



Tax Newsflash

OECD publishes support for GIR central filing obligations, UTPR safe harbor extension

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On 18 May 2026, the OECD/G20 Inclusive Framework on BEPS (“inclusive framework”) published a [collection of documents](#) in relation to the inclusive framework’s Pillar Two global minimum tax rules. These include a “[common understanding](#)” among implementing jurisdictions addressing compliance and coordination challenges that could otherwise arise from any potential delays in the availability of fully operational filing portals or activated exchange relationships before the 30 June 2026 first filing deadline.

The inclusive framework has also published [further administrative guidance](#) on the application of the transitional undertaxed profits rule (UTPR) safe harbor, and has updated its [central record](#) with details for four additional jurisdictions whose global minimum tax legislation is considered qualified.

The global minimum tax rules apply to large multinational groups with annual consolidated group revenue of at least EUR 750 million, and can result in “top-up” tax amounts to bring the overall tax on profits in each jurisdiction where a group operates up to a 15% minimum effective tax rate. The key components are: qualified domestic minimum top-up taxes (QDMTTs) which allow jurisdictions to charge any top-up taxes due in respect of local profits; the income inclusion rule (IIR) under which parent company jurisdictions apply the top-up tax rules on a top-down basis; and, with effect for periods from 2025 onward, the UTPR which operates as a (backstop) rule where the other rules have not been fully applied.

[Support for central global minimum tax information return \(GIR\) filing and exchange \(2024 reporting fiscal year\)](#)

The global minimum tax rules start with the position that a GIR should be filed with the tax authorities in all jurisdictions where an in-scope group has operations. However, to aid with minimizing compliance, the global minimum tax rules also envisage a central filing and dissemination approach, designed to enable a business to file its annual GIR with a single tax authority (usually that of the ultimate parent entity (UPE)), which then exchanges the relevant GIR information with all other relevant tax authorities. Under this approach, businesses are expected to be relieved from obligations to file the GIR locally in other jurisdictions, as long as: a GIR has been filed centrally; any local GIR or overseas return notifications have been submitted; and the central filing jurisdiction has in place an activated exchange relationship to exchange the information with the local tax authority. Suitable exchange mechanisms exist under the multilateral competent authority agreement for the exchange of global minimum tax return information (GIR MCAA) or under other bilateral agreements, e.g., double tax treaties. Regardless of the mechanism, all exchange relationships need to be specifically activated between jurisdictions for the GIR exchange.

The inclusive framework notes that, in the run up to the first filing deadline—i.e., 30 June 2026 for in-scope fiscal years ended on (or before) 31 December 2024—some jurisdictions may not yet have fully operational filing portals in place, and some exchange relationships may not be activated until after 30 June 2026.

A “common understanding” has been reached among Pillar Two implementing jurisdictions and published by the OECD to provide support for central filing for 2024 year-end GIRs. It sets out an annex listing 33 jurisdictions that expect to have a fully operational GIR portal in place for central filing by 31 May 2026: Australia, Austria, Barbados, Belgium, Bulgaria, Canada, Croatia, Czechia, Denmark, Finland, France, Germany, Gibraltar, Greece, Hungary, Ireland, Italy, Japan, Korea, Liechtenstein, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovenia, South Africa, Spain, Sweden, Switzerland, Türkiye, and the United Kingdom.

In recognition of the local GIR filing compliance and coordination challenges that could arise from a delay in making a reliable filing portal available and/or in activating exchange relationships, these 33 jurisdictions have also agreed that they “will use mechanisms to the extent available under their respective domestic laws” in order to:

- Waive penalties that might otherwise apply in respect of their local GIR filing obligations; or
- Not enforce their local GIR filing obligation before the “relevant GIR exchange deadlines”—i.e., 31 December 2026 for a group’s GIR return for the year ended 31 December 2024 centrally filed on or before 30 June 2026,

where a GIR has been filed centrally and any required local notifications have been submitted by 30 June 2026. The intended effect is to remove the need to have an activated bilateral exchange relationship in place by 30 June 2026 in order to negate the requirement for additional local GIR filings.

A tax authority that has waived penalties or not enforced local filing will have the right to enforce local filing rules subsequently if the GIR is not received by the exchange deadline.

The inclusive framework notes that four jurisdictions with global minimum tax rules in place for 2024 “have not been able to join the common understanding” as of 12 May 2026: The Bahamas, North Macedonia, the Slovak Republic, and Vietnam. In addition, Greece and Poland have joined the common understanding only “with respect to Member States of the European Union in the Annex.”

Administrative guidance on the application of the transitional UTPR safe harbor

The transitional UTPR safe harbor is intended to ensure no top-up tax is payable under the first year of the UTPR in respect of any undertaxed profits of a business in its UPE jurisdiction if that jurisdiction applies a nominal statutory corporate income tax rate of at least 20%.

As originally set out, this temporary safe harbor was limited to in-scope businesses’ fiscal years beginning on or before 31 December 2025 and ending before 31 December 2026. The new administrative guidance clarifies that in-scope businesses with accounting periods ending on the same day of the week each year (e.g., accounts drawn up to the closest Sunday to 31 December each year), resulting in a 52-53 week fiscal year that ends on or before 3 January 2027, will also be eligible for the transitional UTPR safe harbor for that fiscal year. As a result, an affected group that has its UPE in the US (or any other jurisdiction) that applies the permanent side-by-side (SbS) or UPE safe harbors for fiscal years beginning on or after 1 January 2026 will remain eligible for the transitional UTPR safe harbor until the permanent SbS or UPE safe harbor begins to apply to it.

Updates to central record of minimum tax legislation with qualified status

The inclusive framework has updated its central record of jurisdictions whose local implementation of the Pillar Two rules have so far been assessed as “qualified” under its transitional qualification mechanism. The Bahamas (with effect from 1 January 2024), and Kenya, Kuwait, and Oman (with effect from 1 January 2025), have each been added to the list of jurisdictions with a QDMTT. Each of the QDMTTs have also been assessed as meeting the standards for the QDMTT safe harbor.

Next steps

The first global minimum tax return filings (and associated local compliance obligations which are not affected by the OECD common understanding published on 18 May 2026) in respect of in-scope groups with a year ended 31 December 2024, are due by 30 June 2026.

Deloitte comments

The first global minimum tax filing deadlines (for December 2024 year ends) are due on 30 June 2026 and jurisdictions have been working to ensure that their filing portals to receive GIRs are fully operational. It appears that “almost all” relevant (i.e., those who have implemented an IIR or QDMTT in 2024) jurisdictions are expecting to be ready for central filing by 31 May 2026.

Jurisdictions are in the process of activating the exchange relationships required to allow businesses to file their GIRs centrally, rather than filing a GIR locally in each jurisdiction where they operate. Although exchange relationships are expected to be in place by the first exchange deadline for tax authorities on 31 December 2026, not all relationships will be activated by the 30 June 2026 filing deadline. Under the new common understanding, if a business has centrally filed its GIR by the relevant filing deadline in most jurisdictions, jurisdictions have agreed that they will waive penalties or not enforce their local GIR filing obligation. For most jurisdictions, businesses will only have to consider local GIR filing if exchange relationships have still not been activated by 31 December 2026. This offers a pragmatic solution for the first filing deadline and will significantly reduce the number of early and ultimately redundant local filings particularly important for the first filing period as technologies and tax authority filing portals are used for the first time. Some businesses will appreciate jurisdictions issuing their own statements confirming their approach to waive penalties and/or not enforce GIR filing for this period.

Thirty-three jurisdictions with global minimum tax rules for 2024 have joined the common understanding. To complicate matters, Poland (which has optional Pillar Two rules in place for 2024) and Greece have limited the benefit of this central filing compliance easement and joined the common understanding in respect of EU member states only. It therefore appears that local filing obligations will still need to be considered in Greece (and perhaps Poland if elected into) by groups centrally filing their GIR in a non-EU member jurisdiction. The inclusive framework notes that The Bahamas, North Macedonia, the Slovak Republic, and Vietnam were not able to join the common understanding and associated compliance relief as of 12 May 2026. There is also a question remaining in relation to Cyprus, which is not (for reasons unrelated to tax) a member of the inclusive framework but has implemented Pillar Two rules under the relevant EU directive, and is therefore not a party to the published “common understanding.” Businesses will continue to hope that all of these jurisdictions may be able to update their approaches in line with that set out, but given the limited time available will also need to plan for local filing of the GIR. In any event, it is important for businesses to note that the easements (while welcome and helpful) are in respect of local filing of the GIR only, and do not affect any local jurisdiction requirements for filing separate QDMTT returns, local self-assessment returns, or overseas return/GIR notification requirements. In addition, it is not clear exactly when (and how businesses will know) that local filing of the 2024 GIR returns is to be reinstated if jurisdictions fail to get the relevant activated exchange agreements in place by 31 December 2026.

This compliance easement applies in respect of 30 June 2026 filings only, i.e., broadly groups with fiscal years ending on (or short periods before) 31 December 2024. Businesses with other year ends will be keen to see if this approach is extended if activated exchange relationships are not in place by the next filing dates.

US-headed businesses (and perhaps businesses in other jurisdictions if they apply and qualify for the SbS or UPE permanent safe harbors agreed in January 2026) that operate a 52-53 week period system will be pleased with the new administrative guidance that allows them to take the benefit of the UTPR safe harbor for any “gap” year

that appears before the permanent SbS safe harbor applies to them. The extension mechanism means that affected groups will not be subject to UTPR top-up tax on US profits for the additional year, but will continue to be subject to top-up tax under the UTPR on low-taxed subsidiaries located outside the US until the start of the SbS safe harbor.

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