



Ministry of Finance provides additional insight on the application of Pillar Two rules in Bulgaria

Following its initial non-binding ruling issued in April, the Bulgarian Ministry of Finance published additional interpretative guidance on 4 May 2026 on the application of the OECD Pillar Two rules in Bulgaria in connection with the Bulgarian qualified domestic minimum top-up tax ("QDMTT").

The new guidance addresses further practical questions and provides important clarifications on specific technical and compliance aspects of the domestic implementation of the OECD Global Minimum Tax framework.

Ministry of Finance issued interpretative key guidance on Pillar Two

Key guidance

- Where Bulgarian constituent entities (“CEs”) prepare their **annual financial statements (“AFS”)** using **the same accounting standard** (i.e., Bulgarian GAAP or IFRS), the Bulgarian QDMTT must be determined **on the basis of the separate AFS** prepared under that standard rather than on figures derived from group reporting packages prepared for **consolidation purposes**. This approach applies irrespective of the accounting framework used for the group’s consolidated financial statements. Accordingly, **the separate AFS remain the relevant basis for QDMTT calculations** even where both the separate and the consolidated AFS are prepared under IFRS.
- Where Bulgarian CEs prepare their AFS using the same accounting standard, **the separate AFS should be used for the purposes of calculating the substance-based income exclusion (“SBIE”)** in order to ensure that the entire QDMTT calculation is consistent and based on a **single accounting data source**.
- The QDMTT liability may be **reduced to zero** if **Transitional country-by-country report (“CbCR”) Safe Harbour conditions are met** (aligned with the OECD Pillar Two rules) and **the relevant election is duly made**.
- For the purposes of applying the Transitional CbCR Safe Harbour (“TSH”) under the Bulgarian QDMTT rules, **the relevant qualified CbCR** is the report **covering the end date of the relevant period for Bulgarian QDMTT purposes**, even if the group’s reporting period is different. For example, where **calendar year 2024 is the relevant period for Bulgarian QDMTT purposes** and the group’s fiscal year runs from **July 2024 to June 2025**, the qualified CbCR for the period **July 2024 – June 2025** should be used for the purposes of the **TSH assessment** for Bulgarian QDMTT purposes.
- Where the **TSH applies**, **no Bulgarian QDMTT is to be calculated** for any part of the relevant year, **regardless of any differences** between the group fiscal period and the relevant period for Bulgarian QDMTT purposes.
- A **CbCR using separate AFS may still qualify for TSH purposes**, even where reporting periods or figures do not fully align with the group’s consolidated financial statements.
- If the **QDMTT is calculated based on the group accounting standard**, the calculation is performed in the consolidated reporting currency, **with conversion into BGN (respectively EUR)** for QDMTT return filing purposes **at the exchange rate for the last day of the relevant fiscal period** as published by the Bulgarian Central Bank.

How can Deloitte assist you?

We can assist you with:

- safe harbour assessment,
- preparation/review of the top-up tax expense in the financial statements,
- preparation/review of:
 - IIR/UTPR and QDMTT returns, including the notifications about the CE which will file the GloBE information return,
 - GloBE information return for determining the top-up tax for each jurisdiction,

Advise on the global minimum tax rules in Bulgaria and abroad, including through the global network of member firms of Deloitte.

With respect to the above, Deloitte's globally developed cloud-based tool called Pillar Two Agent could be utilized.

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