituent Entity shall report, for each jurisdiction, the Net Book Values of Tangible Assets of all Constituent Entities located in each of jurisdiction other than the Reference Jurisdiction for the Fiscal Year in which the MNE Group originally comes within the scope of GloBE Rules. Tangible Assets of Stateless Constituent Entities are considered held by Constituent Entities located in a jurisdiction other than the Reference Jurisdiction, except to the extent that the MNE Group demonstrates that those Tangible Assets are physically located in the Reference Jurisdiction. Tangible Assets of Joint Ventures and JV Subsidiaries or Investment Entities that are not Excluded Entities, are not taken into account to determine the Sum of the Net Book Values of Tangible Assets of all Constituent Entities located in other jurisdictions than the Reference Jurisdiction.

**Note 3.5.6:** the Filing Constituent Entity shall report the Number of jurisdictions where the MNE Group has Constituent Entities during the Reporting Fiscal Year. If the Reporting Fiscal Year is the Fiscal Year in which the MNE Group originally comes within the scope of GloBE Rules, this information shall not be reported as it can be derived from the information reported under 3.5.4.

**Note 3.5.7:** the Filing Constituent Entity shall report the sum of the Net Book Values of Tangible Assets of all Constituent Entities located in all jurisdictions other than the Reference Jurisdiction during the Reporting Fiscal Year. If the Reporting Fiscal Year is the Fiscal Year in which the MNE Group originally comes within the scope of GloBE Rules, this information shall not be reported as it can be derived from the information reported under 3.5.5.



## 4. Top-up Tax Allocation and Attribution

### Functioning of this section – Top-up Tax Allocation and Attribution

Section 4 provides more details about the computation of the Top-up Tax payable under the GloBE Rules. It specifies the amount of Top-up Tax payable in respect of each Low-Taxed Constituent Entity (or member of JV Group) where a QIIR applies, and identifies each Parent Entity's Allocable Share of Top-up Tax. It further provides more details on the computation of the UTPR Top-up Tax Amount, if any, as well as of the UTPR Percentage for each UTPR Jurisdiction, where relevant. Possible simplifications, such as the possibility to not report the Top-up Tax on a CE basis when the IIR does not apply are discussed below.

### 4.1. Low-tax Jurisdictions in respect of which the IIR or UTPR apply

#### 4.1.1. Identification of the Low-Tax Jurisdiction

**Note 4.1.1.1:** the Filing Constituent Entity shall report the Low-Tax Jurisdictions, i.e. the jurisdictions in respect of which the MNE Group has a Top-up Tax liability as a result of the computations made in Section 3, in the form of 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard. The Filing Constituent Entity shall report "Stateless" for each Stateless Constituent Entity.

**Note 4.1.1.2:** one column shall apply for each separate subgroup. The relevant option should be selected from the following list: Constituent Entity, Minority-Owned Constituent Entity (specify which Minority-Owned Subgroup), Standalone MOCE, Investment Entity, or members of JV Group (specify which JV Group), Stateless Constituent Entity. If more than one option is relevant, relevant, the Filing Constituent Entity shall select all relevant options.

**Note 4.1.1.3:** the Filing Constituent Entity shall report the Top-up Tax amount from 3.3.1.k for the relevant subgroup in the jurisdiction.

#### 4.1.2. Application of the IIR in respect of this Low-tax jurisdiction

**Note 4.1.2:** this information is only required if a QIIR applies in respect of the relevant Low-Taxed Constituent Entities or members of JV Groups.

**Note 4.1.2:** this information does not need to be reported on an entity-by-entity basis if an Intermediate Parent Entity or a Partially-owned Parent Entity applies a QIIR in accordance with Articles 2.1.2 or 2.1.4 and the Parent's Entity allocable share of all the relevant Low-Taxed CEs or members of JV Groups is 100%. In that situation, the Parent Entity's Allocable share of the Top-up Tax reported in 4.1.2.3.a shall equal the Jurisdictional Top-up Tax reported in 4.1.1.3

**Note 4.1.2.1.a:** the Group Entities that are allocated Top-up Tax are Constituent Entities, MOCEs, Investment Entities, members of JV Groups located in Low-tax jurisdictions or Stateless Constituent Entities with an ETR below the Minimum Rate.

**Note 4.1.2.1.b:** in those situations where Article 5.4.2 and/or 5.4.3 apply, the GloBE Income of each CE (or member of JV Group) shall not be used to allocate the relevant Top-up Tax but alternative allocation factors shall apply, as provided under those Articles and as clarified in this

note. In those situations where Article 5.4.2 applies, the GloBE Income of each CE (or member of JV Group) shall be equal to the GloBE Income of those CEs (or members of JV Groups) in the Fiscal Years for which the recalculations under Article 5.4.1 were performed (as provided in Article 5.2.5). In those situations where Article 5.4.3 applies, the GloBE Income of each CE (or member of JV Group) shall be reported only for those CEs (or members of JV Groups) that record an Adjusted Covered Taxes amount that is less than zero and less than the GloBE Income or Loss of such CE (or member of JV Group) multiplied by the Minimum Rate and shall be computed as per the following formula:  $(\text{GloBE Income or Loss} \times \text{Minimum Rate}) - \text{Adjusted Covered Taxes}$ . If both Article 5.4.2 and Article 5.4.3 apply, each of the alternative factors outlined in this note should be reported separately.

**Note 4.1.2.1.c:** the Top-up Tax of the LTCE (or member of JV Group) is the share of the relevant amount of the Jurisdictional Top-up Tax allocated in proportion to the GloBE Income of the LTCE (or member of JV Group), obtained by multiplying the amount of the Jurisdictional Top-up Tax by the ratio of GloBE Income of the LTCE (or member of JV Group) over the aggregate GloBE Income of all LTCEs (or members of JV Groups). In those situations where Article 5.4.2 and/or 5.4.3 apply, the aggregate GloBE Income of all LTCEs (or members of JV Groups) with GloBE Income in the jurisdiction shall not be used for purposes of allocating Top-up Tax. The relevant alternative allocation factors identified in 4.2.1.1.b shall be used instead (see Note 4.2.1.1.b). If Article 7.6 applies, the Top-up Tax of the LTCE (or member of JV Group) shall be the amount determined in accordance with Article 7.6(c).

**Note 4.1.2.2.a:** the Filing Constituent Entity shall report the TIN (or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number) of the Parent Entity.

**Note 4.1.2.2.b:** the Filing Constituent Entity shall report the jurisdictions where Parent Entities of the MNE Group are required to apply a QIIR in the form of 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard.

**Note 4.1.2.2.c:** the amount of GloBE Income attributable to Ownership Interests held by other owners than the relevant Parent Entity is determined in accordance with Article 2.2.3.

**Note 4.1.2.3.b:** the IIR Offset is the amount of Top-up Tax that is brought into charge under a Qualified IIR by a POPE or Intermediate Parent Entity located in a lower tier of the ownership chain.

#### **4.1.3. Total UTPR Top-up Tax amount in respect of this Low-Tax Jurisdiction**

**Note 4.1.3.1:** if no QIIR applies in respect of any LTCE (or member of JV Group) for which the Top-up Tax calculation is made, this table does not need to be filled in on an LTCE (or member of JV Group) basis and the Filing Constituent Entity shall report “all” instead of the TIN of each LTCE (or member of JV Group) or, where a TIN is unavailable, a functional equivalent, such as a business/company registration code/number.

**Note 4.1.3.2:** when Article 2.5.2 does not apply, the Top-up Tax for each LTCE shall be computed by deducting the Top-up Tax payable under the QIIR by the Parent Entity from the Top-up Tax of the LTCE. The Top-up Tax for each member of a JV Group shall be computed by deducting the Top-up Tax payable under the QIIR by the Parent Entity from the UPE’s Allocable Share of the Top-up Tax of the JV Member. If no QIIR applies in respect of any LTCE (or member of JV Group) for which the Top-up Tax calculation is made and the table is filled in on a jurisdictional basis, this information does not need to be reported.

**Note 4.1.3.3:** the Filing Constituent Entity shall report the Total UTPR Top-up Tax Amount in respect of the jurisdiction

**Note 4.1.3.3:** the Filing Constituent Entity shall report the sum of all amounts reported in 4.1.3.1 (Top-up Tax taken into account for Article 2.5.1) for each Low-Taxed Constituent Entity and member of a JV Group located in a Low-Tax Jurisdiction as well as for each Stateless Constituent Entity that has an amount reported in 4.1.3.1. If no QIIR applies in respect of any LTCE (or member of JV Group) for which the Top-up Tax calculation is made, the Top-up Tax taken into account for Article 2.5.1 is the Jurisdictional Top-up Tax computed.

## 4.2. Attribution of Top-up Tax under the UTPR

**Note 4.2:** the Filing Constituent Entity shall complete this table if there is a UTPR Top-up Tax Amount for at least one jurisdiction for the Reporting Fiscal Year or if there is a UTPR Top-up Tax carry-forward reported in column 4.2.2.

**Note 4.2.1:** the Filing Constituent Entity shall report the UTPR Jurisdictions of the MNE Group in the form of 2-character alphabetic country code based on the ISO 3166-1 Alpha 2 standard.

**Note 4.2.2:** if the UTPR Top-up Tax Amount allocated to a jurisdiction in a prior Fiscal Year has not yet resulted in an equivalent additional cash tax expense for the Constituent Entities located in that jurisdiction, the amount to be carried forward in accordance with Article 2.4.2 shall be reported in 4.2.2.

**Note 4.2.3 and 4.2.4 (Total):** if the UTPR Percentage in 4.2.5 is zero for a UTPR jurisdiction as a result of the application of Article 2.6.3, the Number of Employees and Tangible Assets of the Constituent Entities located in the jurisdiction are excluded from the total (i.e. denominator of the formula for purposes of the allocation key). This exclusion from the total (and the denominator) does not apply if all UTPR jurisdictions have a UTPR Percentage of zero in the Reporting Fiscal Year (Article 2.6.4).

**Note 4.2.3:** the Number of Employees allocated to Permanent Establishments (including those of Flow-through Entities) shall be taken into account for computing the UTPR Percentage of the jurisdiction where such PEs are located. Further, the Number of Employees of Constituent Entities is subject to two exclusions under Article 2.6.2. Firstly, the number of Employees of Investment Entities in the UTPR jurisdiction shall be excluded for purposes of computing a jurisdiction's UTPR percentage (Article 2.6.2(a)). Secondly, in instances where a Flow-through Entity's employees are not allocated to PEs, they shall be allocated to any Constituent Entities that are located in the jurisdiction where the Flow-through Entity was created, irrespective of whether they are the Constituent Entity-owners of the Entity (Article 2.6.2(b)). The Number of Employees employed by a Flow-through Entity that are not otherwise allocated shall be excluded as provided under 2.6.2(b).

**Note 4.2.4:** the Net Book Value of Tangible Assets allocated to PEs (including those of Flow-through Entities) shall be taken into account for computing the UTPR Percentage of the jurisdiction where such PEs are located. Further, the Net Book Value of Tangible Assets of Constituent Entities is subject to two exclusions under Article 2.6.2. Firstly, the Net Book Value of Tangible Assets held by Investment Entities in the UTPR jurisdiction shall be excluded for purposes of computing a jurisdiction's UTPR percentage (Article 2.6.2(a)). Secondly, in instances where a Flow-through Entity's Tangible Assets are not allocated to PEs, they shall be allocated to any Constituent Entities that are located in the jurisdiction where the Flow-through Entity was created, irrespective of whether they are the Constituent Entity-owners of the Entity (Article 2.6.2(b)). The Net Book Value of the Tangible Assets held by a Flow-through Entity that are not otherwise allocated shall be excluded as provided under 2.6.2(b).

**Note 4.2.5:** the UTPR Percentage is computed in accordance with Article 2.6.1. If there is a UTPR Top-up Tax carry-forward for a UTPR jurisdiction in 4.2.2, the UTPR percentage of the jurisdiction shall be zero (Article 2.6.3), unless all UTPR jurisdictions have a UTPR Percentage of zero in the Reporting Fiscal Year (Article 2.6.4). The UTPR Percentage reported in this column shall be the UTPR Percentage computed after the application of Article 2.6.4.

**Note 4.2.6 (Total):** the total UTPR Top-up Tax Amount to be attributed among UTPR Jurisdictions is the sum of each Total UTPR Top-up Tax Amount in respect of each jurisdiction identified in table 4.2.

**Note 4.2.7:** the additional cash tax expense incurred by CEs in the UTPR jurisdiction is the amount of tax due under the UTPR in addition to the amount of tax that would otherwise be payable under normal tax rules.

**Note 4.2.8:** the UTPR Top-up tax left to be carried forward is the positive difference between the UTPR Top-up Tax amount attributed to the UTPR jurisdiction for the Reporting Fiscal Year and the additional cash tax expense incurred by CEs in the UTPR jurisdiction reported in 4.2.7.