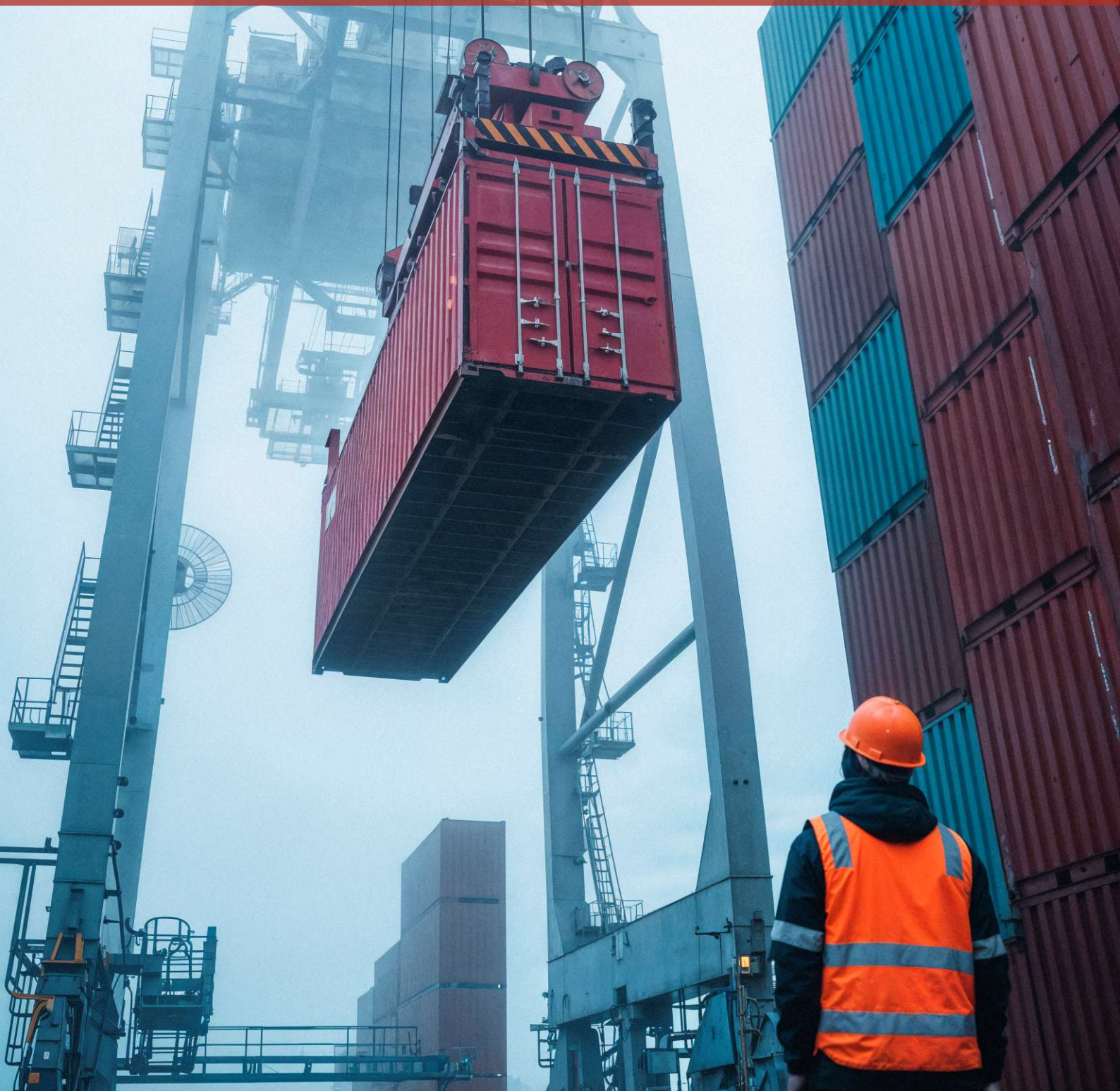


Pillar Two – GloBE Rules

What This Means for KSA-Headquartered Groups?



June 2026 is not just a deadline it is when Pillar Two exposure becomes visible. For KSA-headquartered multinationals, FY 2024 marks the first year of applicability, with compliance obligations now firmly in scope.

What are the GloBE Rules and who do they apply to?

The OECD's GloBE Rules introduce a 15% global minimum effective tax rate (ETR) for large multinational groups with consolidated revenues of EUR 750 million+ (tested over two of the last four years).

How the tax is collected:

- **QDMTT** - local jurisdictions have the first right to collect any top-up tax
- **IIR** - failing that, the parent jurisdiction applies the tax
- **UTPR** - residual tax is collected across other group jurisdictions

Adoption is already widespread.

Over 60 jurisdictions - including the European Union, United Kingdom, Australia, South Korea, Japan and Singapore - have enacted GloBE-aligned legislation.

Does Pillar Two apply to KSA-headquartered groups if Saudi Arabia hasn't adopted the rules?

Yes and KSA non-adoption does not provide protection.

Under the OECD's "common approach," jurisdictions are not required to implement GloBE Rules domestically but they must **respect and enforce them where other jurisdictions apply them.**

What this means in practice:

- If your group operates in a GloBE-implementing jurisdiction, **exposure is triggered there**
- Local **DMTT or IIR rules can apply**, regardless of KSA's position

- **Top-up tax may arise outside KSA**, even if no tax is payable within KSA

In effect, Pillar Two follows where you operate - not where you are headquartered.

For KSA-parented groups with a presence in the European Union, United Kingdom, Australia, Japan or similar jurisdictions, **compliance obligations are already live for FY 2024.**

Why is 2026 especially critical for compliance?

FY 2026 is when Pillar Two moves from theory to enforcement.

- **FY 2024 is the first applicable year** with filings due by **30 June 2026** across most jurisdictions
- The preparation window is effectively **closing now**

Non-compliance carries consequences even without tax liability:

- Penalties apply for **missed registrations, filings and GIR notifications**
- Compliance cannot be deferred on the basis that **no top-up tax is payable**

A key shift for KSA-headquartered groups:

- The **UTPR Safe Harbour** (available for FY 2025) falls away
- It is replaced by the **UPE Safe Harbour**, which is **not currently available to KSA-parented groups**

Result:

- Increased **UTPR exposure from FY 2026**
- Requirement for **tax provisioning in financial statements**

How complex is the compliance landscape in practice?

Significantly more complex than originally anticipated.

What was expected to mirror Country-by-Country Reporting (CbCR) has evolved into a **multi-jurisdiction compliance exercise**.

Where the reality diverges:

- **Multiple filings, not one**
Separate registrations, local DMTT returns, IIR filings and GIR submissions often across multiple jurisdictions
- **No seamless exchange (yet)**
The Multilateral Competent Authority Agreement (MCAA) is **not fully operational**, requiring **parallel GIR filings** for FY 2024
- **Data intensity is high**
Entity-level data across GloBE income,

covered taxes, substance carve-outs, ETR and top-up tax requiring coordination across **finance, tax, legal and IT**

- **Additional GCC layer emerging**

Several GCC jurisdictions are introducing Pillar Two from 2025, adding **regional DMTT obligations** for KSA-parented groups

This is not a reporting exercise - it is a cross-border compliance program.

What are the compliance due dates across key jurisdictions for FY 2024?

The table below sets out confirmed filing deadlines across selected jurisdictions. For most, the critical date is 30 June 2026 — though registration deadlines in several jurisdictions have already passed.

JURISDICTION	REGISTRATION	DMTT RETURN	GIR RETURN	GIR NOTIFICATION
United Kingdom	30-Jun-25	30-Jun-26	30-Jun-26	30-Jun-26
Germany	28-Feb-25	30-Jun-26	30-Jun-26	-
France	15-May-25	30-Jun-26	30-Jun-26	15-May-25
Japan	-	30-Jun-26	30-Jun-26	30-Jun-26
Australia	-	30-Jun-26	30-Jun-26	30-Jun-26
South Korea	-	30-Jun-26	30-Jun-26	30-Jun-26
Switzerland	30-Jun-26	30-Jun-26	30-Jun-26	30-Jun-26
Netherlands	-	31-Aug-26	30-Jun-26	30-Jun-26
Ireland	28-Feb-26	30-Jun-26	30-Jun-26	30-Jun-26
Canada	20-Oct-25	30-Jun-26	30-Jun-26	30-Jun-26
Luxembourg	30-Jun-26	30-Jun-26	30-Jun-26	30-Jun-26
Spain	-	25-Jul-26	30-Jun-26	30-Apr-26
Sweden	30-Jun-26	31-Jul-26	30-Jun-26	30-Jun-26
South Africa	30-Apr-26	-	30-Jun-26	30-Apr-26

Full jurisdiction table (40+ jurisdictions) available on request. Dates confirmed as at April 2026 — subject to local legislative updates.

How can Dhruva Consultants help?

Dhruva is already supporting KSA-linked groups on Pillar Two compliance across jurisdictions.

Compliance (FY 2024)



Registration, DMTT returns, IIR returns, GIR filing and GIR notifications across all applicable jurisdictions. Management of multi-jurisdictional GIR obligations given current MCAA status.

Provisioning (FY 2026)



Assessment of KSA entities' UTPR exposure following the transition from UTPR Safe Harbour to UPE Safe Harbour, and support with appropriate tax provisioning in financial statements.

Disclosures



Pillar Two disclosures under IFRS and other applicable accounting standards for FY 2025 onwards, including current and deferred tax impacts.



Computation



Full computation of GloBE Income/Loss, Adjusted Covered Taxes, Substance-Based Income Exclusions, ETR and top-up tax at entity and jurisdictional level. Application of transitional and permanent safe harbour rules.

Data & Readiness



Building robust data collection templates to meet GIR data requirements, coordinating across finance, tax, legal and IT. Identifying and closing data gaps ahead of filing deadlines.

Monitoring



Tracking jurisdictional legislative developments and their impact on the group's compliance profile. Support with penalty mitigation and accuracy of filings across key jurisdictions.

Pillar Two is not a single filing - it is a coordinated, multi-country execution exercise.



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