

OECD/G20 Base Erosion and Profit Shifting Project

**Tax Challenges Arising from the
Digitalisation of the Economy -
Administrative Guidance on Article 8.1.4 and
8.1.5 of the Global Anti-Base Erosion Model
Rules (January 2025)**

Inclusive Framework on BEPS

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This document was approved by the OECD/G20 Inclusive Framework on BEPS on 8 November 2024 and prepared for publication by the OECD Secretariat.

Please cite as:

OECD (2025), *Tax Challenges Arising from the Digitalisation of the Economy – Administrative Guidance on Article 8.1.4 and 8.1.5 of the Global Anti-Base Erosion Model Rules (January 2025)*, OECD/G20 Inclusive Framework on BEPS, OECD, Paris, <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/global-minimum-tax/administrative-guidance-article-8-1-4-article-8-1-5-globe-rules-pillar-two-january-2025.pdf>.

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Executive Summary

Background

1. In October 2021 members of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (Inclusive Framework) agreed a two-pillar solution to reform the international tax framework in response to the challenges of digitalisation of the economy. As part of the October Statement, Inclusive Framework members agreed to a co-ordinated system of Global anti-Base Erosion (GloBE) rules that are designed to ensure large multinational enterprises pay a minimum level of tax on the income arising in each jurisdiction where they operate. In the October Statement, it was agreed that the GloBE Rules would have the status of a common approach. Under this common approach, jurisdictions are not required to adopt the GloBE rules, but, if they choose to do so, they will implement and administer the rules in a way that is consistent with the agreed outcomes. The common approach also means that Inclusive Framework members accept the application of the GloBE rules applied by other members, including agreement as to rule order and the application of any agreed safe harbours.
2. The GloBE Model Rules were approved and released by the Inclusive Framework on 20 December 2021 *Tax Challenges Arising from Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS* (OECD, 2021^[1]). The GloBE Model Rules consist of an interlocking and coordinated system of rules which are designed to be implemented into the domestic law of each jurisdiction and operate together to ensure large MNE Groups are subject to a minimum effective tax rate of 15% on any excess profits arising in each jurisdiction where they operate. Consistent with the intention of the Inclusive Framework, the GloBE Rules (including the IIR and UTPR) are designed so that the imposition of top-up tax in accordance with those rules will be compatible with the provisions of the United Nations Model Double Taxation Convention between Developed and Developing Countries (the “UN Model Double Tax Convention”) (UN, 2021^[2]) and the *Model Tax Convention on Income and on Capital: Condensed Version 2017*, (the “OECD Model Tax Convention”) (OECD, 2017^[3]).
3. The Commentary to the GloBE Model Rules was first approved and released by the Inclusive Framework on 14 March 2022 *Tax Challenges Arising from the Digitalisation of the Economy – Commentary to the Global Anti-Base Erosion Model Rules (Pillar Two), First Edition: Inclusive Framework on BEPS* (OECD, 2022^[4]). The Commentary clarifies the interpretation and operation of the provisions in the GloBE Model Rules and includes some examples illustrating how the rules apply to specific fact patterns. The Commentary is intended to promote a consistent and common interpretation of the GloBE Model Rules in order to provide certainty for MNE Groups and to facilitate coordinated outcomes among implementing jurisdictions. Although the Commentary is detailed and comprehensive, it does not provide guidance on every aspect of the GloBE Model Rules.

4. The Model GloBE Rules envision that the Inclusive Framework may issue guidance on both the interpretation and the operation of the rules. The Inclusive Framework has provided interpretive guidance to ensure consistent and common interpretation of the GloBE Rules, provide certainty for MNE Groups and facilitate coordinated and transparent outcomes under the rules. Once agreed, the Administrative Guidance is incorporated into the Commentary as it supplements or replaces paragraphs in the Commentary or explains how to apply the language of the rules to particular fact patterns. The text of the Commentary has been updated in 2024 to incorporate the various pieces of Administrative Guidance that were approved by the Inclusive Framework before the end of December 2023 *Tax Challenges Arising from the Digitalisation of the Economy – Consolidated Commentary to the Global Anti-Base Erosion Model Rules (2023): Inclusive Framework on BEPS* (OECD, 2024).

Administrative Guidance on Article 8.1.4 and 8.1.5 of the GloBE Rules

5. This document sets out guidance that updates the language in the Commentary to Articles 8.1.4 and 8.1.5 following the publication of the standardised template for the GloBE Information Return (“GIR”) and clarifies the basis that MNE Groups shall rely on to complete the GIR.

Administrative Guidance on Article 8.1.4 and 8.1.5

Introduction

6. The Commentary to Articles 8.1.4 and 8.1.5 of the GloBE Rules anticipates the development of a standardised template for the GloBE Information Return (GIR). This language needs to be updated following the publication of the GIR in July 2023.

7. The GIR is designed to improve coordination between implementing jurisdictions and to reduce the administrative burden on MNE Groups by providing a standardised information return that tax administrations will use to perform an appropriate risk assessment and to evaluate the correctness of a Constituent Entity's Top-up Tax liability under the GloBE Rules. This will facilitate the coordinated application of the GloBE Rules by reducing duplicative reporting requirements and through agreeing a common set of data points that MNE Groups would be required to provide.

8. Generally, the domestic legislation in implementing jurisdictions would be expected to be substantially aligned, given the requirements under the common approach to implement consistently in line with the GloBE Model Rules, and the peer review mechanisms developed by the Inclusive Framework to support this. Nonetheless, there could be instances where there are differences between the domestic legislation of implementing jurisdictions that would result in different computations for the same data point in the GIR. This, for example, could arise at the early stages of implementation of the rules. Inclusive Framework members recognise that such differences can create uncertainty and may result in an additional compliance burden for MNE Groups. In such cases, the peer review and ongoing monitoring process will determine how these inconsistencies or different interpretations affect the qualified status of the legislation, such that those inconsistencies will become less frequent over time. In the meantime, however, the centralised filing model of reporting a single data item for that data point in the GIR could mean that the data reported is not fully in line with the domestic legislation of every implementing jurisdiction. There is consequently a question over how MNE Groups should complete the GIR in such circumstances, and in particular which underlying basis should be used to complete the data points in the GIR.

9. The Inclusive Framework has agreed the following Administrative Guidance for MNE Groups and tax authorities on how the GIR is expected to be completed in these circumstances. The guidance is intended to strike a balance that maintains the compliance and coordination benefits of the standardised GIR template whilst ensuring that the information included in the GIR is appropriate for tax authorities to evaluate the correctness of a Top-up Tax liability computed according to their jurisdiction's domestic legislation. The guidance ensures that MNE Groups can use a single source of information to complete each section of the GIR, which is the GloBE Model Rules and Commentary when multiple jurisdictions have taxing rights under the GloBE Rules. This reflects that when the information is reported on the basis of the GloBE Model Rules and Commentary, it will be expected to provide a reasonable basis for risk assessment.

10. However, it is recognised that there may be circumstances where it may be necessary for implementing jurisdictions to require additional information where there are differences between the information reported and the jurisdiction's domestic legislation, for example where there are constitutional or administrative law limitations for accepting information that is not reported based on the domestic legislation. Therefore, the GIR includes a few data points for MNE Groups to disclose the impact of those differences on some high-level data points, and it was agreed that implementing jurisdictions can require additional reporting to obtain information about such differences to be provided to their local tax administration through an additional domestic filing requirement. In the event that there are discrepancies, the implementing jurisdictions may require the submission of a corrected local information return as a domestic filing requirement.

Guidance

11. The text in strikethrough will be deleted from Paragraph 13 of the Commentary to Article 8.1.4:

13. Article 8.1.4 states that the GloBE Information Return has to be filed in a standard template that is developed in accordance with the GloBE Implementation Framework and sets out the items of information that should be included in the GloBE Information Return. As indicated below, the information required by the GloBE Information Return could be specified, expanded or restricted in accordance with the GloBE Implementation Framework. While Article 8.1.4 relates to information in the GloBE Information Return, it is not intended to prevent a local tax administration from requesting further necessary supporting information to verify the compliance to the GloBE Rules in accordance with its domestic law. ~~It is anticipated that a standard template of the GloBE Information Return that is developed in accordance with the GloBE Implementation Framework will contain fields for all of the required information.~~

12. The text in bold will be added after paragraph 23 of the Commentary to Article 8.1.4:

23.1 In line with Art. 8.1.4, the standardised template for the GloBE Information Return¹ was initially published by the Inclusive Framework on BEPS on 17 July 2023 and updated on 15 January 2025.² It contains the information a tax administration needs to perform an appropriate risk assessment and to evaluate the correctness of a Constituent Entity's Top-up Tax liability.

13. The text in strikethrough will be deleted and the text in bold will be added to Paragraph 24 of the Commentary to Article 8.1.5.

24 Article 8.1.5 states that the GloBE Information Return shall apply the definitions and instructions contained in the standard template that is developed in accordance with the GloBE Implementation Framework. **These definitions and instructions are contained in the Data Points and Explanatory Guidance of the standardised template for the GloBE Information Return that was published by the Inclusive Framework on BEPS on 17 July 2023 and updated on 15 January 2025.³** ~~would be developed by the members of the Inclusive Framework on BEPS.~~

14. The text in bold will be added after paragraph 24 of the Commentary to Article 8.1.5

¹ OECD (2023), *Tax Challenges Arising from the Digitalisation of the Economy – GloBE Information Return* (Pillar Two), OECD/G20 Inclusive Framework on BEPS, OECD, Paris, <https://www.oecd.org/tax/beps/globe-information-return-pillar-two.pdf>.

² OECD (2025), *Tax Challenges Arising from the Digitalisation of the Economy – GloBE Information Return* (January 2025), OECD/G20 Inclusive Framework on BEPS, OECD Publishing, Paris, <https://doi.org/10.1787/a05ec99a-en>.

³ OECD (2025), *Tax Challenges Arising from the Digitalisation of the Economy – GloBE Information Return* (January 2025), OECD/G20 Inclusive Framework on BEPS, OECD Publishing, Paris, <https://doi.org/10.1787/a05ec99a-en>.

24.1 The Inclusive Framework has agreed that MNE Groups should use a single basis to complete the data points in the GIR.

24.2 MNE Groups will generally be required to complete the GIR based on the GloBE Model Rules and Commentary. This ensures that the data points in the GIR are completed based on a single basis (i.e. a single source of information). It also reflects that the domestic law of jurisdictions that have obtained qualified status will be aligned with the Model Rules and Commentary and the data points reported based on the Model Rules and Commentary can be treated as in line with each jurisdiction's domestic law (and vice versa). This is also generally expected to align the reporting requirements in the GIR with the reporting processes that MNE Groups have developed to comply with the GloBE Rules. There is a limited exception to this for a jurisdiction or subgroup that is eligible for the QDMTT Safe Harbour (and where the switch-off rule does not apply) and for a jurisdiction or subgroup where only one jurisdiction has taxing rights under the GloBE Rules in respect of that jurisdiction or subgroup. Where these exceptions apply, the detailed computations for that jurisdiction or subgroup must be completed based on the domestic legislation of the QDMTT Safe Harbour jurisdiction or the jurisdiction that has taxing rights ('relevant jurisdiction'). This reflects that the MNE Group will generally only be required to prepare detailed computations for that jurisdiction or subgroup for the purposes of complying with the relevant jurisdiction's domestic law. Requiring the information to be reported based on the GloBE Model Rules and Commentary could therefore increase the compliance costs for businesses by requiring the business to make additional calculations for that jurisdiction or subgroup. This also ensures that the data reported in the GIR is aligned with the domestic legislation of the jurisdiction that has taxing rights over any Top-up Taxes due and will enable that jurisdiction to perform an effective risk assessment according to its domestic legislation without generally requiring additional information to be reported.

24.3 When the single source used to complete the GIR results in using different data points than those used under the local legislation of an implementing jurisdiction with taxing rights, MNE Groups are also required to report the impact of those differences on key indicators in the GIR. In addition, some tax administrations may require further information about these specific differences to perform an effective risk assessment or evaluate the correctness of a Top-up Tax liability according to their legislation. This information should be collected through further information requests or follow up activity with the MNE Group, rather than through additional local returns which are mandatory and collected on an automatic basis. This reflects that the information in the GIR will generally be sufficient to identify whether the differences lead to a risk that the domestic Top-up Tax liability has not correctly been reported that requires further investigation and that requiring extensive information locally in all cases could reduce the intended benefits of the centralised GIR reporting process.

24.4 However, some implementing jurisdictions may have specific constitutional or administrative law constraints that mean it is not possible to accept data that does not correspond directly to their domestic legislation. In such circumstances, implementing jurisdictions will be able to collect further information through an additional domestic filing requirement (for example through a local information return or as part of a domestic tax return), provided that this information is collected specifically for the purpose of obtaining more specific information about the differences disclosed in the GIR. Any additional domestic filing requirements should be necessary and proportionate and should not impose additional compliance or administrative burdens on MNE Groups beyond what is necessary. For example, implementing jurisdictions would be expected, when feasible under domestic law, to discharge MNE Groups from additional disclosures when the MNE Group has stated in the GIR that there were no differences. This does not affect the jurisdiction's ability to require a routine domestic tax return or to collect information for the purposes of the preparation of the domestic tax return as explained in paragraph 3 of the introduction to the GIR OECD (2025), *Tax Challenges Arising from the Digitalisation of the*

Economy – GloBE Information Return (January 2025), OECD/G20 Inclusive Framework on BEPS, OECD Publishing, Paris, <https://doi.org/10.1787/a05ec99a-en>.