



Amendments to the 15% global minimum tax (Pillar Two) published in the State Gazette

On 27 March 2025 the proposed amendments to the 15% global minimum tax in Bulgaria were officially published in the State Gazette.

They concern large Bulgarian groups as well as subsidiaries and permanent establishments / branches of large multinational groups in Bulgaria („the constituent entities“, “CEs”), which group’s annual consolidated revenue was at least EUR 750 million in at least two of the last four fiscal years.

The amendments should be applied retrospectively for fiscal periods starting from 1 Jan 2024 or later.

Some of the amendments that in our view would be most relevant in Bulgaria include (1/2):

1. The Bulgarian qualifying domestic minimum top-up tax ("QDMTT") should be calculated based on:
 - (i) **Bulgarian GAAP** if the CEs in Bulgaria apply Bulgarian GAAP,
 - (ii) **IFRS** if the CEs in Bulgaria apply IFRS,
 - (iii) **the accounting standard in the consolidated accounts** (e.g. US GAAP, UK GAAP, etc.) if the CEs in Bulgaria use different accounting standards, e.g. one uses Bulgarian GAAP and the other IFRS.

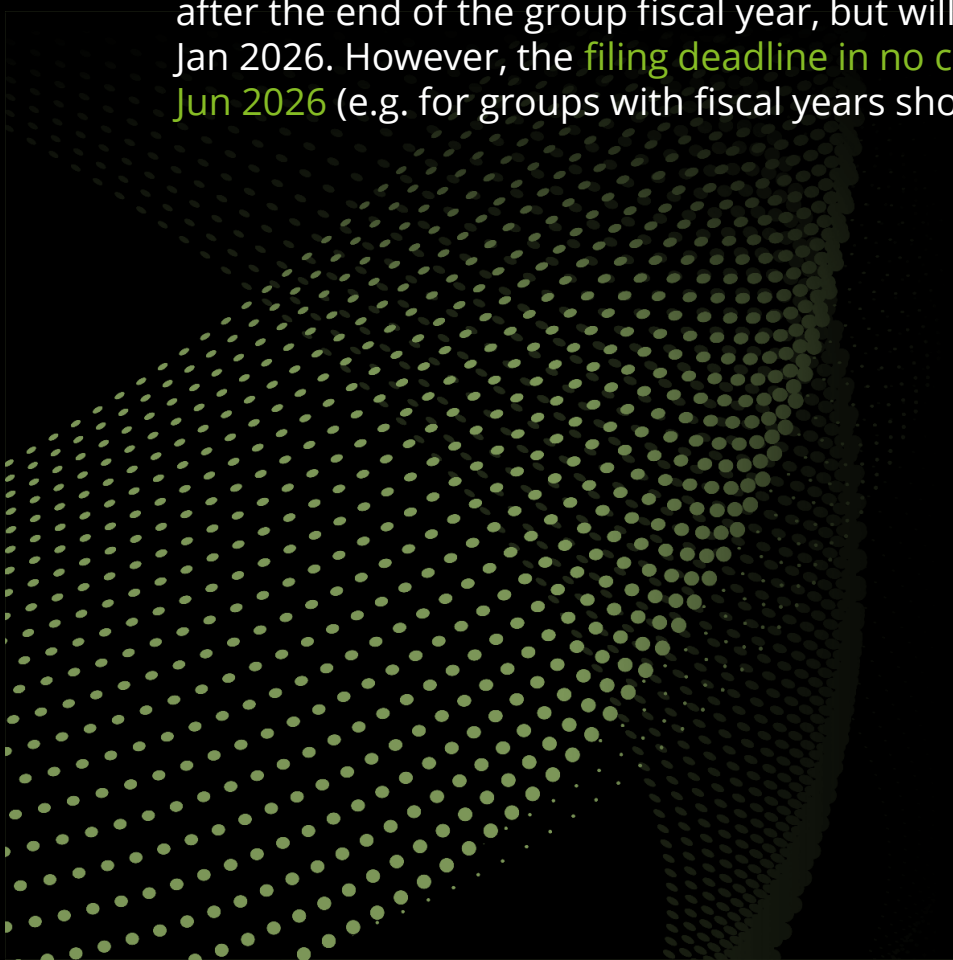
Under the previous revoked provisions, it was calculated under IFRS and in some cases - Bulgarian GAAP.

2. In scenarios 1(i) and 1(ii) above, the **QDMTT should be due for a calendar year**. In scenario 1(iii) above, QDMTT should be due for the accounting period of the group, which may or may not coincide with the calendar year. According to the previous revoked provision, QDMTT was due for the accounting period of the group.

Respectively, CEs of groups that follow an accounting year that is different from the calendar year and are in scenarios 1(i) and 1(ii) above need to declare and pay QDMTT for the whole 2024 **by 30 June 2026** (under the previous revoked provision: such CEs owed QDMTT for 2024 partially by 18 months from the end of their group's fiscal period).

3. Introduction of the Undertaxed Profits Rule ("**UTPR**") **safe harbour**. If the group chooses to apply the UTPR safe harbour, Bulgaria will not collect top-up tax under UTPR for the jurisdiction of the ultimate parent entity ("UPE") if the nominal tax rate is 20% or more in the jurisdiction of the UPE (applicable only for fiscal periods ending before 31 Dec 2026).

Some of the amendments that in our view would be most relevant in Bulgaria include (2/2):

4. The Bulgarian top-up tax collected under the **UTPR to be split** between several Bulgarian CEs based on the number of personnel and the carrying value of the tangible assets with equal weights (as per the previous revoked provision: split equally).
 5. Introduction of explicit reference in the Bulgarian legislation that the published Pillar Two **OECD rules, guidelines and examples should be used** for interpretation of Pillar Two in Bulgaria.
 6. Clarification that the GloBE information return ("GIR") will be in the currency of the group consolidated financial statements and that the domestic top-up tax returns should be **converted in BGN based on the exchange rate of the Bulgarian National Bank for the last date** of the respective fiscal period.
 7. Clarification that the calculations in the Bulgarian QDMTT return should be based on the ones in the GIR, but with **the Bulgarian specifics**.
 8. Clarification that filings for the first fiscal year shall be in 18 months after the end of the group fiscal year, but will be opened earlier - on 10 Jan 2026. However, the **filing deadline in no case should be before 30 Jun 2026** (e.g. for groups with fiscal years shorter than 12 months).
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- A decorative graphic in the bottom left corner of the slide, consisting of a dense, textured pattern of small, light-colored dots arranged in a roughly circular, fingerprint-like shape. The dots are more concentrated in the center and fade out towards the edges.

How Deloitte Can Help?

- **Advise** on the global minimum tax rules in Bulgaria and abroad, including through the global network of member firms of Deloitte.
- **Assist in all stages:**
 - data diagnostic,
 - **impact assessment** and data modelling,
 - **safe harbor** assessment,
 - preparation/review of the **top-up tax expense in the financial statements**,
 - preparation/review of:
 - **IIR, UTPR and QDMTT returns**,
 - **GloBE information return** for determining the top-up tax for each jurisdiction,
 - **notifications** about the group CE which will file the GiR.
- With respect to the above, Deloitte's globally developed cloud-based tool called **Pillar Two Agent** could be utilized.

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