will apply the IIR and bear Top-Up Tax liability for low-taxed jurisdictions.

4. **Jurisdictional spread:** The group operates in 10 jurisdictions: UK, Germany, France, Belgium, Netherlands, Ireland, Singapore, Hong Kong, USA, Australia, Japan. Each requires separate ETR calculation.

5. **Low-tax risk jurisdictions:** Based on statutory rates, Singapore (17%), Ireland (12.5%), and Hong Kong (16.5%) may produce ETRs below 15% and require detailed analysis in Parts 3-5.

6. Conclusion

Stratos Group plc **is within scope** of the GloBE Rules for FY 2025.

The group has **20 Constituent Entities** across **10 jurisdictions** subject to GloBE calculations.

Learning Points

1. **Revenue threshold is applied at group level** — individual entity revenues are irrelevant for scope purposes.

2. **Currency conversion matters** — a group that appears below threshold in local currency may exceed €750 million after EUR conversion, or vice versa.

3. **PEs are separate CEs** — Belgium PE income must be carved out from France and calculated separately for Belgian jurisdictional ETR.

4. **Excluded entities are still identified through the CE process** — SG Pension Trustees was initially a CE (excluded from consolidation on materiality, not on substance), then separately assessed for Excluded Entity status.

5. **Not all equity method investments need Excluded Entity analysis** — Asian Technology JV Ltd and Singapore Gov JV Pte Ltd are not CEs (under 50% ownership), so they are outside GloBE scope without needing exclusion analysis.

6. **IPE identification is critical for IIR application** — if the UK did not have a Qualified IIR, the IPE chain would determine which jurisdiction's IIR applies.

7. **Document everything** — the scope determination memo creates an audit trail for regulators and advisors.

Next Step

You have completed Part 1: Scope Determination. Proceed to **Part 2: The Charging Mechanism—IIR and UTPR** to learn how Top-Up Tax is allocated through the ownership chain you have just mapped.