

Federal Council Considers Draft Bill to Implement Minimum Global Taxation

24 August 2023

Report from Dr René Offermanns, Principal Associate, IBFD

The Federal Council (*Bundesrat*) has received for consideration draft bill no. 365/23 concerning the Minimum Tax Directive Implementation Act (*Entwurf eines Gesetzes für die Umsetzung der Richtlinie zur Gewährleistung einer globalen Mindestbesteuerung für multinationale Unternehmensgruppen und große inländische Gruppen in der Union und die Umsetzung weiterer Begleitmaßnahmen*)) to transpose the [European Union Minimum Taxation Directive \(2022/2523\) \(2022\)](#) (the Directive) into national law.

The bill provides for a 5-year exemption for corporate groups with minor international activities and contains a transitional safe harbour rule for MNEs showing effective high taxation through county-by-country (CbC) reports.

For previous reporting, see [Government Approves Draft Bill to Implement Minimum Global Taxation \(18 August 2023\)](#) and [Ministry of Finance Publishes Draft Bill to Implement Minimum Global Taxation, Pillar Two Rules, Amends CFC-Rules \(12 July 2023\)](#). The full text of the submitted bill is available [here](#) (in German).

Note: The Directive seeks to ensure a global minimum level of taxation (at a rate of 15%) for multinational and large domestic groups with a consolidated turnover of at least EUR 750 million in the European Union during 2 of the last 4 years. It also transposes the Global Anti-Base Erosion Model Rules developed by the Inclusive Framework (IF) into European law. The Member States approved Directive 2022/2523 on 15 December 2022 (see [Council Formally Adopts Minimum Taxation Directive \(16 December 2022\)](#)). The deadline for its transposition into national law is 31 December 2023.