



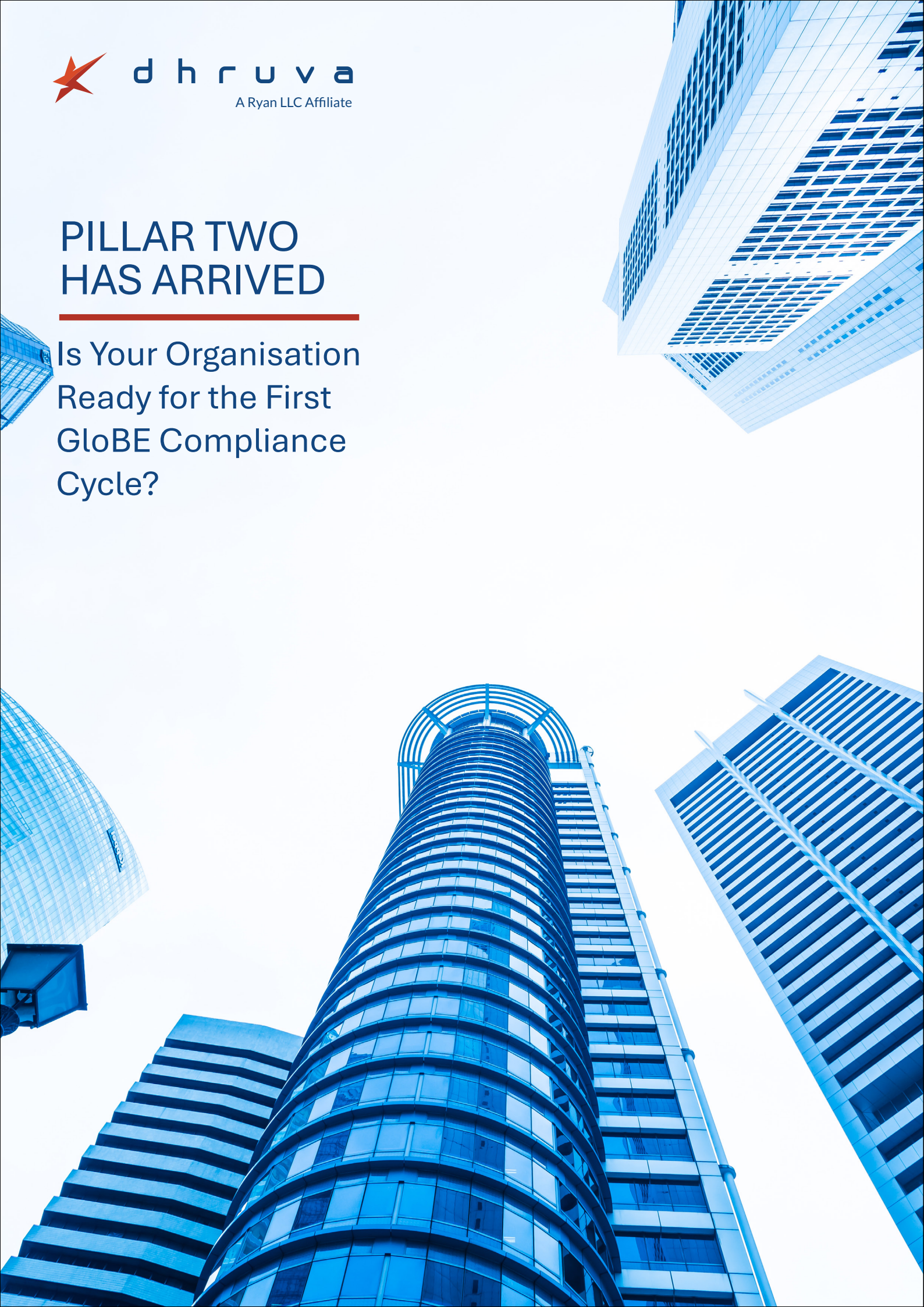
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A Ryan LLC Affiliate

# PILLAR TWO HAS ARRIVED

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Is Your Organisation  
Ready for the First  
GloBE Compliance  
Cycle?



## KEY TAKEAWAYS

- Pillar Two has moved beyond tax modelling and is now a compliance reality.
- For many calendar-year groups, the first GloBE Information Return (GIR) for FY2024 is due by 30 June 2026.
- Compliance extends beyond the GIR and may include registrations, notifications, local Domestic Minimum Top-up Tax (DMTT) returns and tax payments.
- Pillar Two is no longer solely a tax department issue, it requires coordination across finance, legal, treasury, HR and technology functions.
- Organisations that begin preparing now will be better positioned to manage compliance risks and avoid last-minute surprises.



## A. FROM TECHNICAL ANALYSIS TO COMPLIANCE EXECUTION

For the past few years, most Pillar Two discussions have focused on understanding the mechanics of the OECD’s Global Anti-Base Erosion (GloBE) Rules, effective tax rate (ETR) calculations, top-up tax exposure, and the interaction between the Income Inclusion Rule (IIR), Undertaxed Profits Rule (UTPR) and Qualified Domestic Minimum Top-up Tax (QDMTT).

That conversation is now changing.

As jurisdictions move from policy design to implementation, multinational enterprise (MNE) groups are entering a new phase of the Pillar Two journey: compliance execution.

For Singapore-headquartered groups and foreign MNE groups operating in Singapore, this shift is particularly relevant. While Singapore’s Domestic Top-up Tax (DTT) applies from 1 January 2025, many groups are already facing their first global compliance obligations in respect of FY2024.

For a calendar-year group, the first GIR filing is generally due by 30 June 2026. However, filing the GIR is only one part of the compliance picture. Depending on where a group operates, additional obligations such as registrations, local DMTT returns, notifications and tax payments may also apply.

The key question is therefore no longer:

***“Will Pillar Two impact our tax position?”***

***It is increasingly:***

***“Are we operationally ready to comply with Pillar Two across all relevant jurisdictions?”***



## B. THE FIVE PILLAR TWO COMPLIANCE OBLIGATIONS EVERY GROUP SHOULD UNDERSTAND

While implementation differs across jurisdictions, Pillar Two compliance generally falls into five broad categories.

Compliance Area	Why it Matters	Typical Challenges
Top-up tax payments	Settlement of DMTT, IIR or UTPR liabilities	Different payment deadlines
Registration	Inform local authorities of applicability	Jurisdiction-specific rules
Local DMTT returns	Demonstrate local minimum tax position	Additional data requirements
GIR notifications	Notify filing entity and filing location	Often overlooked
GIR	Central OECD reporting framework	Significant data collection effort

The GIR remains the cornerstone of the Pillar Two reporting framework. However, many tax authorities have introduced supplementary local requirements, meaning groups may face multiple compliance obligations arising from the same reporting period.



## C. WHY COMPLIANCE IS MORE COMPLEX THAN EXPECTED

Unlike traditional corporate tax filings, Pillar Two requires a coordinated global approach.

A single reporting cycle may require

- GIR preparation at group level
- Local DMTT filings in multiple jurisdictions
- Notifications to local tax authorities
- Registration requirements
- Payment of top-up taxes under domestic minimum tax regimes

Compounding this challenge is the fact that local implementation continues to evolve. While the OECD has provided a common framework, individual jurisdictions have adopted their own administrative procedures, filing forms and deadlines.

As a result, MNE groups need to monitor compliance obligations on a jurisdiction-by-jurisdiction basis rather than relying on a single global filing process.





## D. ILLUSTRATIVE PILLAR TWO COMPLIANCE LANDSCAPE

One of the most common misconceptions is that filing the GIR completes the Pillar Two compliance process.

In reality, many jurisdictions have introduced additional obligations that operate alongside the GIR.

These may include:

- Registration with local tax authorities
- Local DMTT or QDMTT returns
- GIR notifications
- Top-up tax payments
- Additional local reporting requirements

**Table 1: Illustrative Pillar Two Compliance Requirements Across Key Jurisdictions**

Country	Registration	Local Return Filing	GIR Filing	GIR notification
Australia	-	30 Jun 2026	30 Jun 2026	30 Jun 2026
Canada	w.e.f. 20-Oct-2025	30 Jun 2026	30 Jun 2026	30 Jun 2026
Cyprus	30 Jun 2026	31 Jul 2026	30 Jun 2026	30 Jun 2026
France	Integrated with CIT Return	30 Jun 2026	30 Jun 2026	Integrated with CIT Return
Germany	28 Feb 2026	30 Jun 2026	30 Jun 2026	-
Ireland	28 Feb 2026	30 Jun 2026	30 Jun 2026	30 Jun 2026
Italy	-	30 Jun 2026	30 Jun 2026	30 Jun 2026
Japan	-	-	30 Jun 2026	-
Luxembourg	30 Jun 2026	30 Jun 2026	30 Jun 2026	30 Jun 2026
Netherlands	-	31 Aug 2026	30 Jun 2026	30 Jun 2026
South Africa	30 Apr 2026	-	30 Jun 2026	30 Apr 2026
South Korea	-	30 Jun 2026	30 Jun 2026	30 Jun 2026
Switzerland	30 Jun 2026	30 Jun 2026	30 Jun 2026	30 Jun 2026
United Kingdom	30 Jun 2025	30 Jun 2025	30 Jun 2025	30 Jun 2025
Vietnam	13 Jan 2026	QDMTT- 31 Dec 2025 IRR/UTPR- 30 Jun 2026	30 Jun 2026	30 Jun 2026

The table highlights an important reality: there is no universal compliance model.

Even where jurisdictions have adopted the same OECD framework, local administrative requirements may differ significantly.

## E. THE HIDDEN CHALLENGE: DATA READINESS

Many organisations initially viewed Pillar Two as a tax technical exercise.

In practice, the biggest challenge often lies elsewhere data.

The information required for GloBE calculations frequently originates from systems and processes that were never designed for Pillar Two reporting. Common challenges include:



Consequently, successful compliance requires collaboration across multiple functions, including:



For many organisations, establishing governance processes and controls around data collection may prove just as important as understanding the technical rules themselves.

## F. A PRACTICAL READINESS CHECKLIST FOR FINANCE TEAMS

With the first major reporting deadlines approaching, finance leaders may wish to assess readiness across the following five dimensions.

1

### SCOPE ASSESSMENT

- Has the group exceeded the EUR 750 million revenue threshold?
- Have all constituent entities been identified?
- Have joint ventures and minority-owned entities been assessed?
- Have recent acquisitions been reviewed?

2

### TAX EXPOSURE ASSESSMENT

- Have jurisdictional ETR calculations been completed?
- Have potential low-tax jurisdictions been identified?
- Have transitional safe harbour provisions been evaluated?
- Has the impact of local DMTTs been assessed?

3

### DATA READINESS

- Can required GloBE data be extracted from existing systems?
- Are deferred tax balances readily available?
- Are tax incentive arrangements appropriately tracked?
- Have manual adjustments been identified and documented?

4

### GLOBAL COMPLIANCE TRACKING

- Has a jurisdiction-by-jurisdiction compliance tracker been established?
- Have registration requirements been mapped?
- Have notification obligations been identified?
- Have filing deadlines been documented?

5

### GOVERNANCE AND OWNERSHIP

- Is there a clearly designated Pillar Two owner?
- Are local finance teams aware of their responsibilities?
- Is there a review and sign-off process?
- Has Pillar Two been incorporated into the organisation's tax governance framework?

## G. THREE COMMON PITFALLS WE ARE SEEING

**1**

### TREATING PILLAR TWO AS A TAX DEPARTMENT PROJECT

Although Pillar Two is fundamentally a tax regime, many of the required inputs originate outside the tax function. Organisations that do not engage finance, legal, treasury and technology teams early often encounter implementation challenges later

The GIR is only one element of the compliance framework. Local DMTT returns, notifications and registrations can create additional filing obligations that should not be overlooked

**2**

### FOCUSING ONLY ON GIR REPORTING

**3**

### WAITING UNTIL 2027

As Singapore introduced GloBE Rules in 2025, where the compliance deadline falls in 2027, many groups may not realise that if they have any presence in a jurisdiction which introduced the law in 2024, the compliance deadline shall fall in 2026. Further, the groups are underestimating the time required to gather, validate and reconcile Pillar Two data. Delaying preparation may increase compliance risk and place unnecessary pressure on finance teams as filing deadlines approach



## LOOKING AHEAD

The introduction of Pillar Two represents one of the most significant developments in international taxation in recent decades. While understanding the mechanics of the GloBE Rules remains important, the immediate challenge for many organisations is operational readiness.

As reporting deadlines for FY2024 approach and Singapore's Domestic Top-up Tax regime takes effect, organisations should move beyond high-level impact assessments and focus on compliance preparedness, data governance and cross-functional coordination. For finance leaders, the question is no longer whether Pillar Two applies. The more important question is whether the organisation is ready for its first global compliance cycle.



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