

OECD/G20 Inclusive Framework on BEPS

PUBLIC CONSULTATION DOCUMENT

Reports on the Pillar One and Pillar Two Blueprints

12 October 2020 – 14 December 2020



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Public Consultation Document on the Reports on the Pillar One and Pillar Two Blueprints

Questions for public comment



Background

The top priority of the OECD/G20 Inclusive Framework on BEPS (Inclusive Framework) has been to develop a solution to the tax challenges of the digitalisation of the economy. On 12 October 2020, the Inclusive Framework released a package consisting of the [Report on the Pillar One Blueprint](#) and the [Report on the Pillar Two Blueprint](#). These Blueprints reflect the convergent views on many of the key policy features, principles and parameters of both Pillars, and identify remaining technical and administrative issues as well as policy issues where divergent views among Inclusive Framework members remain to be bridged.

The Inclusive Framework welcomes stakeholder input on the Blueprints and will hold public consultation meetings on them in January 2021. This will assist members of the Inclusive Framework in further refining the package and addressing remaining issues.

To help focus the input of stakeholders, this document sets out a series of questions for each of the Pillars.

Public consultation document

Interested parties are invited to send their written comments no later than **Monday, 14 December 2020** by e-mail to cfa@oecd.org in Word format (to facilitate their distribution to government officials). They should be addressed to the “OECD Centre for Tax Policy and Administration”.

Please note that all written comments received will be made publicly available. Comments submitted in the name of a collective “grouping” or “coalition”, or by any person submitting comments on behalf of another person or group of persons, should identify all enterprises or individuals who are members of that collective group, or the person(s) on whose behalf the commentator(s) are acting. Speakers and other participants at the upcoming public consultation meetings will be selected from among those providing timely written comments.

Public consultation meetings

The public consultation meetings on the Blueprints will be held in mid-January 2021 (virtually).

Registration details for the public consultation meetings will be published on the OECD website in December.

Pillar One

As noted in the Executive Summary of the *Report on the Pillar One Blueprint* (see paragraph 8), there are a number of open issues on key features of the solution that can only be resolved through political decisions and discussions are ongoing within the membership of the Inclusive Framework to resolve these pending issues. Interested parties are invited to focus their comments on the technical aspects of the Blueprint that may help to reduce cost and complexity, and improve tax certainty in the administration of Pillar One for both tax administrations and taxpayers alike. In particular, comments are invited on the following aspects of the Blueprint:

- I. **The activity test to define the scope of Amount A.** Comments are invited on the design and implementation of the proposed activity test relating to Automated Digital Services and Consumer-Facing Businesses, including any challenges and suggestions on how to address them? *[Refers to paragraphs 38-170 of the Blueprint]*
- II. **The design of a specific Amount A revenue threshold (in addition to a global revenue threshold) to exclude large MNEs that have a *de minimis* amount of foreign source in-scope revenue.** More specifically, comments are invited on what would be the best approach to define and identify the domestic or home market of an MNE group (e.g., the residence of the ultimate parent entity). *[Refers to paragraphs 182-184 of the Blueprint]*
- III. **The development of a nexus rule.** More specifically, comments are invited on the following points:
 - a. The “plus factors” suggested for CFB will be examined as potential indicators which denote an engagement with the market beyond the mere conclusion of sales. In terms of compliance costs and administrability, do you have any comments on these plus factors? *[Refers to paragraphs 202-211 of the Blueprint]*
 - b. Do you consider the suggested plus factors (and hence a taxable nexus under Amount A) could be deemed to exist once a certain level of sales is exceeded? If so, what should be the criteria for establishing such level? *[Refers to paragraph 212 of the Blueprint]*
 - c. Should the market revenue threshold contain a temporal requirement of more than one year? If so, what should it be? *[Refers to paragraph 196 of the Blueprint]*
- IV. **The development of revenue sourcing rules.** More specifically, comments are invited on the following points :
 - a. Do you have any comments with respect to the proposed sourcing rule and proposed hierarchy of indicators as the basis for the sourcing of revenue for Amount A? *[Refers to paragraphs 227-321 of the Blueprint]*
 - b. What factors should be taken into account in determining “reasonable steps” required to obtain information that is unavailable (such as changing contracts with third party distributors)? *[Refers to paragraphs 378-387 of the Blueprint]*
 - c. What simplification measures, if any, should be considered in the revenue sourcing rules, such as safe harbours or de minimis rules? *[Refers to paragraphs 388-405 of the Blueprint]*
 - d. Do you consider that VPNs and/or any other emerging technology may have an impact on the accuracy and/or reliability of proposed revenue sourcing rules? If yes, what options or design changes should be considered to eliminate or minimise such an impact? *[Refers to paragraphs 305-309 of the Blueprint]*

V. The framework for segmenting the Amount A tax base, and how it could be further developed to deliver its objectives. As a simplification, this framework includes different options to limit the need for segmentation, including calculating the Amount A tax base on a consolidated basis as a default rule (and applying it to in-scope revenues to produce a proxy for in-scope profits.). More specifically, comments are invited on the following points:

- a. Do you consider that hallmarks drawing on IAS 14 constitute an appropriate basis for developing a test to determine whether an MNE group is required to segment? If not, what other options should be considered to identify relevant segments for Amount A purposes? *[Refers to paragraphs 456-461 of the Blueprint]*
- b. Do you consider that existing segments (under financial accounting standards) should be used in the majority of cases as a basis for segmenting the Amount A tax base (for example by using a rebuttable presumption)? If not, what other options should be considered? *[Refers to paragraphs 462-463 of the Blueprint]*
- c. Do you consider that groups should be permitted to calculate Amount A on a geographically segmented basis? If so, what should be the criteria for determining when geographical segmentation is permitted and what those geographic segments should be? *[Refers to paragraph 459]*
- d. Alternatively, do you consider that MNE groups should be required or permitted in some cases to segment their profits before tax between in-scope activities (i.e. ADS and/or CFB) and out-of-scope activities? If yes, what criteria could be used to determine when this approach to segmentation should be applied as opposed to calculating the Amount A tax base on a consolidated basis? *[Refers to paragraphs 442-446 of the Blueprint]*

VI. The development of a loss carry-forward regime that would ensure that Amount A is based on an appropriate measure of net profit. More specifically, comments are invited on the following points:

- a. Do you consider that Amount A tax base rules should apply consistently at the level of the MNE group (or segment where relevant) irrespective of whether the outcome is a profit or loss (symmetry)? *[Refers to paragraphs 475-476 of the Blueprint]*
- b. Do you consider that the carry-forward regime should account for some pre-regime losses and, if so, are any specific rules required to ensure symmetry, limit complexity and compliance costs (e.g., time limitations)? *[Refers to paragraphs 477-478 of the Blueprint]*
- c. Do you consider that losses for Amount A purposes should not be allocated to market jurisdictions (unlike profits), but instead reported and administered through a single account for the MNE group (or segment where relevant) and carried forward through an earn-out mechanism? If so, do you have specific suggestions to improve the design and administration of this approach? *[Refers to paragraphs 479-480 of the Blueprint]*
- d. What is your view of the proposal to extend the carry-forward regime to 'profit shortfalls'? Do you or do you not agree with the conceptual rationale behind it? *[Refers to paragraphs 488-491 of the Blueprint]*

VII. The scope and relevance of possible double counting issues arising from interactions between Amount A and existing taxing rights on business profits in market jurisdictions. More specifically, comments are invited on the following points:

- a. Do you consider that the proposed mechanism to eliminate double taxation from Amount A will have an impact on the scope and relevance of possible double counting issues? Do you have suggestions on the design of this mechanism that would improve its ability to resolve (or reduce) possible double counting issues? *[Refers to paragraphs 531-532 of the Blueprint]*
- b. Do you consider that there is an interaction between withholding taxes in market jurisdictions and the taxes under Amount A? If so, how could such interactions, including double counting issues, be addressed *[Refers to paragraphs 506, 528 and 555 of the Blueprint]*?
- c. What would be the most important design and technical considerations in developing a marketing and distribution profits safe harbour for MNE groups with an existing taxable presence in the market jurisdiction? For example, do you consider this approach would be effective in dealing with possible double counting issues? Do you have views on how the fixed return could be designed? How should subsequent transfer pricing adjustments be dealt with in relation to this safe harbour? *[Refers to paragraphs 533-546 of the Blueprint]*
- d. Should a domestic-to-domestic business exemption be considered to exclude part of a group's business that is primarily carried on in a single jurisdiction from the calculation of the Amount A tax base? If so, do you have views on how this exemption could be designed? *[Refers to paragraphs 547-553 of the Blueprint]*
- e. Besides the mechanisms proposed in the Blueprint, do you have any other suggestions on how to resolve the possible double counting issue ?

VIII. The development of a process to identify the entities in an MNE group that bear the Amount A tax liability (the paying entities) for the purpose of eliminating double taxation. More specifically, comments are invited on the following points:

- a. What are your views on the proposed approach to eliminate double taxation from Amount A? Do you have any suggestions to improve this approach, including any alternative approach to eliminate double taxation?
- b. Do you consider that the activities test can be developed based on existing transfer pricing concepts and documentation? If not, what additional concepts or documentation requirements would you suggest, recognising the need to retain a test that is as **simple** as possible? *[Refers to paragraphs 579-591 of the Blueprint]*
- c. Do you consider that the profitability test should be calculated as a return on payroll and assets or should alternative approaches be considered? Could the profitability test apply instead of, rather than in addition to, the activities test? *[Refers to paragraphs 592-598 of the Blueprint]*
- d. Do you consider that a market connection priority test should form part of the process to identify a paying entity? Why or why not? *[Refers to paragraphs 599-607 of the Blueprint]*

IX. The issue of scope of Amount B and definition of baseline marketing and distribution activities. More specifically, comments are invited on the following points:

- a. Do you consider that Amount B should be narrow in its scope or should it take on a broader scope? What are the advantages or disadvantages of a narrow or broader scope? *[Refers to paragraph 659 of the Blueprint]*
- b. Do you consider the baseline activities outlined in the positive and negative list achieve the narrow scope definition examined in the Blueprint? If not, what changes should be considered? What changes to these lists would be required if a broader scope was adopted? *[Refers to paragraphs 664-673 of the Blueprint]*
- c. Do you consider that quantitative indicators or thresholds should be used when establishing whether or not entities are in the scope of Amount B? Why or why not, and if not what other factors should be considered? *[Refers to paragraph 674-679 of the Blueprint]*
- d. Do you consider that multifunctional entities (i.e. entities that perform baseline marketing and distribution and other activities) should be eligible for Amount B? *[Refers to paragraph 680-684 of the Blueprint]*
- e. Do you consider that Amount B will be effective in reducing disputes? If not, why? *[Refers to paragraph 664-673 of the Blueprint]*

X. The appropriate profit level indicator for calculating Amount B, and how it should be calculated assuming Amount B is based on a narrow scope. More specifically, comments are invited on the following points:

- a. What the appropriate profit level indicator should be, for example whether a return on sales set at the (potentially adjusted) EBIT or PBT level should be used? *[Refers to paragraphs 686-688 of the Blueprint]*
- b. Do you consider that Amount B should account for variation in returns to baseline marketing and distribution activities by industry and/or region? If yes, what industry and/or regional variations should be considered? Are there any other differentiation factors that should be considered? *[Refers to paragraphs 690-693 of the Blueprint]*

XI. The development of an early tax certainty process to prevent and resolve disputes on Amount A. More specifically, comments are invited on the following points:

- a. What do you consider will be the key challenges in the early tax certainty process described in the Blueprint and how do you think would they best be addressed?
- b. Do you consider that there are circumstances where an MNE group's ultimate parent entity would not be the most suitable constituent entity to be the group's co-ordinating entity? If so, which constituent entities in an MNE group are likely to be more suitable. *[Refers to paragraph 718 of the Blueprint]*
- c. Are there any features that could be incorporated into the Amount A tax certainty process to encourage participation by MNE groups? Do you see any features in the proposed design that could discourage participation by MNE groups? *[Refers to paragraphs 728-729 of the Blueprint]*
- d. Do you consider that a separate process to determine whether an MNE group is within scope of Amount A would be beneficial, or that in practice this is unlikely to be used? *[Refers to paragraphs 729 and 782 of the Blueprint]*

- XII. The introduction of new approaches to provide greater certainty beyond Amount A.** More specifically, recognising that Inclusive Framework members continue to hold different views as to the extent to which Pillar One should incorporate new tax certainty approaches beyond Amount A, what are your views on the four-element approach explored in the blueprint? What other suggestions and ideas do you have that would take into account these different views and help advance tax certainty beyond Amount A? *[Refers to paragraphs 710 and 801 of the Blueprint]*

Pillar Two

As set out in the *Report on the Pillar Two Blueprint*, there are a number of issues that require political agreement and on these issues discussions are ongoing amongst members of the Inclusive Framework. The public consultation on Pillar Two addresses more technical aspects focused primarily on administration, implementation, calculation, and simplification where stakeholders and in particular businesses that would be subject to Pillar Two are likely to have insights and suggestions that may help to reduce cost and complexity, and improve tax certainty in the administration of Pillar Two for both tax administrations and taxpayers alike.

The *Report on the Pillar Two Blueprint* already identifies a number of issues where further technical work is required and the outcome of this work will then inform the development of model rules as contemplated in Chapter 10 of the Blueprint. The questions set out below identify a number of specific areas where stakeholder input would assist in finalising the technical design of the Pillar Two rules. These questions are broken down by chapter.

I. Chapter 1: Introduction and Executive Summary

a. GILTI co-existence. [Refers to paragraphs 25-28 of the Blueprint]

1. Do you foresee any other technical implications of GILTI co-existence - in addition to those already identified in the Blueprint that should be taken into account?
2. What are the interactions between GILTI and the GloBE rules that would need to be coordinated and how should they be coordinated?

II. Chapter 2: Scope of the GloBE rules

a. The treatment of investment funds (as defined in Section 2.3.) under the GloBE rules. [Refers to paragraphs 76-83 of the Blueprint]

1. Considering that the GloBE rules only protect the tax neutrality of investment funds that are at the top of an MNE Group's ownership chain, are there specific situations in which the GloBE rules do not adequately protect the tax neutrality of investment funds?
2. In the case of an investment fund under the control of an MNE Group, what additional rules would be needed to ensure the tax neutrality of the fund and ensure that:
 - i. the MNE Group's share of the fund's income is not excluded from the GloBE tax base? and
 - ii. related party payments to and from the fund cannot be used to circumvent the UTPR?

III. Chapter 3: Calculating the ETR under the GloBE Rules

a. Treatment of dividends and gains from disposition of stock in a corporation. [Refers to paragraphs 181-191 of the Blueprint]

1. Do you have any views on the appropriate ownership threshold and the methodology of how to determine that threshold, both for the exclusion of portfolio dividends and the exclusion for gains and losses on the disposition of stock from the GloBE tax base?

- b. **The treatment of re-organisations under Pillar Two.** *[Refers to paragraphs 211-212 of the Blueprint]*
 - 1. What types of re-organisations risk inappropriately triggering a liability under the GloBE rules and what are the technical issues that need to be considered in developing a rule that will allow MNE groups to undertake those re-organisations without triggering a liability under the GloBE rules?
 - 2. Should the rule apply to a re-organisation involving an acquiring entity and an acquired entity located in different jurisdictions? How can these issues be addressed in the design of a rule that minimises compliance costs and the risk of over- or under-taxation?
- c. **Rules to adjust for accelerated depreciation.** *[Refers to paragraphs 220-225 of the Blueprint]*
 - 1. What are the technical issues that need to be considered in developing a rule that will minimise the instances of a tax charge under the GloBE rules and a corresponding IIR tax credit due to accelerated depreciation or immediate expensing of assets capitalised in the financial accounts?
 - 2. How can these issues be addressed in the design of a rule that minimises compliance and administration costs? Should the rule be based on deferred tax accounting, or rather allow the GloBE tax base to be computed by reference to tax depreciation instead of financial accounting depreciation?
- d. **The treatment of tax transparent entities.** *[Refers to paragraphs 274-278 and 283 of the Blueprint]*
 - 1. Are there further technical issues to consider in regard to the treatment of fully or partially tax transparent and (reverse) hybrid entities?
- e. **Allocation of “cross-jurisdictional” taxes (particularly, anti-avoidance rule).** *[Refers to paragraph 284 of the Blueprint]*
 - 1. Do you have any views on how to allocate the “cross-jurisdictional” taxes (e.g. CFC regime taxes and withholding taxes)? In your response please also consider the following:
 - i. Given the significant planning opportunities of reducing the MNE’s tax liability by taking advantage of those “cross jurisdictional” taxes described in paragraph 284, do you have any ideas on the design of an anti-avoidance rule to avoid such planning opportunities and what are the technical issues that need to be considered in developing such a rule?
 - ii. How can these issues be addressed in the design of a rule that minimises compliance and administration costs?

IV. **Chapter 4: Carry-forwards and carve-out**

- a. **Treatment of pre-GloBE losses and excess taxes under the carry-forward approach.** *[Refers to paragraphs 315-318 of the Blueprint]*
 - 1. What technical issues should be taken into account in developing a rule that would recognise the impact of pre-regime losses and benefit of taxes paid by the Constituent Entities of an MNE Group prior to becoming subject to the GloBE rules?
 - 2. How can these technical issues be addressed in the design of the rule?
 - 3. Do you have any views on the appropriate period for such losses and taxes being recognised and how to determine that period?

4. Are there special considerations that apply to certain industries?
- b. **Formulaic substance-based carve-out.** *[Refers to paragraph 332-370 of the Blueprint]*
 1. Do you have any comments on the overall design of the carve-out?
- c. **Computation of the ETR and top-up tax.** *[Refers to paragraph 371-375 of the Blueprint]*
 1. Do you have any comments on the proposed calculation of ETR and top-up tax?

V. **Chapter 5: Simplification options.**

- a. **General.** The Blueprint describes four potential simplification measures, including (i) CbC Report ETR safe harbour, (ii) de minimis profit exclusion, (iii) single jurisdictional ETR calculation to cover several years, and (iv) tax administrative guidance.
 1. Are there any options that you consider would offer the most potential for simplification? Are there any options that you consider would offer little potential for simplification?
 2. Do you have any comments regarding how any of these options could be improved in order to provide greater simplification?
 3. Can you identify any other overall simplification measures that could be explored by the Inclusive Framework or potential simplifications to the design or application of specific elements of the IIR or the UTPR that would not undermine their objective or effectiveness?
- b. **CbC Report ETR Safe Harbour.** *[Refers to paragraphs 381-390 of the Blueprint]*
 1. Does the requirement for using the parent's consolidated financial accounts significantly reduce the number of MNEs able to use this simplification measure?
 2. Do any of the required adjustments, as described in the Blueprint, create significant additional complexity? Do you have any suggestions on how to streamline these required adjustments?
 3. Do you support the idea of using deferred tax accounting to provide a more accurate picture of the MNE's expected tax liability in each jurisdiction without the burden of computing and tracking carry-forwards? Would doing so add material complexity?
 4. Do you have ideas on how this simplification measure should be coordinated with the carry-forward mechanisms described in Blueprint? For example, in instances where the MNE has an ETR that is above the safe-harbour ETR for one or more prior years, but one that is below the safe-harbour ETR in the current year, should the MNE be allowed to go back and compute its carry-forward attributes for the prior years?
- c. **De minimis profit exclusion.** *[Refers to paragraphs 391-398 of the Blueprint]*
 1. Does the requirement to compute the profit before tax for every jurisdiction pursuant to the GloBE rules materially reduce the simplification benefits of this option?

2. Do you have suggestions as to how this determination could be streamlined, for example by using 'Profit (Loss) before Income Tax' as reported in the CbC report?
 3. Do you consider the requirements provided in BEPS Actions 8-10, including DEMPE functions, sufficient to address the risk of fragmentation, or would targeted measures be required to neutralise such risk?
 4. Do you have ideas on how to coordinate this simplification measure with the carry-forward mechanisms described in Blueprint?
 5. In order to be effective, how should the de minimis threshold be set? Should it be a percentage of group profit, a fixed monetary amount threshold, or a combination of the two?
- d. **Single jurisdictional ETR calculation to cover several years.** *[Refers to paragraphs 399-403 of the Blueprint]*
1. Do you agree with the text in the Blueprint that this simplification option may not offer material simplification given that it requires computing an ETR in every jurisdiction in the base year?
 2. Do you agree with the text in the Blueprint that this simplification measure would likely require targeted rules to address potential abusive arrangements, which would further undermine its intended simplification?
- e. **Tax administrative guidance.** *[Refers to paragraphs 404-409 of the Blueprint]*
1. Which specific factors would you consider relevant to the determination of a "low-risk" jurisdiction?
 2. Does the possibility that a tax authority could, within a certain period of time, require an MNE in a "low-risk" jurisdiction to perform the ETR calculation for that jurisdiction, reduce tax certainty and therefore limit the practical benefit of this simplification?
 3. What can be done to minimise uncertainty to taxpayers?
 4. In view of the necessary re-determination of a jurisdiction's "low-risk" status in the case of tax law revisions or reform that materially change the jurisdiction's tax base or rate, what can be done, in terms of processes and notification, to minimise uncertainty to taxpayers?
 5. Do you have any additional comments regarding this simplification, including how it could be improved to offer greater simplification and certainty?

VI. Chapter 6: Income Inclusion and Switch-over rules

- a. **Top-down approach.** *[Refers to paragraphs 419-430 of the Blueprint]*
1. Do you have any comments on the detailed approach outlined in the report for designing and implementing a top-down income inclusion rule?
- b. **Integrity measures.** *[Refers to paragraphs 431-433 of the Blueprint]*
1. Do you have comments on the types of structures that could erode the integrity of the IIR (e.g., through the use of passive holding companies at the top of the ownership chain) and the types of rules that would protect the IIR's integrity while avoiding undue compliance costs and administrative burdens?
- c. **Split-ownership.** *[Refers to paragraphs 434-452 of the Blueprint]*

1. Do you have comments on the design of the proposed split-ownership rules?
2. What would be an appropriate minority ownership percentage to use when applying such a rule and what impact would the rule then have on common multinational group structures?

VII. **Chapter 7: Undertaxed payments rule**

- a. **General design.** *[Refers to Chapter 7 of the Blueprint]*
 1. Are additional rules necessary to ensure that there is no overlapping application of the UTPR and the IIR?
 2. Do you have comments on the approach for allocating the top-up tax between constituent entities?
- b. **Compliance and administration.** *[Refers to paragraphs 526-537 of the Blueprint]*
 1. Do you have comments on the efficacy of the certification requirements, standardized self-assessment returns, and local filing requirements provided under the UTPR either in the application of the rule or the deactivation of the rule in situations where the IIR applies?
 2. Are there ways in which these can be improved to further streamline the compliance burden on MNEs?

VIII. **Chapter 8: Special rules for Associates, joint ventures and orphan entities**

- a. **Simplified IIR for associates and joint ventures.** *[Refers to paragraphs 542-551 of the Blueprint]*
 1. Do you have comments on the design of a simplified IIR that would apply in respect of associates and joint ventures accounted for under the equity method?
 2. What are the technical issues or practical challenges that need to be considered in developing a simplified IIR? How can these issues be addressed in the design of a rule that minimises compliance costs and the risk of over- or under-taxation?
 3. Do you have any views on the application of the simplified IIR in a broader context of the application of the IIR described in Chapter 6, including the top-down approach and the split-ownership rules?
- b. **Orphan Entity rule.** *[Refers to paragraphs 552-565 of the Blueprint]*
 1. Do you have comments on the design of an Orphan Entity rule?
 2. What are the technical issues and practical challenges that need to be considered in developing an Orphan Entity rule and how can such challenges be addressed?
 3. How can these issues be addressed in the design of a rule that minimises compliance costs and the risk of over- or under-taxation?

IX. **Chapter 9: Subject to tax rule**

- a. **Covered payments and low-return exclusion.** *[Refers to paragraphs 588-616 of the Blueprint]*
 1. Do you consider that the categories of covered payments and the exclusion for low-return payments ensures that the STTR focuses on the transactions that present significant BEPS risks?

2. Do you have any views on the design and practical application of this rule component as well as potential simplifications?

b. **Materiality threshold.** *[Refers to paragraphs 623-636 of the Blueprint]*

1. What are your views on including a materiality threshold?
2. Would such a threshold simplify the administration of the rule and limit compliance costs in a material way?
3. Do you have any views on the different approaches suggested for the materiality threshold as well as on their application in isolation or combination?

c. **Administrative considerations.** *[Refers to paragraphs 661-667 of the Blueprint]*

1. Further technical work will be undertaken in the Inclusive Framework on administrative approaches that could deliver these aims. This will include work on (i) applying the top-up tax as an ex-post annualised charge, (ii) a certification system providing for reduced rates of withholding tax, and (iii) the application of contingent withholding taxes set at a level that would generally result in an annual ex-post balancing payment by the taxpayer (rather than a repayment). Which administrative approach do you consider to be the most suitable?
2. Do you have other suggestions to minimize the administrative burden and to facilitate the collection of the top-up tax?

X. **Chapter 10: Implementation and rule co-ordination**

a. **Effective co-ordination of the GloBE rules.** *[Refers to paragraphs 697-708 of the Blueprint]*

1. Are there any co-ordination mechanisms or other features of the GloBE that you would suggest exploring in order to provide for more tax **certainty** in applying the Pillar Two rules?

b. **Dispute prevention and resolution.** *[Refers to paragraphs 709-715 of the Blueprint]*

1. In addition to the design features and proposed approach to implementation of the IIR and UTPR, what additional options do you think should be considered to minimise the scope for double taxation and dispute?