Case Study 2: Stratos's First Top-Up Tax Allocation

Introduction

This case study brings together the concepts from Chapters 2.1 to 2.4. You will complete a full Top-Up Tax allocation for Stratos Group plc, working through the GloBE Calculator tool (GIR-001) and then applying the IIR and UTPR allocation methodologies.

Important: This case study requires you to work through the complete calculation chain—from raw financial data to final Top-Up Tax allocation. Do not skip steps.

Time estimate: 90-120 minutes

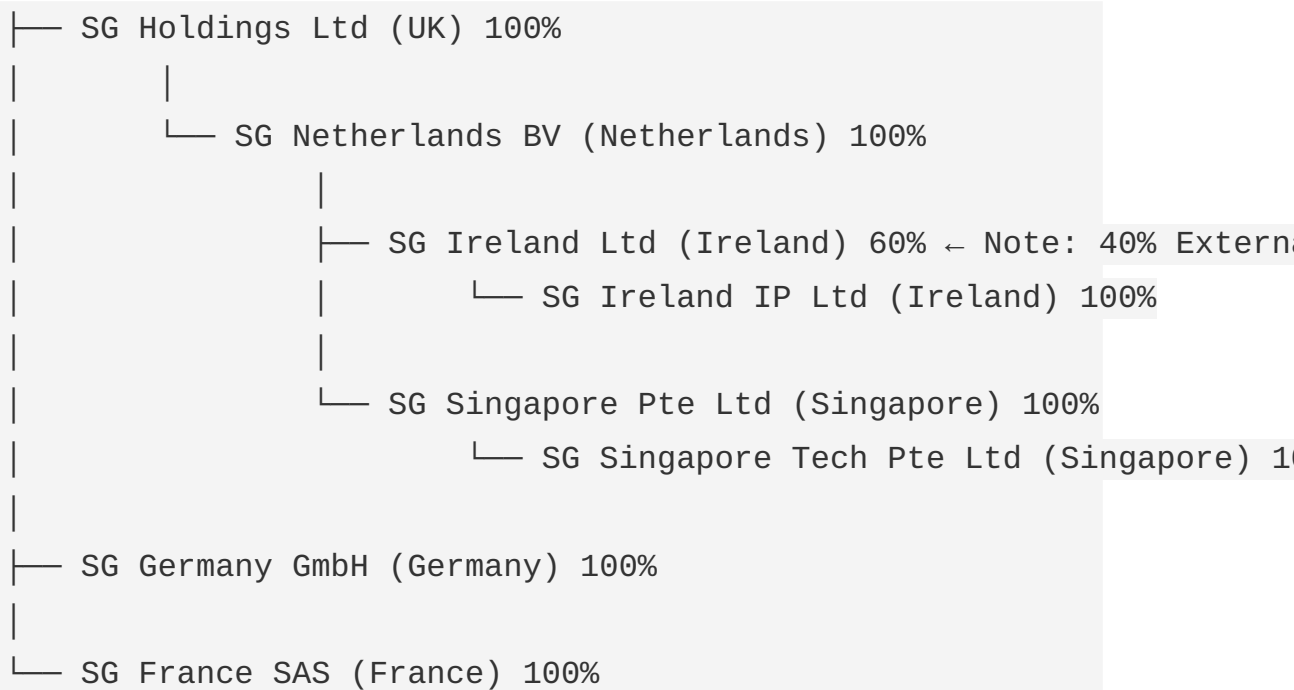## Background: Stratos Group — FY 2025

Stratos Group plc has completed its first year subject to the GloBE Rules. The tax team has gathered financial and tax data from all jurisdictions and must now:

1. Calculate ETR for each jurisdiction

2. Determine which jurisdictions are low-taxed (ETR < 15%)

3. Calculate Top-Up Tax for low-taxed jurisdictions

4. Allocate Top-Up Tax under IIR or UTPR

Relevant Ownership Structure

```
Stratos Group plc (UK) — UPE
    |
```

```
├── SG Holdings Ltd (UK) 100%
│         │
│         └── SG Netherlands BV (Netherlands) 100%
│                   │
│                   ├── SG Ireland Ltd (Ireland) 60% ← Note: 40% Externa
│                   │       └── SG Ireland IP Ltd (Ireland) 100%
│                   │
│                   └── SG Singapore Pte Ltd (Singapore) 100%
│                           └── SG Singapore Tech Pte Ltd (Singapore) 1(
│
├── SG Germany GmbH (Germany) 100%
│
└── SG France SAS (France) 100%
```

Qualified IIR/UTPR Status (FY 2025)

Jurisdiction	Qualified IIR?	Qualified UTPR?
UK	Yes	Yes
Netherlands	Yes	Yes
Germany	Yes	Yes
France	Yes	Yes
Ireland	Yes (QDMTT only)	No
Singapore	No	No

Task 1: ETR Calculation (GIR-001 Step 1)

Data Provided

The following data has been extracted from Stratos's accounting and tax systems for FY 2025.

Singapore Jurisdictional Data

Entity	GloBE Income (€)	GloBE Loss (€)	Adjusted Covered Taxes (€)
SG Singapore Pte Ltd	12,500,000	—	1,562,500
SG Singapore Tech Pte Ltd	4,800,000	—	600,000
Singapore Total	**17,300,000**	**—**	**2,162,500**

Ireland Jurisdictional Data

Entity	GloBE Income (€)	GloBE Loss (€)	Adjusted Covered Taxes (€)
SG Ireland Ltd	5,200,000	—	650,000
SG Ireland IP Ltd	2,100,000	—	262,500
Ireland Total	**7,300,000**	**—**	**912,500**

Other Jurisdictions (for reference)

Jurisdiction	Net GloBE Income (€)	Adjusted Covered Taxes (€)	ETR
UK	45,600,000	10,944,000	24.0%
Netherlands	8,400,000	2,100,000	25.0%
Germany	22,300,000	6,690,000	30.0%
France	15,800,000	3,950,000	25.0%

Your Task

Using the data above, calculate the Effective Tax Rate for Singapore and Ireland.

GIR-001 Step 1: ETR Calculation

The ETR formula is:

```
ETR = Adjusted Covered Taxes ÷ Net GloBE Income
```

Where Net GloBE Income = Total GloBE Income − Total GloBE Losses for the jurisdiction *(Article 5.1.2)*

Expected Deliverable

Complete the ETR calculation for each low-tax jurisdiction:

Singapore ETR Calculation

Item	Formula	Your Answer
A. Total GloBE Income	Sum of all Singapore entities	€
B. Total GloBE Losses	Sum of losses (if any)	€
C. Net GloBE Income	A − B	€

Item	Formula	Your Answer
D. Adjusted Covered Taxes	Sum of Singapore covered taxes	€
E. ETR	D ÷ C (round to 4 decimal places)	%
F. Low-taxed?	ETR < 15%?	Yes / No

Ireland ETR Calculation

Item	Formula	Your Answer
A. Total GloBE Income	Sum of all Ireland entities	€
B. Total GloBE Losses	Sum of losses (if any)	€
C. Net GloBE Income	A − B	€
D. Adjusted Covered Taxes	Sum of Ireland covered taxes	€
E. ETR	D ÷ C (round to 4 decimal places)	%
F. Low-taxed?	ETR < 15%?	Yes / No

Task 2: SBIE Calculation (GIR-001 Step 2)

Data Provided

Singapore Substance Data (FY 2025)

Entity	Eligible Employees	Eligible Payroll Costs (€)	Tangible Assets NBV (€)
SG Singapore Pte Ltd	85	6,200,000	4,500,000

Entity	Eligible Employees	Eligible Payroll Costs (€)	Tangible Assets NBV (€)
SG Singapore Tech Pte Ltd	120	8,400,000	12,800,000
Singapore Total	**205**	**14,600,000**	**17,300,000**

Ireland Substance Data (FY 2025)

Entity	Eligible Employees	Eligible Payroll Costs (€)	Tangible Assets NBV (€)
SG Ireland Ltd	45	3,800,000	2,200,000
SG Ireland IP Ltd	12	1,400,000	850,000
Ireland Total	**57**	**5,200,000**	**3,050,000**

SBIE Transition Rates for FY 2025 *(Article 9.1)*

Carve-Out	Rate
Payroll	9.8%
Tangible Assets	7.8%

Your Task

Calculate the Substance-Based Income Exclusion for Singapore and Ireland using the FY 2025 transition rates.

GIR-001 Step 2: SBIE Calculation

The SBIE formula is:

```
SBIE = (Eligible Payroll Costs × Payroll Rate) + (Tangible Assets NBV ×
```

Expected Deliverable

Singapore SBIE Calculation

Item	Formula	Your Answer
A. Eligible Payroll Costs	From data provided	€
B. Payroll Rate (FY 2025)	From transition table	%
C. Payroll Carve-Out	A × B	€
D. Tangible Assets NBV	From data provided	€
E. Asset Rate (FY 2025)	From transition table	%
F. Asset Carve-Out	D × E	€
G. Total SBIE	**C + F**	€

Ireland SBIE Calculation

Item	Formula	Your Answer
A. Eligible Payroll Costs	From data provided	€
B. Payroll Rate (FY 2025)	From transition table	%
C. Payroll Carve-Out	A × B	€
D. Tangible Assets NBV	From data provided	€
E. Asset Rate (FY 2025)	From transition table	%
F. Asset Carve-Out	D × E	€

Item	Formula	Your Answer
G. Total SBIE	**C + F**	€

Task 3: Top-Up Tax Calculation (GIR-001 Step 3)

Data Provided

Use your answers from Tasks 1 and 2, plus the following additional information:

QDMTT Status

Jurisdiction	Has QDMTT?	QDMTT Amount Paid (€)
Singapore	No	—
Ireland	Yes	480,000

Your Task

Calculate the Jurisdictional Top-Up Tax for Singapore and Ireland.

GIR-001 Step 3: Top-Up Tax Calculation

The Top-Up Tax formula is:

```
 Top-Up Tax Percentage = 15% – ETR  (Article 5.2.1)
 Excess Profit = Net GloBE Income – SBIE  (Article 5.2.2)
 Jurisdictional Top-Up Tax = (Top-Up Tax % × Excess Profit) – QDMTT  (Ar
```

Expected Deliverable

Singapore Top-Up Tax Calculation

Item	Formula	Your Answer
A. Net GloBE Income	From Task 1	€
B. ETR	From Task 1	%
C. Top-Up Tax Percentage	15% − B (if B < 15%)	%
D. SBIE	From Task 2	€
E. Excess Profit	A − D	€
F. Initial Top-Up Tax	C × E	€
G. QDMTT Offset	From data provided	€
H. Jurisdictional Top-Up Tax	**F − G**	€

Ireland Top-Up Tax Calculation

Item	Formula	Your Answer
A. Net GloBE Income	From Task 1	€
B. ETR	From Task 1	%
C. Top-Up Tax Percentage	15% − B (if B < 15%)	%
D. SBIE	From Task 2	€
E. Excess Profit	A − D	€
F. Initial Top-Up Tax	C × E	€
G. QDMTT Offset	From data provided	€
H. Jurisdictional Top-Up Tax	**F − G**	€

Task 4: Entity Allocation Within Jurisdictions

Your Task

Allocate the Jurisdictional Top-Up Tax to individual Constituent Entities within each low-taxed jurisdiction.

Allocation Rule *(Article 5.2.4)*: Top-Up Tax is allocated to CEs in proportion to their share of positive GloBE Income in the jurisdiction.

Expected Deliverable

Singapore Entity Allocation

Entity	GloBE Income	Share of Total	Allocated Top-Up Tax
SG Singapore Pte Ltd	€	%	€
SG Singapore Tech Pte Ltd	€	%	€
Total	**€**	**100%**	**€**

Ireland Entity Allocation

Entity	GloBE Income	Share of Total	Allocated Top-Up Tax
SG Ireland Ltd	€	%	€
SG Ireland IP Ltd	€	%	€
Total	**€**	**100%**	**€**

Task 5: IIR Allocation to Parent Entities

Data Provided (Ownership Details)

Singapore Ownership Chain:

```
Stratos Group plc (UK) — 100%
    └── SG Holdings Ltd (UK) — 100%
            └── SG Netherlands BV (Netherlands) — 100%
                    └── SG Singapore Pte Ltd (Singapore) — 100%
                            └── SG Singapore Tech Pte Ltd (Singapore) —
```

Ireland Ownership Chain:

```
Stratos Group plc (UK) — 100%
    └── SG Holdings Ltd (UK) — 100%
            └── SG Netherlands BV (Netherlands) — 60% ← 40% held by Ext
                    └── SG Ireland Ltd (Ireland) — 100%
                            └── SG Ireland IP Ltd (Ireland) — 100%
```

Note: External Investor A is not part of an MNE Group subject to Pillar Two.

Your Task

Calculate the Allocable Share under IIR for each parent entity in the ownership chain.

IIR Allocation Formula *(Article 2.2)*:

```
 Allocable Share = Entity Top-Up Tax × Inclusion Ratio
Inclusion Ratio = (GloBE Income — Amount to other owners) ÷ GloBE Income
```

Expected Deliverable

Singapore IIR Allocation

Step	Calculation	Result
1. Singapore jurisdictional Top-Up Tax	From Task 3	€
2. Stratos's ownership of Singapore entities	Direct + indirect	%
3. Stratos's Inclusion Ratio	(Based on 100% ownership)	%
4. **Stratos's Allocable Share (IIR)**	Top-Up Tax × Inclusion Ratio	€

Ireland IIR Allocation

Work through the ownership chain to determine IIR allocation:

Step	Description	Calculation	Result
1	Ireland jurisdictional Top-Up Tax	From Task 3	€
2	SG Netherlands BV ownership of Ireland entities	Direct	%
3	External Investor's share of GloBE Income	40% of Ireland GloBE Income	€
4	Netherlands Inclusion Ratio in Ireland	(Total − External share) ÷ Total	%
5	Netherlands Allocable Share (if Netherlands IIR applies)	Top-Up Tax × Netherlands Ratio	€
6	Stratos's ownership of Netherlands	Via SG Holdings	%
7	**Stratos's Allocable Share (IIR)**		€

Step	Description	Calculation	Result
		Netherlands share × Stratos ownership	

Question: Does the 40% external investor portion get collected under IIR?

Task 6: Determine if UTPR Applies

Your Task

Analyse whether any Top-Up Tax remains uncollected after IIR and determine if UTPR allocation is required.

Expected Deliverable

Singapore Analysis

Item	Value	Notes
A. Total Singapore Top-Up Tax	€	From Task 3
B. IIR Allocable Share (Stratos)	€	From Task 5
C. IIR collection rate	%	B ÷ A
D. Residual for UTPR	€	A − B

Conclusion: Does UTPR apply to Singapore? _____

Ireland Analysis

Item	Value	Notes
A. Total Ireland Top-Up Tax	€	From Task 3

Item	Value	Notes
B. IIR Allocable Share (Stratos)	€	From Task 5
C. External Investor share	€	40% not collected under IIR
D. IIR collection rate	%	B ÷ A
E. Residual for UTPR	€	A − B

Conclusion: Does UTPR apply to Ireland? _____

Task 7: UTPR Allocation (If Applicable)

Data Provided

Stratos Group UTPR Jurisdiction Data (Qualified UTPR jurisdictions only)

Jurisdiction	Eligible Employees	Tangible Assets (€M)
UK	450	85.0
Netherlands	95	18.5
Germany	185	32.0
France	120	22.5
Total	**850**	**158.0**

Your Task

If UTPR applies (from Task 6), allocate the residual Top-Up Tax across UTPR jurisdictions using the substance-based formula.

UTPR Allocation Formula *(Article 2.6)*:

```
 UTPR % = (Employee Factor × 50%) + (Tangible Asset Factor × 50%)
Employee Factor = Jurisdiction employees ÷ Total UTPR employees
Asset Factor = Jurisdiction assets ÷ Total UTPR assets
```

Expected Deliverable

UTPR Percentage Calculation

Jurisdiction	Employees	Emp Factor	Assets (€M)	Asset Factor	Emp×50%	Asset×50%	UTPR %
UK	450	%	85.0	%	%	%	%
Netherlands	95	%	18.5	%	%	%	%
Germany	185	%	32.0	%	%	%	%
France	120	%	22.5	%	%	%	%
Total	**850**	**100%**	**158.0**	**100%**			**100**

UTPR Allocation of Residual Top-Up Tax

Jurisdiction	UTPR %	Residual × UTPR %	Allocated UTPR
UK	%	€	€
Netherlands	%	€	€
Germany	%	€	€
France	%	€	€
Total	**100%**		€

Task 8: Complete Top-Up Tax Summary

Your Task

Prepare a summary of all Top-Up Tax allocations for Stratos's FY 2025 GIR filing.

Expected Deliverable

Top-Up Tax Summary by Mechanism

Source Jurisdiction	Total Top-Up Tax	IIR Amount	UTPR Amount	Collection Rate
Singapore	€	€	€	%
Ireland	€	€	€	%
Total	**€**	**€**	**€**	**%**

Top-Up Tax by Collecting Jurisdiction

Collecting Jurisdiction	Mechanism	Source	Amount
UK (Stratos Group plc)	IIR	Singapore	€
UK (Stratos Group plc)	IIR	Ireland	€
UK	UTPR	Ireland (residual)	€
Netherlands	UTPR	Ireland (residual)	€
Germany	UTPR	Ireland (residual)	€
France	UTPR	Ireland (residual)	€
Total			**€**

Model Answers

Task 1: ETR Calculation

Singapore ETR Calculation

Item	Formula	Answer
A. Total GloBE Income	€12,500,000 + €4,800,000	**€17,300,000**
B. Total GloBE Losses	No losses	**€0**
C. Net GloBE Income	€17,300,000 − €0	**€17,300,000**
D. Adjusted Covered Taxes	€1,562,500 + €600,000	**€2,162,500**
E. ETR	€2,162,500 ÷ €17,300,000	**12.50%**
F. Low-taxed?	12.50% < 15%	**Yes**

Ireland ETR Calculation

Item	Formula	Answer
A. Total GloBE Income	€5,200,000 + €2,100,000	**€7,300,000**
B. Total GloBE Losses	No losses	**€0**
C. Net GloBE Income	€7,300,000 − €0	**€7,300,000**
D. Adjusted Covered Taxes	€650,000 + €262,500	**€912,500**
E. ETR	€912,500 ÷ €7,300,000	**12.50%**
F. Low-taxed?	12.50% < 15%	**Yes**

Task 2: SBIE Calculation

Singapore SBIE Calculation

Item	Formula	Answer
A. Eligible Payroll Costs	From data	**€14,600,000**
B. Payroll Rate (FY 2025)	Transition rate	**9.8%**
C. Payroll Carve-Out	€14,600,000 × 9.8%	**€1,430,800**
D. Tangible Assets NBV	From data	**€17,300,000**
E. Asset Rate (FY 2025)	Transition rate	**7.8%**
F. Asset Carve-Out	€17,300,000 × 7.8%	**€1,349,400**
G. Total SBIE	€1,430,800 + €1,349,400	**€2,780,200**

Ireland SBIE Calculation

Item	Formula	Answer
A. Eligible Payroll Costs	From data	**€5,200,000**
B. Payroll Rate (FY 2025)	Transition rate	**9.8%**
C. Payroll Carve-Out	€5,200,000 × 9.8%	**€509,600**
D. Tangible Assets NBV	From data	**€3,050,000**
E. Asset Rate (FY 2025)	Transition rate	**7.8%**
F. Asset Carve-Out	€3,050,000 × 7.8%	**€237,900**
G. Total SBIE	€509,600 + €237,900	**€747,500**

Task 3: Top-Up Tax Calculation

Singapore Top-Up Tax Calculation

Item	Formula	Answer
A. Net GloBE Income	From Task 1	**€17,300,000**
B. ETR	From Task 1	**12.50%**
C. Top-Up Tax Percentage	15% − 12.50%	**2.50%**
D. SBIE	From Task 2	**€2,780,200**
E. Excess Profit	€17,300,000 − €2,780,200	**€14,519,800**
F. Initial Top-Up Tax	2.50% × €14,519,800	**€362,995**
G. QDMTT Offset	No Singapore QDMTT	**€0**
H. Jurisdictional Top-Up Tax	€362,995 − €0	**€362,995**

Ireland Top-Up Tax Calculation

Item	Formula	Answer
A. Net GloBE Income	From Task 1	**€7,300,000**
B. ETR	From Task 1	**12.50%**
C. Top-Up Tax Percentage	15% − 12.50%	**2.50%**
D. SBIE	From Task 2	**€747,500**
E. Excess Profit	€7,300,000 − €747,500	**€6,552,500**
F. Initial Top-Up Tax	2.50% × €6,552,500	**€163,813**
G. QDMTT Offset	Ireland QDMTT paid	**€163,813***

Item	Formula	Answer
H. Jurisdictional Top-Up Tax	€163,813 − €163,813	**€0**

*The Ireland QDMTT fully covers the Top-Up Tax due.

Important Finding: Ireland has no residual Top-Up Tax for IIR/UTPR because the Irish QDMTT already collects the full amount.

Task 4: Entity Allocation Within Jurisdictions

Singapore Entity Allocation

Entity	GloBE Income	Share of Total	Allocated Top-Up Tax
SG Singapore Pte Ltd	€12,500,000	72.25%	€262,264
SG Singapore Tech Pte Ltd	€4,800,000	27.75%	€100,731
Total	**€17,300,000**	**100%**	**€362,995**

Ireland Entity Allocation

Entity	GloBE Income	Share of Total	Allocated Top-Up Tax
SG Ireland Ltd	€5,200,000	71.23%	€0*
SG Ireland IP Ltd	€2,100,000	28.77%	€0*
Total	**€7,300,000**	**100%**	**€0***

*Ireland Top-Up Tax is €0 after QDMTT offset.

Task 5: IIR Allocation to Parent Entities

Singapore IIR Allocation

Step	Calculation	Result
1. Singapore jurisdictional Top-Up Tax	From Task 3	**€362,995**
2. Stratos's ownership of Singapore entities	100% × 100% × 100%	**100%**
3. Stratos's Inclusion Ratio	No external ownership	**100%**
4. **Stratos's Allocable Share (IIR)**	€362,995 × 100%	**€362,995**

The UK (Stratos Group plc) applies its Qualified IIR and collects the full €362,995.

Ireland IIR Allocation

Step	Description	Calculation	Result
1	Ireland jurisdictional Top-Up Tax	From Task 3	**€0**
2-7	IIR allocation	Not applicable	**€0**

No IIR allocation required for Ireland because the QDMTT has already collected the Top-Up Tax.

Answer to Question: The 40% external investor portion is irrelevant in this case because Ireland's QDMTT collected 100% of the Top-Up Tax. If there had been residual Top-Up Tax, the external investor's 40% share would not be collected under IIR (since the investor is not part of an MNE Group). That portion would flow to UTPR.

Task 6: Determine if UTPR Applies

Singapore Analysis

Item	Value	Notes
A. Total Singapore Top-Up Tax	€362,995	From Task 3
B. IIR Allocable Share (Stratos)	€362,995	From Task 5
C. IIR collection rate	100%	Full collection
D. Residual for UTPR	€0	A − B

Conclusion: UTPR does **not** apply to Singapore. The UK IIR collects 100%.

Ireland Analysis

Item	Value	Notes
A. Total Ireland Top-Up Tax	€0	After QDMTT offset
B. IIR Allocable Share	€0	Nothing to allocate
C. External Investor share	€0	N/A
D. IIR collection rate	N/A	No Top-Up Tax due
E. Residual for UTPR	€0	Nothing remaining

Conclusion: UTPR does **not** apply to Ireland. The Irish QDMTT already collected the Top-Up Tax.

Task 7: UTPR Allocation

No UTPR allocation required for FY 2025 because:

1. Singapore Top-Up Tax: 100% collected under UK IIR
2. Ireland Top-Up Tax: 100% collected under Irish QDMTT

The UTPR calculations are therefore **not applicable** in this case study. The UTPR allocation template is provided for reference if there had been residual Top-Up Tax.

What If Scenario: If Ireland did NOT have a QDMTT, the 40% external investor share (€65,525) would flow to UTPR allocation across UK, Netherlands, Germany, and France using the substance-based formula.

Task 8: Complete Top-Up Tax Summary

Top-Up Tax Summary by Mechanism

Source Jurisdiction	Total Top-Up Tax	QDMTT	IIR Amount	UTPR Amount	Collection Rate
Singapore	€362,995	€0	€362,995	€0	100%
Ireland	€163,813	€163,813	€0	€0	100%
Total	**€526,808**	**€163,813**	**€362,995**	**€0**	**100%**

Top-Up Tax by Collecting Jurisdiction

Collecting Jurisdiction	Mechanism	Source	Amount
Ireland (QDMTT)	QDMTT	Ireland	€163,813
UK (Stratos Group plc)	IIR	Singapore	€362,995
Total			**€526,808**

Learning Points

1. **QDMTT eliminates IIR/UTPR obligation** — Ireland's domestic top-up tax means Stratos has no additional IIR liability for Ireland, regardless of the 40% external investor.

2. **The three-step GloBE Calculator workflow matters** — You cannot calculate allocation without first computing ETR (Step 1), SBIE (Step 2), and Top-Up Tax (Step 3).

3. **Jurisdictional blending affects ETR** — Both Singapore entities' income and taxes are combined for a single Singapore ETR of 12.50%.

4. **SBIE reduces the Top-Up Tax base significantly** — Singapore's SBIE of €2.78M reduced the excess profit from €17.3M to €14.5M, lowering the Top-Up Tax by approximately €70,000.

5. **100% ownership simplifies IIR** — When the UPE has 100% direct/indirect ownership, the Inclusion Ratio is 100% and all Top-Up Tax is collected under the UPE's IIR.

6. **External investors create potential UTPR situations** — The 40% external investor in Ireland would have created a UTPR situation if Ireland had no QDMTT.

7. **Check qualified IIR/UTPR status early** — Knowing that UK has Qualified IIR determined that Stratos Group plc would be the collecting entity.

8. **Document the complete calculation chain** — The GIR filing requires disclosure of each step: ETR, SBIE, Top-Up Tax, entity allocation, and parent allocation.

GIR Filing Integration

The calculations completed in this case study feed directly into the following GIR sections:

GIR Section	Data Source	This Case Study Task
Section 2: Jurisdictional ETR	ETR by jurisdiction	Task 1
Section 2: SBIE		Task 2

GIR Section	Data Source	This Case Study Task
	Payroll and asset carve-outs	
Section 2: Top-Up Tax	Jurisdictional Top-Up Tax	Task 3
Section 3: Entity Allocation	CE-level Top-Up Tax	Task 4
Section 4: IIR Amounts	Parent Allocable Shares	Task 5
Section 5: UTPR Amounts	UTPR allocation by jurisdiction	Task 7 (if applicable)

Use **GIR-004 GIR Practice Form** to practice entering this data in the official filing format.

Alternative Scenario: What If Ireland Had No QDMTT?

For additional practice, recalculate Tasks 5-8 assuming Ireland has **no QDMTT**:

Revised Ireland Top-Up Tax: €163,813 (no offset)

Revised IIR Allocation: - Stratos's 60% share: €163,813 × 60% = €98,288 (UK IIR)
- External Investor's 40%: €163,813 × 40% = €65,525 (not collected under IIR)

UTPR Allocation of €65,525:

Jurisdiction	UTPR %	Allocated
UK	53.75%*	€35,220
Netherlands	11.85%*	€7,765

Jurisdiction	UTPR %	Allocated
Germany	21.22%*	€13,904
France	13.18%*	€8,636
Total	**100%**	**€65,525**

*Based on the 50/50 employee/asset formula from Task 7 data.

This alternative scenario demonstrates the UTPR backstop function when IIR does not achieve full collection.

Next Step

You have completed Part 2: The Charging Mechanism. You understand how to: - Calculate ETR, SBIE, and Top-Up Tax using GIR-001 - Allocate Top-Up Tax to entities within a jurisdiction - Determine parent Allocable Shares under IIR - Apply UTPR when IIR does not achieve full collection

Proceed to **Part 3: Computing GloBE Income or Loss** to learn how to calculate the GloBE Income figures that feed into these calculations.