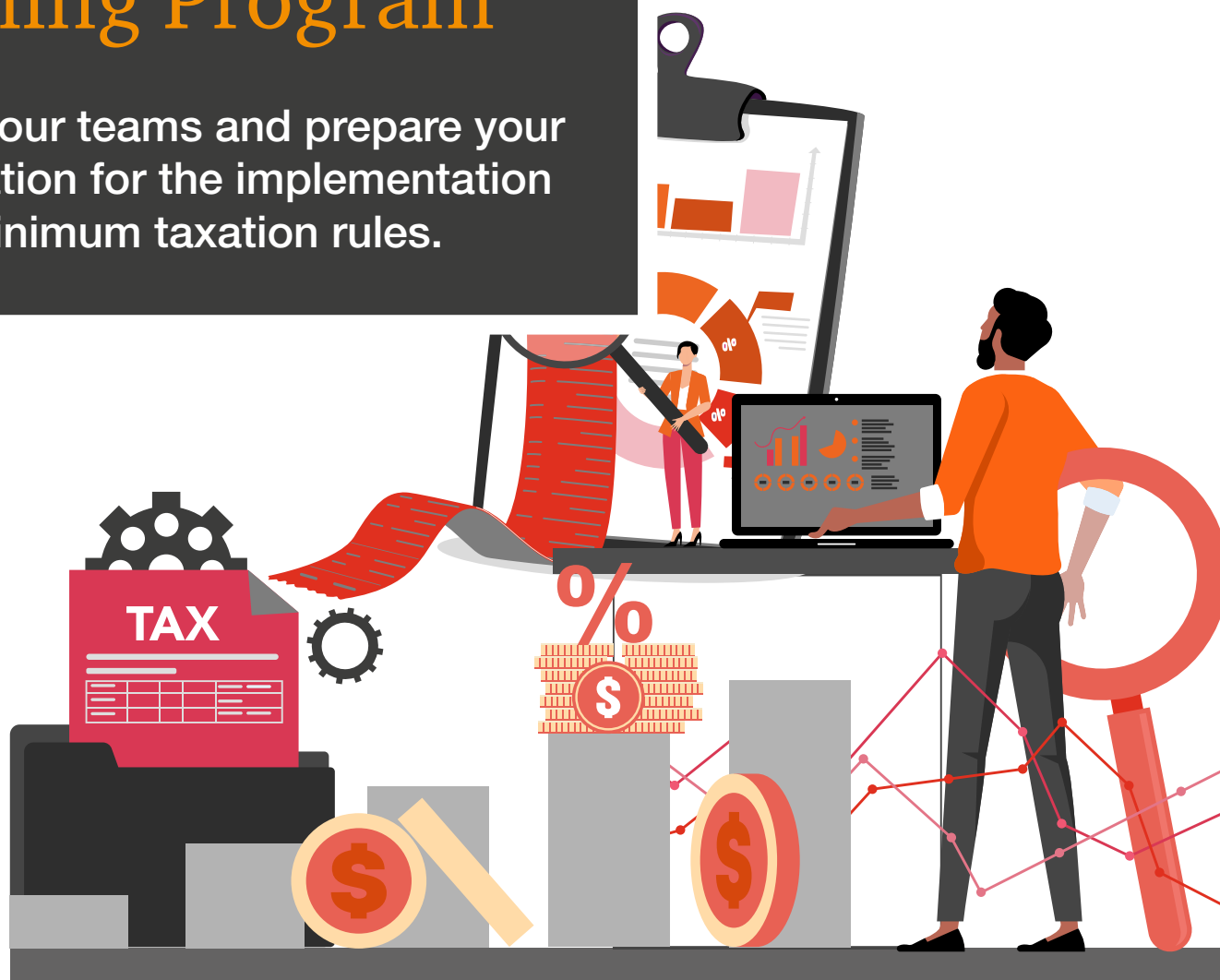


PwC's Pillar 2 Training Program

Upskill your teams and prepare your organisation for the implementation of the minimum taxation rules.



On 22 December 2023, Luxembourg enacted the Pillar 2 rules, which impose a 15% minimum effective tax rate for groups with annual consolidated gross revenue exceeding EUR 750 million.

PwC's Pillar 2 Training Program is an advanced training course which can be customised according to your needs. The program will take you through the methodology of the Pillar 2 rules, provide insight on how the minimum taxation rules may impact your organisation and

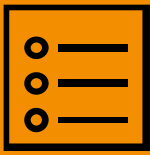
focus on the relevant compliance obligations in Luxembourg and abroad. The program is specifically designed to provide you with an overview of the relevant registration, accounting and tax return obligations as from FY24.

The program is relevant for all groups which are directly or indirectly impacted by the Pillar 2 rules, including multinationals, groups operating in the financial services and insurance industries, investment funds, portfolio companies and others.



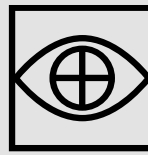
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Program content

- Customised in terms of length, key topics and audience, including preparatory discussion based on your needs. Sessions could be as from 1 hour to several sessions, depending on needs.
- Methodology following the EU Directive and OECD Model rules:
 - Scope of the rules and Excluded Entities
 - Calculating GloBE income
 - Calculating Adjusted Covered Taxes
 - Calculating GloBE-ETR and simplified Safe harbour rules
 - Strong focus on group compliance obligations (registrations, accounting impact, tax returns)
- Physical, virtual attendance or hybrid format with focus on interactivity



Transitional CbCR Safe Harbours

On 20 December 2022, the OECD released a **report** approved by the Inclusive Framework which aims to simplify the application of the rules and provide a "soft landing" for groups starting to apply the rules, including the terms of a Transitional Country-by-Country Reporting (CbCR) Safe Harbour. The aim is to avoid the undertaking of detailed GloBE calculations in respect of a jurisdiction based on its qualifying Country-by-Country Report and financing accounting data.

Safe harbours would **reduce a group's Top-up Tax for a particular jurisdiction to zero** based on CbCR information for FYs beginning on or before **31 December 2026**, but not including a fiscal year that ends after 30 June 2028. A jurisdiction qualifies for the Transitional CbC Safe Harbour if **at least one test** is met.

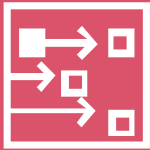
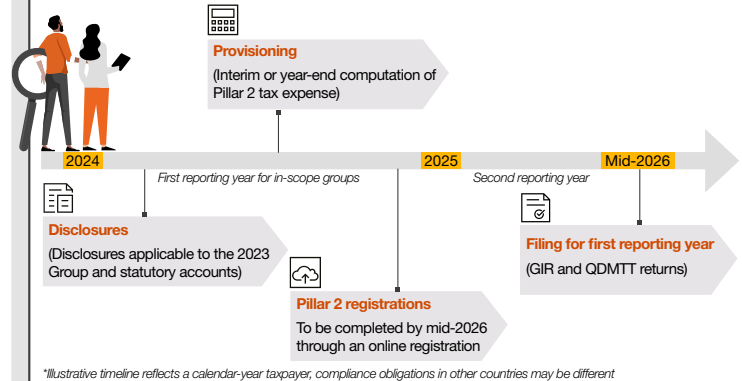
De Minimis Test	Effective Tax Rate Test	Routine Profits Test
Jurisdiction with <ul style="list-style-type: none"> • Total CbCR Revenue < EUR 10m, and • CbCR Profit (Loss) before Income tax < EUR 1m for the FY 	<ul style="list-style-type: none"> • The simplified ETR \geq the Transition Rate in the jurisdiction for the FY • Transition Rates: <ul style="list-style-type: none"> - 15% for FY beginning in 2023 & 2024 - 16% for FY beginning in 2025 - 17% for FY beginning in 2026 	<ul style="list-style-type: none"> • CbCR Profit (Loss) before Income tax \leq Substance-based Income Exclusion amount as calculated under GloBE Rules

Different points to verify, e.g.

- only "**qualified CbCR**" can be used
- some information still comes from **financial statements**
- **certain entities cannot qualify** for the carve-out (e.g. Stateless entities, some investment entities, etc.)

Pillar 2

Reminder on milestones for Luxembourg entities



Output

PwC's Pillar 2 Training Program enables participants to obtain a profound understanding of the complexities of the minimum taxation rules, determine the potential impact on your organisation and prepare for the compliance process from an accounting and tax filing point of view.



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