

Ministry of Finance Aims to Implement Minimum Taxation Directive on 31 December 2023

13 September 2023

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The Ministry of Finance has published a progress report (*Nota naar aanleiding van het verslag*) of a parliamentary debate in the lower house of the parliament on a bill implementing the [Minimum Taxation Directive \(2022/2523\)](#). The most important points of the report (which was published on 11 September) include the following:

- the government aims for the bill to enter into force on 31 December 2023, regardless of whether it is one of the first Member States to implement the directive;
- the Netherlands will implement the qualifying safe harbour rule for the domestic additional tax and the temporary safe harbour rule for the additional tax for undertaxed profits as agreed by the Inclusive Forum of the OECD (see [OECD Releases New Administrative Guidance with Safe Harbours for Pillar Two; Updates Standardized GloBE Information Return \(18 July 2023\)](#));
- the Netherlands will apply the administrative guidelines published by the OECD (see [OECD Releases New Administrative Guidance with Safe Harbours for Pillar Two; Updates Standardized GloBE Information Return \(18 July 2023\)](#)); and
- the Netherlands will apply the minimum tax also to the BES Islands;
- the Netherlands will apply the provisions of the Minimum Tax Act 2024 bill also to the profits of low-taxed entities in states that have not introduced the Pillar Two rules.

The report also contains calculation examples of the effect of the minimum tax on the earnings stripping measure, the CFC measure, the measures against hybrid mismatches, the limitation of the liquidation and cessation loss scheme and the measures to combat mismatches when applying the arm's length principle.

The full text of the progress report is available [here](#) (in PDF and Dutch only).