

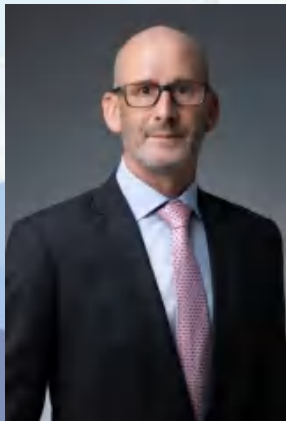


The 6th BRITACOF

Shared Progress in Taxpayer Service for a Better Business Environment

9-11 September 2025 | Kathmandu, Nepal

Business and Industry Tax Dialogue (BITD)



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DRAFT

- What is the objective of Pillar 2?
- Industry feedback on Pillar 2
- Proposed side-by-side system

GloBE Model Rules

OECD/G20 Base Erosion and Profit Shifting Project



Tax Challenges Arising from
Digitalisation of the Economy
– Global Anti-Base Erosion
Model Rules (Pillar Two)

INCLUSIVE FRAMEWORK ON BEPS



G7 STATEMENT ON GLOBAL MINIMUM TAXES

June 26, 2025 – Department of Finance Canada

Earlier this year the U.S. Secretary of the Treasury (current President Trump) announced regarding the Pillar 2 rules agreed by the OECD/G20 working group on BEPS that the U.S. will not implement the global minimum tax rules until such time as the U.S. determines that the global minimum tax rules are necessary to address the tax challenges arising from digitalisation of the economy.

Following discussions on this issue – which were initiated by the U.S. Secretary of the Treasury in 2017 – the U.S. Treasury has indicated that the U.S. will not implement the global minimum tax rules until such time as the U.S. determines that the global minimum tax rules are necessary to address the tax challenges arising from digitalisation of the economy. The U.S. Treasury has also indicated that the U.S. will not implement the global minimum tax rules until such time as the U.S. determines that the global minimum tax rules are necessary to address the tax challenges arising from digitalisation of the economy.

This understanding, which has been confirmed by the U.S. Secretary of the Treasury, is consistent with the following accepted principles:

- A side-by-side system would fully address U.S. parental groups from the G7 and the 19 in respect of their tax residence and foreign profits.
- A side-by-side system would provide a certain and transparent rule that new investors that wish to play in the global market, or risks of loss, would not be able to avoid the global minimum tax rules.
- Work to develop a side-by-side system would be consistent with the U.S. Treasury's commitment to work with the G7 and the 19 to develop a side-by-side system.
- Work to develop a side-by-side system would be consistent with the U.S. Treasury's commitment to work with the G7 and the 19 to develop a side-by-side system.

Delivery of a side-by-side system will require further negotiation between the U.S. Treasury and the G7 and the 19, including a comprehensive review of the U.S. Treasury's position on the global minimum tax rules.



Thank you