

# Qatar Implements Pillar Two Rules for MNEs Effective FY 2025

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To (inside your company): Head of Tax • CFO • MNE Group Controller • International Tax Specialists

## Executive takeaways

- Qatar has enacted legislation to implement the OECD's Pillar Two framework, effective for fiscal years starting on or after 1 January 2025.
- The law includes both an Income Inclusion Rule (IIR) and a Domestic Minimum Top-up Tax (DMTT).
- It impacts multinational groups with annual consolidated revenues exceeding €750 million.
- The framework ensures that large MNEs pay a minimum effective tax rate (ETR) of 15% on profits in every jurisdiction they operate in.

## What changed & why it matters

- Pillar Two is Live** — Qatar has formally adopted the Pillar Two global minimum tax rules through new legislation. *Why it matters:* This aligns Qatar with the global consensus and over 50 other jurisdictions implementing these rules.
- Local Tax Collection (DMTT)** — The introduction of a DMTT means that any "top-up tax" on Qatari profits of an in-scope MNE will be collected in Qatar. *Why it matters:* It ensures Qatar collects the tax revenue from economic activity within its borders and requires local ETR calculations.

## Action checklist

- Confirm if the MNE group's consolidated revenue exceeds the €750 million threshold.
- Identify all group entities located in Qatar.
- Begin the data gathering process for the GloBE Information Return (GIR).
- Model the ETR calculation for Qatar under the new law.
- Assess the impact of the DMTT; determine if top-up tax will be paid locally in Qatar.

## Impact matrix

Compliance	H
Systems/ERP	H
Finance/Cash	H
Operations	M
Documentation	H
Training/Change	H

## Timeline

- Now — identify Qatari entities & start data collection
- 30 days — develop preliminary ETR model
- Quarter — design & implement system changes

## Take Away

Pillar Two is now a tangible compliance obligation in Qatar. The introduction of a DMTT makes local calculations critical. MNEs must immediately mobilize resources to gather the necessary data and perform the complex ETR calculations to avoid being unprepared for their first filing period in early 2026.

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