



Deloitte Africa Tax & Legal

OECD Pillar 1 and Pillar 2 Alert

Keeping you up to date on the latest international tax and transfer pricing developments impacting your business

New technical guidance issued by the OECD on the GloBE rules as part of Pillar 2

On Monday, 14 March 2022, the Organisation for Economic Co-operation and Development (OECD) published technical guidance on the Pillar Two model rules in respect of the 15% global minimum tax framework that was agreed in October 2021 and the model rules released in December 2021. The global minimum tax forms part of the two-pillar solution that is aimed at addressing tax challenges arising as a result of the digitalisation of the global economy. Each of the two pillars addresses a separate concern.

The following [two documents](#) were published:

1. **commentary and further detailed technical guidance** on the application and operation of the Global Anti-Base Erosion (GloBE) rules that were agreed in December 2021; and
2. **examples** that illustrate the application of the rules. The publication seeks to promote consistent interpretation and application by taxpayers and tax administrations.

The GloBE rules serve to create a coordinated regime to ensure that multinational enterprises that earn revenues greater than Euro 750 million, pay tax at a minimum rate of 15% on income arising in each operating jurisdiction.

Now that the policy framework is established and agreed, the next step is to develop a GloBE Implementation Framework that will put in place processes and mechanisms that would enable consistent application and minimising compliance costs for both taxpayers and tax administrations.

A public consultation process is underway and submissions may be made to the OECD by Monday, 11 April 2022. Stakeholders are invited to provide input on issues of administration, operation, compliance and rule co-ordination that are efficient and preserve consistent as well as co-ordinated outcomes that prevent the risk of double taxation. It appears that the implementation date is expected to be delayed by 12 months, i.e., from 1 January 2023 to 1 January 2024. However, we are yet to see formal communication from the OECD on the revised timeframes.

You can locate the Pillar 2 Model Rules commentary and illustrative examples [here](#).

Key contacts

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Resources that would be of interest to you

- [Updates on transfer pricing developments](#)
- [Deloitte's 2021 Guide to fiscal information: Key economies in Africa](#)
- Deloitte School of Tax & Legal – [Register](#) for our latest online training courses.
- Deloitte tax@hand – Get timely COVID-19 global and regional tax news, information and resources as developed by Deloitte firms around the world. Subscribe and access the site [here](#).
- COVID-19 Signal Topic Alerts – Stay up-to-date with the latest government tax and fiscal responses to COVID-19. To sign up to receive Signal Topic Alerts, email signal@deloitte.com.
- [GoWork – COVID-19 Immigration Digital Map](#) - Provides information in real time, so companies can access the most up-to-date information on travel restrictions, quarantine and immigration in relation to COVID-19.

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