

Course Introduction

ADIT Pillar Two Award — Professional Practice Course

Developed by MojiTax

What is Pillar Two?

Pillar Two represents the most significant change to international corporate taxation in a generation. Formally known as the **Global Anti-Base Erosion (GloBE) Rules**, Pillar Two establishes a global minimum effective tax rate of **15%** for multinational enterprise (MNE) groups with annual consolidated revenue of **€750 million or more**.

The rules were developed by the **OECD/G20 Inclusive Framework on BEPS**, with over 145 jurisdictions committed to implementation. The framework consists of:

Component	Purpose
Income Inclusion Rule (IIR)	Primary charging mechanism — parent jurisdiction collects Top-up Tax on low-taxed subsidiaries
Undertaxed Profits Rule (UTPR)	Backstop mechanism — allocates Top-up Tax to jurisdictions where IIR is not applied
Qualified Domestic Minimum Top-up Tax (QDMTT)	Domestic alternative — allows source jurisdictions to collect Top-up Tax before IIR/UTPR

Component	Purpose
Subject to Tax Rule (STTR)	Treaty-based rule — allows source jurisdictions to impose additional withholding on certain payments

Implementation Timeline

- **December 2021:** OECD releases GloBE Model Rules
- **2022-2023:** Commentary and Administrative Guidance published
- **January 2024:** First IIR rules come into effect (UK, EU, South Korea, others)
- **January 2025:** UTPR rules begin applying
- **2024-2026:** Transitional Safe Harbour period
- **Ongoing:** Jurisdictions continue implementing; OECD releases periodic guidance updates

Why Does Pillar Two Matter?

For tax professionals, Pillar Two creates an entirely new compliance obligation:

1. **Complexity** — The GloBE Model Rules span 10 Articles with extensive Commentary and Administrative Guidance
 2. **Data requirements** — GloBE calculations require 122+ data points per jurisdiction
 3. **Global coordination** — MNE groups must coordinate calculations across all jurisdictions
 4. **Ongoing evolution** — The OECD continues releasing Administrative Guidance, requiring constant monitoring
 5. **Professional demand** — Organisations urgently need qualified professionals who can implement these rules
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The ADIT Pillar Two Award

The **ADIT Pillar Two Award** is a specialist qualification developed by the **Chartered Institute of Taxation (CIOT)** as part of the globally recognised **Advanced Diploma in International Taxation (ADIT)** programme.

About the Qualification

Aspect	Details
Awarding body	Chartered Institute of Taxation (CIOT)
Programme	Standalone spin-off of ADIT international tax programme
Assessment	Single written examination
Exam sessions	June and December each year
Study time	Approximately 100 hours (depending on existing knowledge)
Format	Computer-based examination

Exam Syllabus Overview

The ADIT Pillar Two Award syllabus covers eight core areas:

Section	Topic	Weighting
I	Scope of the GloBE Rules	10%
II	Charging provisions (IIR and Top-up Taxes)	15%
III	Computation of GloBE Income or Loss	15%
IV	Computation of Adjusted Covered Taxes	15%
V	Computation of Effective Tax Rate and Top-up Tax	15%

Section	Topic	Weighting
VI	Corporate restructurings, tax neutrality, administration, transitions	15%
VII	The Subject to Tax Rule (STTR)	10%
VIII	Policies of the Inclusive Framework	5%

Registration and Exam Dates

Examinations are held in **June** and **December** each year.

For registration, exam timetable, fees, and syllabus details, visit: www.tax.org.uk/pillar-two

The MojiTax Approach: Professional Practice

What is a Professional Practice Course?

Unlike traditional study materials that focus on **explaining rules**, a Professional Practice Course focuses on **implementing rules**.

Traditional Approach	Professional Practice Approach
"The ETR is calculated under Article 5.1..."	"Here is how you calculate the ETR step-by-step..."
Explains what the rule says	Shows how to apply the rule
Theory-focused	Implementation-focused
Prepares you to answer exam questions	Prepares you to do the work

By completing this course, you will develop expert-level skills to:

- Calculate GloBE Income for a real entity
- Determine Covered Taxes and handle complex allocations
- Compute jurisdictional ETRs and Top-up Tax
- Complete a GloBE Information Return
- Establish compliance processes and governance frameworks

HOW, Not WHAT

Every chapter in this course starts with **HOW** — the practical steps a tax professional takes to implement Pillar Two compliance.

Example — Traditional approach:

"Article 3.2.1 provides that GloBE Income is determined by adjusting Financial Accounting Net Income for certain items..."

Example — Professional Practice approach:

"To calculate GloBE Income, follow these steps: 1. Extract Net Income from the entity's financial statements 2. Remove excluded dividends (ownership ≥10%, held ≥12 months) 3. Add back excluded equity gains/losses 4. Adjust for policy disallowed expenditures..."

Inline Article Citations

While we focus on practical implementation, this is still an exam preparation course. We cite **Article references inline** where rules are applied, so you can:

- Quickly locate the relevant rule in your permitted texts
- Practice the citation style expected in exam answers
- Build familiarity with the Model Rules structure

Citation format used: "(Article X.X.X)" or "(Commentary, para. X)"

What You Will Learn

Course Structure

This course follows the ADIT Pillar Two Award syllabus, organised into eight Parts:

Part	Title	Syllabus Sections	Key Skills
1	Scope Determination	I (10%)	Entity classification, exclusion application, revenue threshold
2	Charging Mechanism	II (15%)	IIR/UTPR mechanics, allocation calculations, ordering rules
3	GloBE Income Calculation	III (15%)	25+ adjustment types, PE allocations, timing differences
4	Covered Taxes	IV (15%)	Tax identification, DTA/DTL treatment, push-down mechanics
5	ETR and Top-up Tax	V (15%)	Jurisdictional ETR, SBIE calculation, Top-up Tax computation
6	Special Structures	VI.A-B (~8%)	M&A, joint ventures, flow-throughs, investment entities
7	Compliance and Filing	VI.C-E (~7%)	GIR preparation, safe harbours, transition rules
8	STTR and Inclusive Framework	VII-VIII (15%)	STTR mechanics, IF monitoring, governance frameworks

The Stratos Storyline

Throughout this course, you will follow **Stratos Holdings plc**, a UK-headquartered technology company, through its first Pillar Two compliance cycle.

Stratos Group Profile:

Attribute	Details
Ultimate Parent Entity	Stratos Holdings plc (UK)
Consolidated Revenue	€1.2 billion
Jurisdictions	7 (UK, Germany, Singapore, Ireland, Luxembourg, USA, Cayman)
Entities	12 Constituent Entities
Recent Activity	Acquired TechStart Inc. (USA) on 1 July 2025
First GloBE Year	Fiscal Year 2025

By following Stratos from scope assessment through first-year compliance, you will:

- See how Pillar Two rules interact in a realistic MNE structure
- Work with consistent data across all Parts
- Build cumulative knowledge as calculations become more complex
- Experience the full compliance lifecycle

Case Studies

Each Part concludes with a comprehensive case study using Stratos data:

Part	Case Study	Key Tasks
1	Stratos's Scope Assessment	

Part	Case Study	Key Tasks
		Revenue threshold, entity classification, exclusions
2	Stratos's First Top-up Tax Allocation	IIR allocation, UTPR backup, ordering analysis
3	Stratos's GloBE Income Calculation	Full adjustment schedule, PE allocations
4	Stratos's Covered Tax Computation	Tax identification, DTA recapture, push-down
5	Stratos's Complete ETR and Top-up Tax	Full calculation for all jurisdictions
6	Stratos's Acquisition of TechStart	M&A treatment, JV separation, flow-through
7	Stratos's First GIR Filing	Safe harbour, GIR data, filing process
8	Staying Current	AG monitoring, governance policy, Board reporting

Practice Tools

This course integrates with **MojiTax Practice Tools** (available at tools.mojitax.com) to provide hands-on calculation experience:

Tool ID	Tool Name	Purpose	Used In
GIR-001	GloBE Calculator	ETR → SBIE → Top-up Tax computation	Parts 2, 4, 5, 6
GIR-002	Safe Harbour Qualifier	Transitional CbCR Safe Harbour assessment	Part 7

Tool ID	Tool Name	Purpose	Used In
GIR-003	Filing Deadline Calculator	GIR filing deadline determination	Part 7
GIR-004	GIR Practice Form	Interactive GIR completion practice	Part 7
GIR-005	DFE Assessment Tool	Designated Filing Entity election guidance	Part 7
GIR-006	Audit File Checklist	GloBE compliance documentation checklist	Part 7

Tools are referenced throughout the course materials, and case studies include specific tool exercises.

Why This Course?

The Most Comprehensive Pillar Two Implementation Course

This course represents the most advanced practical training available for Pillar Two compliance:

1. Complete Syllabus Coverage

Every topic in the ADIT Pillar Two Award syllabus is addressed, with appropriate depth matching the required knowledge levels.

2. Implementation Focus

Unlike academic textbooks or summary guides, this course teaches you how to **do the work** — with step-by-step procedures, worked examples, and realistic calculations.

3. Consistent Storyline

The Stratos case study provides continuity across all Parts, showing how calculations build on each other and how compliance decisions in one area affect others.

4. Integrated Practice Tools

Purpose-built calculation tools allow you to practice GloBE computations in a realistic environment, not just read about them.

5. Comprehensive Case Studies

Eight detailed case studies (one per Part) provide exam-style practice with real-world complexity.

6. Current and Maintained

Content reflects the latest OECD Administrative Guidance and incorporates practical insights from live Pillar Two implementations.

7. Exam-Ready Citations

Inline Article citations throughout the course build the citation habits expected in exam answers.

Who Should Take This Course?

This course is designed for:

- **Tax advisors** preparing clients for Pillar Two compliance
- **In-house tax professionals** implementing GloBE at MNE groups
- **Compliance specialists** responsible for GIR preparation and filing
- **Finance professionals** needing to understand Pillar Two's impact on tax provisions
- **ADIT candidates** preparing for the Pillar Two Award examination

Prerequisites:

- Basic understanding of international taxation concepts
- Familiarity with corporate structures and consolidated financial statements

- No prior Pillar Two knowledge required (though helpful)
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How to Use This Course

Recommended Approach

- 1. Work through Parts sequentially** — later Parts build on earlier concepts
- 2. Complete case studies** — practical application reinforces learning
- 3. Use the practice tools** — hands-on calculation experience is essential
- 4. Note Article references** — build familiarity with the Model Rules structure
- 5. Review checklists** — use them as practical job aids after the course

Study Time Estimate

Part	Estimated Time
Part 1: Scope Determination	8-10 hours
Part 2: Charging Mechanism	10-12 hours
Part 3: GloBE Income	12-15 hours
Part 4: Covered Taxes	12-15 hours
Part 5: ETR and Top-up Tax	12-15 hours
Part 6: Special Structures	10-12 hours
Part 7: Compliance and Filing	15-18 hours
Part 8: STTR and Inclusive Framework	8-10 hours
Total	87-107 hours

This aligns with the CIOT's estimate of approximately 100 hours for the Pillar Two Award.

Additional Resources

OECD Primary Sources: - [GloBE Model Rules](#) - [Consolidated Commentary \(2025\)](#) - [Administrative Guidance](#) - [GloBE Information Return](#)

ADIT Resources: - [ADIT Pillar Two Award](#) — CIOT official page - [Exam Timetable](#)
— Current dates and fees

Let's Begin

You are about to embark on a comprehensive journey through Pillar Two compliance. By the end of this course, you will have the practical skills to:

- Determine whether an MNE group is in scope
- Calculate GloBE Income and Covered Taxes
- Compute jurisdictional ETRs and Top-up Tax
- Apply safe harbours and make strategic elections
- Prepare GloBE Information Returns
- Establish ongoing compliance processes
- Monitor regulatory developments and update governance frameworks

Proceed to Part 1: Scope Determination to begin your Pillar Two Professional Practice journey.

Questions or Feedback?

Contact the MojiTax team at admin@mojitz.com.

© 2025 MojiTax. This course is designed to support preparation for the ADIT Pillar Two Award examination.