

# **Implementation of Council Directive (EU) 2022/2523 of 15 December 2022 on Ensuring a Global Minimum Level of Taxation for Multinational Enterprise Groups and Large-Scale Domestic Groups in the Union**

## **Part 04a-01-02**

This document should be read in conjunction with Part 4A of the Taxes Consolidation  
Act 1997

Document created May 2024

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# 1 Overview

Section 94 of Finance (No.2) Act 2023, by inserting a new Part 4A of the Taxes Consolidation Act (TCA) 1997, implemented the Pillar Two minimum effective tax rate for large groups and companies by transposing the **EU Minimum Tax Directive (Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union)** (the 'EU Minimum Tax Directive') into Irish law.

## Background

Pillar Two is one element of an October 2021 agreement by almost 140 countries in the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (Inclusive Framework), with the overall aim to reform the international tax framework as it applies to large corporate groups.

Building on that agreement, the Inclusive Framework published OECD Model Rules<sup>1</sup> to provide the basis for implementation of Pillar Two in national law. The EU Minimum Tax Directive is largely based upon the Model Rules, with some adjustments to take account of the requirements of EU law.

Technical guidance on Pillar Two implementation has continued to issue from the OECD since the Model Rules were published. This has taken the form of a Commentary<sup>2</sup> on the Model Rules, and various pieces of Administrative Guidance which will update the Commentary in due course.

## Content of the rules

Pillar Two consists of a series of interlinked rules, known as the Global Anti-Base Erosion (GloBE) rules, which provide that in-scope businesses will, in general, pay a minimum effective tax rate (ETR) of 15% on their profits in respect of each country in which they operate. The GloBE rules operate as a top-up tax, with the 15% effective tax rate being achieved when added to corporation tax charged under domestic rules already paid. Pillar Two uses its own tax base, calculated by reference to financial

<sup>1</sup> OECD (2021), Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS, OECD Publishing, Paris, <https://www.oecd-ilibrary.org/docserver/782bac33-en.pdf?expires=1713283929&id=id&accname=guest&checksum=DB9D141ED7DE6B4899B7C6269E3345BE>

<sup>2</sup> OECD (2022), Tax Challenges Arising from the Digitalisation of the Economy – Commentary to the Global Anti-Base Erosion Model Rules (Pillar Two), First Edition: Inclusive Framework on BEPS, OECD Publishing, Paris, <https://www.oecd-ilibrary.org/docserver/1e0e9cd8-en.pdf?expires=1713283958&id=id&accname=guest&checksum=EE8358D55C3161D75EF55A8E473E0AB7>

accounting rules subject to certain adjustments. The new provisions will apply to both multinational and domestic businesses with a global annual turnover of €750 million and above in at least two of the preceding four years.

The main Pillar Two charging rules are:

## 1. **Income Inclusion Rule (IIR)**

- The IIR is the primary GloBE rule and requires a parent company to determine whether its subsidiaries (constituent entities) in the group paid at least the minimum effective rate of tax on a jurisdictional basis in each jurisdiction in which those subsidiaries are located. If the effective rate of tax for the constituent entities in a jurisdiction is below the minimum rate, the parent company will pay an additional amount of tax to increase the overall level of taxation in respect of that subsidiary's jurisdiction to the minimum effective rate (i.e. 15%).
- The IIR will typically be applied by the ultimate parent entity company (UPE) of a multinational group, i.e. by the entity at the top of the ownership chain. However, if the UPE is not required to apply an IIR, for example if the jurisdiction in which that UPE is located does not adopt the GloBE rules, the obligation to apply an IIR moves down the ownership chain. In such circumstances, an Intermediate Parent Entity (IPE), located in a jurisdiction that has adopted the GloBE rules, would be required to apply the IIR to its subsidiaries (with priority to intermediate parents higher up in the ownership chain).
- There is a departure from the standard top-down rule for a Partially Owned Parent Entity (POPE). This is a constituent entity that owns (directly or indirectly) an ownership interest in another constituent entity in the same group, and the right to more than 20% of the POPE's profits are held by persons that aren't part of the MNE group. Even if the group UPE or IPE applies an IIR, the POPE is also obliged to apply an IIR in respect of any subsidiary low-taxed entity with the liability of the UPE/IPE reduced accordingly.
- The Pillar Two rules also provide for other ownership structures such as joint ventures and multi-parented groups.

## 2. **Undertaxed Profit Rule (UTPR)**

- The UTPR is a secondary GloBE rule, designed to operate as a backstop to the IIR. Where the full amount of top-up tax is not collected under an IIR (for example if a group does not have a parent company in a jurisdiction that has implemented Pillar Two), the liability to account for the top-up tax falls on

the jurisdiction(s) where other constituent entities (group companies) are located. Under the EU Minimum Tax Directive, the UTPR can also apply to undertaxed profits in the jurisdiction of the group UPE itself.

- Liability arising under the UTPR, as the rule has been implemented in Ireland, will operate as an additional top-up tax payment.
- The UTPR comes into effect one year following the IIR and QDTT, except for certain limited circumstances where it may apply at the same time as the IIR.

### **3. Qualified Domestic Top-up Tax (QDTT)**

- Alongside the IIR and the UTPR, the OECD Model Rules and EU Minimum Tax Directive provide the option of introducing a QDTT. This will allow implementing jurisdictions to preserve their primary right of taxation over profits arising in their jurisdiction.
- The QDTT is designed to ensure collection of the top-up tax from in-scope entities located in the jurisdiction and is fully creditable against any IIR or UTPR liability. It allows jurisdictions to collect any top-up tax due from domestic entities before an IIR or UTPR rule in another jurisdiction would apply to collect it or may, in certain circumstances, result in the IIR or UTPR not applying in respect of domestic entities (QDTT Safe Harbour status).
- Ireland has introduced a QDTT as part of the legislation implementing Pillar Two. The QDTT has been designed with a view to obtaining Safe Harbour status under peer review.

#### **Substance-Based Income Exclusion**

The rules for computation of the 15% effective tax rate include a “substance-based income exclusion” (SBIE). The SBIE excludes a certain amount of income from the scope of the Pillar Two top-up tax, calculated by reference to payroll costs and tangible assets in the jurisdiction. The SBIE starts with a 10% carve-out for payroll costs and 8% carve-out for tangible assets. The percentages then reduce annually over ten years, before settling at 5% for each category.

#### **Safe Harbours**

Pillar Two includes transitional and permanent safe harbour provisions, which aim to ease the administrative burden on in-scope groups, particularly in the initial period of the application of the Pillar Two rules.

- The Transitional CbCR Safe Harbour operates through the use of simplified jurisdictional revenue and income information contained in an MNE’s

qualified Country -by -Country Report, and jurisdictional tax information contained in an MNE's qualified financial statements. During the three-year transitional period, the top-up tax in a jurisdiction for a fiscal year shall be deemed to be zero, and detailed GloBE calculations will not be required, where the group can meet one of three tests based on those data sources: de minimis (low revenues and low profits); simplified ETR; or routine profits (profits less than the SBIE amount).

- The Transitional UTPR Safe Harbour allows relief from the application of a UTPR to the jurisdiction of a UPE, where that jurisdiction has a statutory corporate tax rate of at least 20%, for fiscal years which are no more than 12 months in duration that begin on or before 31 December 2025 and end before 31 December 2026 (referred to as the transition period).
- A QDTT Safe Harbour, which allows MNE groups to recognise that Pillar Two top-up taxes have been accounted for in respect of entities in a jurisdiction that has implemented a QDTT, and therefore to exclude those group entities when undertaking group top-up tax computations in another jurisdiction under an IIR or UTPR rule, other than in cases where the Switch-Off mechanism applies.

### **Pillar Two Operative Dates**

The IIR and QDTT came into effect from 31 December 2023. The UTPR backstop rule will come into effect from 31 December 2024, or 31 December 2023 in certain limited circumstances.

## **2 Correlation Table**

Appendix 1 contains a correlation table which cross references the legislation contained in Part 4A of the TCA 1997 with:

- The relevant article of the EU Minimum Tax Directive,
- The relevant article of the OECD Model Rules,
- OECD Commentary, where relevant, and
- OECD Administrative Guidance, where relevant.

## **3 Further guidance**

Revenue is engaging with the Tax Administration Liaison Committee (TALC), specifically the TALC BEPS sub-committee, in respect of areas of guidance on the Pillar Two rules. This tax and duty manual will be expanded in due course to include further guidance on the Pillar Two rules contained in Part 4A of the TCA 1997.

## 4 Appendix 1 - Correlation Table

| Irish Legislation – Section Title                       | Irish Legislation– Subsection | Definition                               | EU Directive           | Model Rules            | Notes  |
|---|-------------------------------|--|------------------------|------------------------|--|
| <b>Chapter 1 – Interpretation and general (Part 4A)</b> |                               |  |                        |                        |  |
| Interpretation (Part 4A) Section 111A                   | (1)                           | Acceptable Financial Accounting Standard | Article 3(25)          | 10.1.1                 | To be read with the definition of ‘International Financial Reporting Standards’ also included in the legislation.  |
| Interpretation (Part 4A) Section 111A                   | (1)                           | The Acts                                 | n/a                    | n/a                    |  |
| Interpretation (Part 4A) Section 111A                   | (1)                           | Adjusted Covered Taxes                   | See section 111U below | See section 111U below | To be read per the definition set out in section 111U  |
| Interpretation (Part 4A) Section 111A                   | (1)                           | Authorised Financial Accounting Standard | Article 3(26)          | 10.1.1                 |  |
| Interpretation (Part 4A) Section 111A                   | (1)                           | Consolidated Financial Statements        | Article 3(6)           | 10.1.1                 | The relevant definition per Article 10.1.1 of the Model Rules states: “(c) where the Ultimate Parent Entity has financial statements <b>described in paragraph (a) or (b)</b> that are not prepared in accordance with an Acceptable Financial Accounting Standard, the financial statements are those that have been prepared subject to adjustments to prevent any |

| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                     | <b>EU Directive</b>    | <b>Model Rules</b>     | <b>Notes</b>  |
|--|--------------------------------------|---------------------------------------|------------------------|------------------------|---|
|  |                                      |                                       |                        |                        | Material Competitive Distortions”.  |
|  |                                      |                                       |                        |                        | The bold and underlined wording in the Model Rules (“described in paragraph (a) or (b)”) was included in the definition of consolidated financial statements in section 111A to ensure that subparagraph (c) of the definition did not unintentionally relate to the financial statements of the UPE only (instead of the group). |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Consolidated Revenue Test             | See section 111C below | See section 111C below | To be read per the definition set out in section 111C   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Consolidated Revenue Threshold        | See section 111C below | See section 111C below |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Constituent Entity                    | Article 3(2)           | 1.3.1                  | Additional text added to clarify that it does not include an “excluded entity”, in accordance with Article 1.3.3 of the Model Rules   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Constituent Entity-Owner              | Article 3(41)          | 10.1.1                 |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Controlled Foreign Company Tax Regime | Article 3(17)          | 10.1.1                 |   |



| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b>        | <b>EU Directive</b>    | <b>Model Rules</b>     | <b>Notes</b>   |
|--|--------------------------------------|--------------------------|------------------------|------------------------|--|
| Interpretation (Part 4A) Section 111A    | (1) and (4)                          | Controlling Interest     | Article 3(21)          | 10.1.1                 | There is a difference between the definition per the EU Directive and the Model Rules.   |
|  |                                      |                          |                        |                        | Member States may use text of the EU Directive which refers to the "acceptable financial accounting standard" in the context of both scenarios (i.e. where "the interest holder is required, or would have been required...") or can follow the Model Rules which do not confine the definition of "controlling interest" to the principles of an acceptable accounting standard under part (b) of the definition contained in the Model Rules. The legislation follows the Model Rules. |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Covered Taxes            | See section 111T below | See section 111T below | To be read per the definition set out in section 111T  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Deferred Tax Expense     |                        |                        | OECD Pillar 2 Model Rules Commentary, Article 4.4.1, paragraph 70.   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Designated Filing Entity | Article 3(44)          | 10.1.1                 | The definition refers to section 111AAI [Top-up tax information return] which is included in Chapter 10 of Part 4A – Administration.   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Directive                | n/a                    | n/a                    |  |

| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                      | <b>EU Directive</b>      | <b>Model Rules</b>       | <b>Notes</b>   |
|--|--------------------------------------|--|--------------------------|--------------------------|--|
| Interpretation (Part 4A) Section 111A    | (1)                                  | Disqualified Refundable Imputation Tax | Article 3(37)            | 10.1.1                   | To be read with the definition of ‘qualified imputation tax’ also included in the legislation.<br><br>Definition of ‘qualified imputation tax’ moved to standalone subsection (6) due to size  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Domestic Top-up Tax                    | See section 111AAC below | See section 111AAC below | To be read per the definition set out in section 111AAC  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | EEA Agreement                          | n/a                      | n/a                      |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | EEA state                              | n/a                      | n/a                      |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Eligible Distribution Tax System       | Article 3(42)            | 10.1.1                   |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Entity                                 | Article 3(1)             | 10.1.1                   | Paragraph 12, section 1.2 of the OECD’s Administrative Guidance provides for the exclusion of local or national government from the definition of entity. This is reflected in the definition.<br><br>Definition of Entity in Model Rules 10.1 excludes natural persons. |
| Interpretation                           | (1)                                  | Excluded                               | See section              | See section 111C below   | To be read per the definition set out in section 111C  |

| Irish Legislation – Section Title           | Irish Legislation– Subsection | Definition                              | EU Directive  | Model Rules                    | Notes  |
|---|-------------------------------|---|---------------|--------------------------------|--|
| (Part 4A)<br>Section 111A                   |                               | Entities                                | 111C below    |                                |  |
| Interpretation<br>(Part 4A)<br>Section 111A | (1)                           | Financial Accounting Net Income or Loss | Article 15(1) | 3.1.2                          | OECD Pillar 2 Model Rules 3.1.2<br><br>The meaning of the term “consolidation adjustments”, within this definition, is to be construed from its ordinary accounting meaning.   |
| Interpretation<br>(Part 4A)<br>Section 111A | (1)                           | Filing Constituent Entity               | Article 3(8)  | 10.1.1                         |  |
| Interpretation<br>(Part 4A)<br>Section 111A | (1)                           | Fiscal Year                             | Article 3(7)  | 10.1.1                         |  |
| Interpretation<br>(Part 4A)<br>Section 111A | (1), (3) and (5)              | Flow-through Entity                     | Article 3(12) | 10.2.1; 10.2.2; 10.2.3; 10.2.4 |  |
| Interpretation<br>(Part 4A)<br>Section 111A | (1)                           | Governmental Entity                     | Article 3(9)  | 10.1.1                         | OECD Commentary 2022, Article 10.1, paragraph 30 and 31.   |
| Interpretation<br>(Part 4A)<br>Section 111A | (1)                           | Group                                   | Article 3(3)  | 1.2.2                          | There are two differences between text in the EU Directive and the Model Rules.<br><b>1. Difference – “may have been excluded” versus “are excluded”</b><br>Member States (“MS”) may use text of the EU Directive which states "may have been excluded" or can use text of |

| Irish Legislation – Section Title     | Irish Legislation– Subsection | Definition            | EU Directive  | Model Rules | Notes   |
|---------------------------------------|-------------------------------|-----------------------|---------------|-------------|---|
|                                       |                               |                       |               |             | <p>Model Rules which states "are excluded".<br/>The legislation follows the Model Rules.</p> <p><b>2. Difference – reference to “acceptable financial accounting standard”</b></p> <p>The reference to “acceptable financial accounting standard” is contained in the definition per the EU Directive but not in the equivalent definition per the Model Rules.</p> <p>Member States may use text of the EU Directive (which states "acceptable financial accounting standard") or can follow the Model Rules which do not confine the definition of 'group' to ownership or control being defined by principles of an acceptable accounting standard. The legislation follows the Model Rules.</p> |
| Interpretation (Part 4A) Section 111A | (1)                           | Hybrid Entity         | Article 24(4) | 10.2.5      |   |
| Interpretation (Part 4A) Section 111A | (1)                           | Income Inclusion Rule | n/a           | n/a         |   |
| Interpretation (Part 4A) Section 111A | (1)                           | IIR                   | n/a           | n/a         |   |
| Interpretation (Part 4A) Section 111A | (1)                           | IIR Top-up Tax        | n/a           | n/a         | Definition sets out the sections under which an IIR tax may arise   |

| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                           | <b>EU Directive</b> | <b>Model Rules</b>       | <b>Notes</b>  |
|--|--------------------------------------|---|---------------------|--------------------------|---|
| Interpretation (Part 4A) Section 111A    | (1)                                  | Insurance Investment Entity                 | Article 42(1)       | 10.1.1                   |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Intermediate Parent Entity                  | Article 3(20)       | 10.1.1                   | OECD Administrative Guidance February 2023 section 3.2 provides for the exclusion of ‘an insurance investment entity’ from the definition of ‘intermediate parent entity’. The legislation follows the Administrative Guidance.<br><br>In line with the Administrative Guidance, an insurance investment entity cannot be an IPE or POPE. |
| Interpretation (Part 4A) Section 111A    | (1)                                  | International Financial Reporting Standards | Article 3(25)       | n/a                      |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | International Organisation                  | Article 3(10)       | 10.1.1                   |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Investment Entity                           | Article 3(30)       | 10.1.1.                  | For legislative efficiency, the definition of investment entity includes an insurance investment entity.  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Investment Fund                             | Article 3(31)       | 10.1.1                   |   |
| Interpretation (Part 4A)                 | (1)                                  | Joint Venture, Joint Venture                | See section 111AAO  | See section 111AAO below | To be read per the definitions set out in section 111AO   |

| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                  | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|--|--------------------------------------|------------------------------------|---------------------|--------------------|---|
| Section 111A                             |                                      | Affiliate and Joint Venture Group  | below               |                    |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Large-scale Domestic Group         | Article 3(5)        | n/a                |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Local Tangible Assets              | Article 16 (7)      | 10.1.1             |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Low Tax Jurisdiction               | Article 3(35)       | 10.1.1             |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Low-Taxed Constituent Entity       | Article 3(19)       | 10.1.1             |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Main Entity                        | Article 3(40)       | 10.1.1.            |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Marketable Transferable Tax Credit |                     |                    | OECD Administrative Guidance July 2023, Chapter 2, paragraph 37<br><br>The definition refers to section 111V [Meaning of marketable transferable tax credit]. |
| Interpretation (Part 4A)                 | (1)                                  | Material Competitive               | Article 3(27)       | 10.1.1             |   |

| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                      | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|--|--------------------------------------|--|---------------------|--------------------|---|
| Section 111A                             |                                      | Distortion                             |                     |                    |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Member State                           | n/a                 | n/a                |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Minimum Rate                           | Article 3(15)       | 10.1.1             |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | MNE                                    | n/a                 | n/a                |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | MNE Group                              | Article 3(4)        | 1.2.1              |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Net Book Value Of Tangible Assets      | Article 3(29)       | 10.1.1             |   |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Non-Marketable Transferable Tax Credit |                     |                    | OECD Administrative Guidance July 2023, Chapter 2, paragraph 40<br><br>The definition refers to section 111V [Meaning of marketable transferable tax credit]. |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Non-profit Organisation                | Article 3(11)       | 10.1.1             |   |

| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                               | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|---|---------------------|--------------------|--|
| Interpretation (Part 4A) Section 111A    | (1)                                  | Non-Qualified Refundable Tax Credit             | Article 3(39)       | 10.1.1             |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | OECD Model Rules                                | Article 3(18)       | n/a                |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | OECD Model Tax Convention on Income and Capital | n/a                 | n/a                |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Ownership Interest                              | Article 3(23)       | 10.1.1             |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Parent Entity                                   | Article 3(24)       | 10.1.1             |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Partially Owned Parent Entity                   | Article 3(22)       | 10.1.1             | <p>OECD Administrative Guidance February 2023 section 3.2, paragraph 2, provides for the exclusion of ‘an insurance investment entity’ from the definition of ‘intermediate parent entity’. The legislation follows the Administrative Guidance.</p> <p>In line with the Administrative Guidance, an insurance investment entity cannot be an IPE or POPE.</p> |



| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                     | <b>EU Directive</b>       | <b>Model Rules</b>        | <b>Notes</b>   |
|--|--------------------------------------|---------------------------------------|---------------------------|---------------------------|--|
| Interpretation (Part 4A) Section 111A    | (1)                                  | Pension Fund                          | Article 3(33)             | 10.1.1                    |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Pension Services Entity               | Article 3(34)             | 10.1.1                    |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Permanent Establishment               | Article 3(13)             | 10.1.1                    |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Qualified Domestic Top-up Tax         | Article 3(28)             | 10.1.1                    |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Qualified Domestic Top-up Tax Payable |                           |                           | OECD Administrative Guidance July 2023, page 76, paragraph 81. |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Qualified IIR                         | Article 3(18)             | 10.1.1                    |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Qualified Imputation Tax              | See section 111A(6) below | See section 111A(6) below | To be read in accordance with section 111A(6)                  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Qualified Refundable Tax Credit       | Article 3(38)             | 10.1.1                    |  |

| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                        | <b>EU Directive</b>      | <b>Model Rules</b>       | <b>Notes</b>  |
|--|--------------------------------------|--|--------------------------|--------------------------|---|
| Interpretation (Part 4A)<br>Section 111A | (1)                                  | Qualified UTPR                           | Article 3(43)            | 10.1.1                   |   |
| Interpretation (Part 4A)<br>Section 111A | (1)                                  | Qualifying Competent Authority Agreement | Article 44(1)            | 10.1.1                   |   |
| Interpretation (Part 4A)<br>Section 111A | (1)                                  | Qualifying Entity                        | See section 111AAB below | See section 111AAB below | To be read per the definition set out in section 111AAB   |
| Interpretation (Part 4A)<br>Section 111A | (1)                                  | Qualifying Income or Loss                | Article 3(36)            | 3.1.1                    |   |
| Interpretation (Part 4A)<br>Section 111A | (1)                                  | Real Estate Investment Vehicle           | Article 3(32)            | 10.1.1                   | Irish legislation drafted with reference to OECD Pillar 2 Model Rules Commentary, Article 10.1 page 217, paragraph 144-148. |
| Interpretation (Part 4A)<br>Section 111A | (1)                                  | Stateless Constituent Entity             | See section 111D below   | See section 111D below   | To be read in accordance with subsections (3)(b), (4)(d) or (6)(d)(1) of section 111D                                       |
| Interpretation (Part 4A)<br>Section 111A | (1)                                  | Substance-based Income Exclusion Amount  | See section 111AE below  | See section 111AE below  | To be construed in accordance with section 111AE(2)(a)  |
| Interpretation (Part 4A)                 | (1)                                  | Tax Treaty                               | n/a                      | 10.1.1                   |   |

| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b>          | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|----------------------------|---------------------|--------------------|--|
| Section 111A                             |                                      |                            |                     |                    |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Third Country Jurisdiction | n/a                 | n/a                |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Top-up Tax                 | Article 3(16)       | 10.1.1             |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Ultimate Parent Entity     | Article 3(14)       | 1.4.1              |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | Undertaxed Profit Rule     | n/a                 | 10.1.1             |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | UTPR                       | n/a                 | 10.1.1             |  |
| Interpretation (Part 4A) Section 111A    | (1)                                  | UTPR top-up tax'           | n/a                 | n/a                | Definition sets out the sections under which an UTPR tax may arise   |
| Interpretation (Part 4A) Section 111A    | (2)                                  |                            | n/a                 | n/a                | This subsection clarifies the meaning of a person or entity being connected with another person or entity for the purposes of Part 4A. |

| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b>                            | <b>Notes</b>  |
|--|--------------------------------------|-------------------|---------------------|---|---|
| Interpretation (Part 4A) Section 111A    | (3)                                  |                   | Article 3(12)       | 10.2.2  |   |
| Interpretation (Part 4A) Section 111A    | (4)                                  |                   | Article 3(21)       | 10.1 (see definition of controlling interest) |   |
| Interpretation (Part 4A) Section 111A    | (5)                                  |                   | Article 3(12)       | 10.2.1; 10.2.3; 10.2.4                        |   |
| Interpretation (Part 4A) Section 111A    | (6)                                  |                   | Article 3(37)       | 10.1.1  |   |
| Interpretation (Part 4A) Section 111A    | (7)                                  |                   | n/a                 | n/a   | This subsection provides that any words or expressions used in Part 4A, which are also used in the Directive, will have the same meaning unless the context otherwise requires. |

| Irish Legislation – Section Title  | Irish Legislation– Subsection | Definition | EU Directive | Model Rules | Notes  |
|--|-------------------------------|------------|--------------|-------------|--|
| Principles for construing rules in accordance with OECD Pillar Two guidance Section 111B | (1) - (4)                     |            |              |             | <p>Domestic provision to ensure that domestic legislation is to be interpreted in line with OECD Pillar Two Model Rules, OECD Pillar Two Model Rules Commentary, all agreed OECD Administrative Guidance publications (December 2022, February 2023, July 2023) and all published Examples, provided the aforementioned are not inconsistent with the Directive.</p> <p>Provides for Ministerial orders so that future OECD administrative guidance may be adopted.</p> <p>To date one Ministerial Order has been made under this section.</p> <p>On 20 December 2023 S.I. No. 675 of 2023 (Taxes Consolidation Act 1997 (Section 111B(3)) Order 2023) was effected, by Ministerial Order, which designated the document entitled OECD (2023), Tax Challenges Arising from the Digitalisation of the Economy – Administrative Guidance on the Global Anti-Base Erosion Model Rules (Pillar Two), December 2023, OECD/G20 Inclusive Framework on BEPS, OECD, Paris, published by the OECD on 18 December 2023, as being comprised in the OECD Pillar Two guidance (within the meaning of section 111B of the Taxes Consolidation Act 1997 (No. 39 of 1997)) for the purposes of Part 4A of the Taxes Consolidation Act 1997 (No. 39 of 1997).</p> |

| <b>Irish Legislation – Section Title</b>         | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b>           | <b>Model Rules</b>  | <b>Notes</b>  |
|--|--------------------------------------|-------------------|-------------------------------|---------------------|---|
| Scope of Part 4A<br>Section 111C                 | (1)                                  |                   | Article 2(1);<br>Article 2(2) | 1.1.1; 1.1.2        | The ‘consolidated revenue threshold’ is defined in the section 111A. The proportional adjustment required per Article 2(2) is included as part of that definition.  |
| Scope of Part 4A<br>Section 111C                 | (2) and (3)                          |                   | Article 2(3)                  | 1.1.3; 1.5.1, 1.5.2 |   |
| Scope of Part 4A<br>Section 111C                 | (4)                                  |                   |                               |                     | This subsection ensures that no other legislative provision in the Tax Acts and the Capital Gains Tax Acts can prevent an entity or permanent establishment from being chargeable to IIR top-up tax, UTPR top-up tax or domestic top-up tax, as the case may be, under Part 4A. |
| Location of a constituent entity<br>Section 111D | (1) and (2)                          |                   | Article 4(1)                  | 10.3.1              |   |
| Location of a constituent entity<br>Section 111D | (3)                                  |                   | Article 4(2)                  | 10.3.2              |   |

| <b>Irish Legislation – Section Title</b>         | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|--|--------------------------------------|-------------------|---------------------|--------------------|---|
| Location of a constituent entity<br>Section 111D | (4)                                  |                   | Article 4(3)        | 10.3.3             |   |
| Location of a constituent entity<br>Section 111D | (5)                                  |                   | Article 4(4)        | 10.3.4 (a)         |   |
| Location of a constituent entity<br>Section 111D | (6)                                  |                   | Article 4(5)        | 10.3.4 (b)         |   |
| Location of a constituent entity<br>Section 111D | (7)                                  |                   | Article 4(6)        | 10.3.5             |   |
| Location of a constituent entity<br>Section 111D | (8)                                  |                   | Article 4(7)        | 10.3.6             |   |
| Location of a constituent entity<br>Section 111D | (9)                                  |                   |                     |                    | This subsection confirms that a stateless entity is considered to be located in its own jurisdiction as the calculation of top-up tax is on a jurisdictional basis. |

| Irish Legislation – Section Title                       | Irish Legislation– Subsection | Definition | EU Directive | Model Rules | Notes  |
|---|-------------------------------|------------|--------------|-------------|--|
| <b>Chapter 2 – IIR and UTPR</b>                         |                               |            |              |             |  |
| Ultimate parent entity in the State<br>Section 111E     | (1)                           |            | Article 5(1) | 2.1.1       | References to “entities that are in another jurisdiction or that are stateless”, in the Directive, have been removed, so that the provisions in subsection (1) effectively refer to all low-taxed constituent entities, including low tax constituent entities located in Ireland.<br><br>Therefore low-taxed constituent entities in the same member State (referenced in Article 5(2)) are captured in section 111E(1), meaning that reference can be removed from subsection (2). |
| Ultimate parent entity in the State<br>Section 111E     | (2)                           |            | Article 5(2) |             | As noted above, low-taxed constituent entities of the group located in the same Member State are included in section 111E(1).  |
| Intermediate parent entity in the State<br>Section 111F | (1)                           |            | Article 6(1) | 2.1.2       | Similar approach taken to that outlined above for section 111E [Ultimate parent entity in the State].<br><br>Please refer to note above on section 111E.   |



| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|-------------------|---------------------|--------------------|--|
| Intermediate parent entity in the State<br>Section 111F  | (2)                                  |                   | Article 6(2)        |                    | As noted above, low-taxed constituent entities of the group located in the same Member State are included in section 111F(1).                                |
| Intermediate parent entity in the State<br>Section 111F  | (3)                                  |                   | Article 6(3)        | 2.1.3              |  |
| Intermediate parent entity located in the State and held by an excluded ultimate parent entity<br>Section 111G | (1)                                  |                   | Article 7(1)        |                    | Similar approach taken to that outlined above for the section 111E [Ultimate parent entity in the State].<br><br>Please refer to note above on section 111E. |
| Intermediate parent entity located in the State and held by an excluded ultimate parent entity<br>Section 111G | (2)                                  |                   | Article 7(2)        |                    | As noted above, low-taxed constituent entities of the group located in the same Member State are included in section 111G(1).                                |

| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|-------------------|---------------------|--------------------|--|
| Intermediate parent entity located in the State and held by an excluded ultimate parent entity<br>Section 111G | (3)                                  |                   | Article 7(3)        |                    |  |
| Partially-owned parent entity in the State<br>Section 111H   | (1)                                  |                   | Article 8(1)        | 2.1.4              | Similar approach taken to that outlined above for section 111E [Ultimate parent entity in the State].<br><br>Please refer to note above on section 111E. |
| Partially-owned parent entity in the State<br>Section 111H   | (2)                                  |                   | Article 8(2)        |                    | As noted above, low-taxed constituent entities of the group located in the same Member State are included in section 111H(1).                            |
| Partially-owned parent entity in the State<br>Section 111H   | (3)                                  |                   | Article 8(3)        | 2.1.5              |  |
| Allocation of the top-up tax under the IIR<br>Section 111I   | (1)                                  |                   | Article 9(1)        | 2.2.1              |  |

| <b>Irish Legislation – Section Title</b>                | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|---|--------------------------------------|-------------------|---------------------|--------------------|---|
| Allocation of the top-up tax under the IIR Section 111I | (2)                                  |                   | Article 9(2)        | 2.2.2; 2.2.3       |   |
| Allocation of the top-up tax under the IIR Section 111I | (3)                                  |                   | Article 9(3)        |                    | Note that the amount of top-up tax computed for low-taxed constituent entities located in the same Member State allocated to a parent entity is dealt with in subsection (2)(a) and (b).  |
| IIR offset mechanism Section 111J                       |                                      |                   | Article 10          | 2.3.1; 2.3.2       |   |
| Effect of a qualified domestic top-up tax Section 111K  | (1)                                  |                   | Article 11(2)       |                    | <p>Ireland has elected to apply a qualified domestic top-up tax in accordance with Article 11 of the Directive.</p> <p>The domestic top-up tax does not apply to an investment entity, including an insurance investment entity, or a stateless entity where the stateless entity is not deemed to be located in Ireland under section 111D.</p> <p>The legislative provisions are contained in Chapter 9 of Part 4A.</p> |
| Effect of a qualified domestic top-up tax               | (2)                                  |                   | Article 11(3)       |                    |   |

| <b>Irish Legislation – Section Title</b>                   | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                          | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|--|---------------------|--------------------|--|
| Section 111K   |                                      |  |                     |                    |  |
| Effect of a qualified domestic top-up tax<br>Section 111K  | (3)                                  |  | Article 15(5)       |                    |  |
| Effect of a qualified domestic top-up tax<br>Section 111K  | (4)                                  |  | Article 11(3)       |                    |  |
| Application of a UTPR across the MNE group<br>Section 111L | (1)                                  | Application of a UTPR across the MNE group | Article 12(1)       | 2.4.1              | The Directive gives Member States the option of adopting a top-up tax or a denial of deduction.<br><br>The approach adopted in the legislation is the application of a top-up tax. |
| Application of a UTPR across the MNE group<br>Section 111L | (2)                                  |  | Article 12(3)       | 2.4.3              |  |

| <b>Irish Legislation – Section Title</b>  | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|---|--------------------------------------|-------------------|---------------------|--------------------|--|
| Application of the UTPR in the territory of an ultimate parent entity<br>Section 111M | (1)                                  |                   | Article 13(1)       | 2.4.1              | The approach adopted in the legislation is the application of a top-up tax.  |
| Application of the UTPR in the territory of an ultimate parent entity<br>Section 111M | (2)                                  |                   | Article 13(3)       |                    |  |
| Application of the UTPR in the territory of an ultimate parent entity<br>Section 111M | (3)                                  |                   |                     | 2.4.3              |  |
| Computation and allocation of the UTPR top-up tax amount<br>Section 111N              | (1)                                  |                   |                     |                    | This subsection includes instruction on allocation of the UTPR as between entities.<br><br>The remaining provisions deal with the allocation of the UTPR to the State, in accordance with the Directive. |

| <b>Irish Legislation – Section Title</b>                                 | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b>     | <b>Notes</b> |
|--|--------------------------------------|-------------------|---------------------|------------------------|--------------|
| Computation and allocation of the UTPR top-up tax amount<br>Section 111N | (2)                                  |                   | Article 14(1)       | 2.6.1 (first sentence) |              |
| Computation and allocation of the UTPR top-up tax amount<br>Section 111N | (3)                                  |                   | Article 14(2)       | 2.5.1                  |              |
| Computation and allocation of the UTPR top-up tax amount<br>Section 111N | (4)                                  |                   | Article 14(3)       | 2.5.2                  |              |
| Computation and allocation of the UTPR top-up tax amount<br>Section 111N | (5)                                  |                   | Article 14(4)       | 2.5.3                  |              |

| <b>Irish Legislation – Section Title</b>                                 | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b>             | <b>Model Rules</b>  | <b>Notes</b> |
|--|--------------------------------------|-------------------|---------------------------------|---|--------------|
| Computation and allocation of the UTPR top-up tax amount<br>Section 111N | (6)                                  |                   | Article 14(5)                   | 2.6.1   |              |
| Computation and allocation of the UTPR top-up tax amount<br>Section 111N | (7)                                  |                   | Article 14(6);<br>Article 14(7) | 10.1.1 (Number of Employees)/ (Tangible Assets);<br>2.6.2 |              |
| Computation and allocation of the UTPR top-up tax amount<br>Section 111N | (8)                                  |                   | Article 14(8)                   | 2.6.3   |              |
| Computation and allocation of the UTPR top-up tax amount<br>Section 111N | (9)                                  |                   | Article 14(9)                   | 2.6.4   |              |

| Irish Legislation – Section Title                               | Irish Legislation– Subsection | Definition | EU Directive  | Model Rules   | Notes   |
|---|-------------------------------|------------|---------------|---|---|
| <b>Chapter 3 – Computation of the qualifying income or loss</b> |                               |            |               |   |   |
| Determination of the qualifying income or loss Section 111O     | (1)                           |            | Article 15(1) | 3.1.1; 3.1.2  | <p>See section 111A for the definition of financial accounting income or loss which includes the condition regarding eliminating consolidation adjustments. Section 111O(1) refers to section 111P to 111S which are equivalent to Article 16 to 19 of the Directive. There are also other adjustments required in arriving at qualifying income or loss at 111W, 111AB, 111AM, 111AN, 111AQ, 111AR, 111AV and 111AW.</p> <p>The term “qualifying income or loss” is used instead of “GloBE income or loss”</p> |
| Determination of the qualifying income or loss Section 111O     | (2)                           |            | Article 15(2) | 3.1.3   |   |
| Determination of the qualifying income or loss Section 111O     | (3)                           |            | Article 15(3) | See definition of consolidated financial statements in Article 10.1 |   |



| <b>Irish Legislation – Section Title</b>                            | <b>Irish Legislation– Subsection</b> | <b>Definition</b>              | <b>EU Directive</b> | <b>Model Rules</b>                                   | <b>Notes</b>   |
|---|--------------------------------------|--------------------------------|---------------------|--|--|
| Determination of the qualifying income or loss Section 111O         | (4)                                  |                                | Article 15(6)       | 10.1.1 (Material Competitive Distortion)             |  |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Accounting Functional Currency | Article 16(1)       | 10.1.1 (Asymmetric Foreign Currency Gains or Losses) |  |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Accrued Pension Expense        | Article 16(1)       | 10.1.1   | The definition of “accrued pension expense” has been added to in the legislation, based on Section 2.5.3, paragraph 10, page 43 of the OECD Administrative Guidance February 2023. |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Additional Tier One Capital    | Article 16 (11)     | 10.1.1   |  |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Arm’s Length Principle         | Article 16(4)       | 10.1.1   |  |

| <b>Irish Legislation – Section Title</b>                            | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                        | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|---|--------------------------------------|--|---------------------|--------------------|---|
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Asymmetric Foreign Currency Gain or Loss | Article 16(1)       | 10.1.1             |   |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Excluded Dividends                       | Article 16(1)       | 10.1.1             | The definition of “excluded dividend” has been added to in the legislation, based on paragraph 13 section 2.3.3 of the OECD Administrative Guidance February 2023.  |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Excluded Equity Gain or Loss             | Article 16(1)       | 10.1.1             | The definition of “excluded equity gain or loss” has been added to the legislation, based on section 2.2 page 30 of the OECD Administrative Guidance February 2023. |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Included Revaluation Method Gain or Loss | Article 16(1)       | 10.1.1             |   |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Intra-Group Financing Arrangement        | Article 16(8)       | 10.1.1             |   |

| <b>Irish Legislation – Section Title</b>                            | <b>Irish Legislation– Subsection</b> | <b>Definition</b>  | <b>EU Directive</b> | <b>Model Rules</b>                                   | <b>Notes</b>  |
|---|--------------------------------------|--|---------------------|--|---|
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Net Taxes Expense  | Article 16(1)       | 10.1.1   | The definition of ‘net taxes expense’ includes a further item being ‘taxes accrued by an insurance company in respect of returns to policyholders to the extent that subsection (10)(a) applies in relation to those taxes’ which is in line with footnote 74 of the footnoted OECD Pillar Two Model Rules. |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Policy Disallowed Expenses                               | Article 16(1)       | 10.1.1   |   |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Prior Period Errors and Changes in Accounting Principles | Article 16(1)       | 10.1.1   |   |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Tax Functional Currency                                  | Article 16(1)       | 10.1.1 (Asymmetric Foreign Currency Gains or Losses) |   |
| Adjustments to determine the qualifying income or loss Section 111P | (1)                                  | Third Foreign Currency                                   | Article 16(1)       | 10.1.1 (Asymmetric Foreign Currency Gains or Losses) |   |

| <b>Irish Legislation – Section Title</b>                            | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|---|--------------------------------------|-------------------|---------------------|--------------------|---|
| Adjustments to determine the qualifying income or loss Section 111P | (2)                                  |                   | Article 16(2)       | 3.2.1              | Paragraph (j) added in legislation to reflect section 2.9.2 of OECD Administrative Guidance February 2023, paragraph 16, page 64, which inserts paragraph 57.2 into the OECD Pillar Two Model Rules Commentary to Article 3.2.1(c).<br><br>Point (a) of paragraph 57.2 provides for this adjustment.  |
| Adjustments to determine the qualifying income or loss Section 111P | (3)                                  |                   | Article 16(3)       | 3.2.2              |   |
| Adjustments to determine the qualifying income or loss Section 111P | (4)                                  |                   | Article 16(4)       | 3.2.3              | The words “of an MNE group” included in paragraph (a) of the legislation based on the wording in para 97 Chapter 3 of OECD Pillar Two Model Rules Commentary.   |
| Adjustments to determine the qualifying income or loss Section 111P | (5)                                  |                   | Article 16(5)       | 3.2.4              | Detail regarding the treatment of a marketable transferable tax credit and tax credits which are not marketable transferable tax credits for the purposes of determining the qualifying income or loss is included to reflect the additional text arising from OECD Administrative Guidance July 2023, Chapter 2, page 31, paragraph 34-36. |

| <b>Irish Legislation – Section Title</b>                               | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|-------------------|---------------------|--------------------|--|
| Adjustments to determine the qualifying income or loss<br>Section 111P | (6)                                  |                   | Article 16(6)       | 3.2.5              |  |
| Adjustments to determine the qualifying income or loss<br>Section 111P | (7)                                  |                   | Article 16(7)       | 3.2.6              | Definition of “local tangible assets” included in section 111A Interpretation (Part 4A).<br><br>Paragraph (f) has been drafted to more closely align with OECD Pillar Two Model Rules Article 3.2.6. |
| Adjustments to determine the qualifying income or loss<br>Section 111P | (8)                                  |                   | Article 16(8)       | 3.2.7              |  |
| Adjustments to determine the qualifying income or loss<br>Section 111P | (9)                                  |                   | Article 16(9)       | 3.2.8              | Paragraph (c) added to clarify what is a tax consolidation group, based on wording from paragraph 133 Chapter 3 of OECD Pillar Two Model Rules Commentary.   |
| Adjustments to determine the qualifying income or loss                 | (10)                                 |                   | Article 16(10)      | 3.2.9              |  |

| <b>Irish Legislation – Section Title</b>                            | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|---|--------------------------------------|-------------------|---------------------|--------------------|---|
| Section 111P  |                                      |                   |                     |                    |   |
| Adjustments to determine the qualifying income or loss Section 111P | (11)                                 |                   | Article 16(11)      | 3.2.10             | The definition of “additional tier one capital” contained in the first subparagraph of Article 16(11) is defined in subsection (1) of section 111P. |
| Adjustments to determine the qualifying income or loss Section 111P | (12)                                 |                   |                     |                    | See paragraph 14, section 2.3.3 of OECD Administrative Guidance February 2023.  |
| Adjustments to determine the qualifying income or loss Section 111P | (13)                                 |                   |                     |                    | See paragraph 8, section 2.2.3 of OECD Administrative Guidance February 2023.   |
| Adjustments to determine the qualifying income or loss Section 111P | (14)                                 |                   |                     |                    | See paragraph 4, section 3.5 of OECD Administrative Guidance February 2023.   |

| <b>Irish Legislation – Section Title</b>                               | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|-------------------|---------------------|--------------------|--|
| Adjustments to determine the qualifying income or loss<br>Section 111P | (15)                                 |                   |                     |                    | See paragraph 3 and 4 of section 3.41 and paragraph 5, of section 3.4.2 of OECD Administrative Guidance February 2023.   |
| Adjustments to determine the qualifying income or loss<br>Section 111P | (16)                                 |                   |                     |                    | See paragraph 15, section 2.4.3 of OECD Administrative Guidance February 2023.   |
| Adjustments to determine the qualifying income or loss<br>Section 111P | (17)                                 |                   |                     |                    | See paragraph 15, section 2.4.3 of OECD Administrative Guidance February 2023.   |
| International shipping income exclusion<br>Section 111Q                | (1)                                  |                   | Article 17(1)       | 3.3.2; 3.3.3       | Bareboat charter terms is not defined in the OECD Pillar Two Model Rules or Directive. The pre-existing definition in section 697A in the Taxes Consolidation Act 1997 has been used.<br><br>The definition of international shipping income has been split into two definitions, one for international shipping income and one for international shipping activities. |

| <b>Irish Legislation – Section Title</b>                | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b> |
|---|--------------------------------------|-------------------|---------------------|--------------------|--------------|
| International shipping income exclusion<br>Section 111Q | (2)                                  |                   | Article 17(2)       | 3.3.1              |              |
| International shipping income exclusion<br>Section 111Q | (3)                                  |                   | Article 17(3)       | 3.3.1              |              |
| International shipping income exclusion<br>Section 111Q | (4)                                  |                   | Article 17(4)       | 3.3.4              |              |
| International shipping income exclusion<br>Section 111Q | (5)                                  |                   | Article 17(5)       | 3.3.5              |              |
| International shipping income exclusion<br>Section 111Q | (6)                                  |                   | Article 17(6)       | 3.3.5              |              |



| Irish Legislation – Section Title  | Irish Legislation– Subsection | Definition | EU Directive  | Model Rules | Notes |
|--|-------------------------------|------------|---------------|-------------|-------|
| Allocation of the qualifying income or loss between a main entity and a permanent establishment Section 111R | (1)                           |            | Article 18(1) | 3.4.1       |       |
| Allocation of the qualifying income or loss between a main entity and a permanent establishment Section 111R | (2)(a) and (2)(b)             |            | Article 18(2) | 3.4.2       |       |
| Allocation of the qualifying income or loss between a main entity and a permanent establishment Section 111R | (2)(c)                        |            | Article 18(3) | 3.4.3       |       |

| Irish Legislation – Section Title  | Irish Legislation– Subsection | Definition | EU Directive  | Model Rules  | Notes |
|--|-------------------------------|------------|---------------|--------------|-------|
| Allocation of the qualifying income or loss between a main entity and a permanent establishment Section 111R | (3)                           |            | Article 18(4) | 3.4.4        |       |
| Allocation of the qualifying income or loss between a main entity and a permanent establishment Section 111R | (4)                           |            | Article 18(5) | 3.4.5        |       |
| Allocation of the qualifying income or loss of a flow-through entity Section 111S                            | (1)                           |            | Article 19(1) | 3.5.3; 3.5.4 |       |

| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|-------------------|---------------------|--------------------|--|
| Allocation of the qualifying income or loss of a flow-through entity<br>Section 111S | (2)                                  |                   | Article 19(2)       | 3.5.5              |  |
| Allocation of the qualifying income or loss of a flow-through entity<br>Section 111S | (3)                                  |                   | Article 19(3)       | 3.5.1 (a)          |  |
| Allocation of the qualifying income or loss of a flow-through entity<br>Section 111S | (4)                                  |                   | Article 19(4)       | 3.5.1 (b)          | Reference to “that carries rights to profits” included in the legislation to reflect paragraph 84, page 208, Chapter 10 of OECD Pillar Two Model Rules Commentary. |
| Allocation of the qualifying income or loss of a flow-through entity<br>Section 111S | (5)                                  |                   | Article 19(5)       | 3.5.1 (c)          |  |

| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|--|--------------------------------------|-------------------|---------------------|--------------------|---|
| Allocation of the qualifying income or loss of a flow-through entity<br>Section 111S | (6)                                  |                   | Article 19(6)       | 3.5.2              |   |
| <b>Chapter 4 – Calculation of adjusted covered taxes</b>                             |                                      |                   |                     |                    |   |
| Covered taxes<br>Section 111T  | (1)                                  |                   | Article 20(1)       | 4.2.1              |   |
| Covered taxes<br>Section 111T  | (2)                                  |                   | Article 20(2)       | 4.2.2              |   |
| Covered taxes<br>Section 111T  | (3)                                  |                   | Article 20(3)       | 3.2.6 (a)          |   |
| Adjusted Covered taxes<br>Section 111U   | (1)                                  |                   | Article 21(1)       | 4.1.1              | <p>Paragraph (d) of section 111U reflects OECD Administrative Guidance February 2023 section 2.9.2, paragraph 16, page 64, which inserts paragraph 57.2 into the OECD Pillar 2 Model Rules Commentary to Article 3.2.1(c).</p> <p>Point (b) of paragraph 57.2 provides for this adjustment.</p> |

| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition | EU Directive  | Model Rules | Notes   |
|-------------------------------------|-------------------------------|------------|---------------|-------------|---|
| Adjusted Covered taxes Section 111U | (2)                           |            | Article 21(2) | 4.1.2       | Subsection 2(d) of section 111U includes provisions to clarify the treatment of a marketable transferable tax credit, to reflect OECD Administrative Guidance July 2023 (page 31, paragraph 32).  |
| Adjusted Covered taxes Section 111U | (3)                           |            | Article 21(3) | 4.1.3       | <p>A number of additional provisions have been included in section 111U(3) to reflect relevant agreed OECD guidance on marketable, and non-marketable, transferable tax credits ( OECD Administrative Guidance July 2023).</p> <p>Subsections 3(b) and (c) reflects OECD Administrative Guidance July 2023, page 31, paragraph 32.</p> <p>Subsection 3(f) –reflects OECD Administrative Guidance July 2023, page 36, paragraph 44, item 14.3.a</p> <p>Subsection 3(g)- reflects OECD Administrative Guidance July 2023, page 36, paragraph 44, item 14.3.b</p> <p>Subsection 3(h) – reflects OECD Administrative Guidance July 2023, page 36, paragraph 44, item 14.3.c</p> |

| <b>Irish Legislation – Section Title</b>                   | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                  | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|------------------------------------|---------------------|--------------------|--|
| Adjusted Covered taxes Section 111U                        | (4)                                  |                                    | Article 21(4)       | 4.1.4              |  |
| Adjusted Covered taxes Section 111U                        | (5), (6) and (7)                     |                                    | Article 21(5)       | 4.1.5              | These subsections are subject to subsection (9) which provides for the negative excess tax expense carry forward election as set out in section 2.7 of the OECD Administrative Guidance February 2023 – see subsections (8) to (12) of section 111U. |
| Adjusted Covered taxes Section 111U                        | (8) to (12)                          |                                    |                     |                    | Additional provisions inserted into legislation to reflect agreed OECD guidance on excess negative tax expense as set out in OECD Administrative Guidance February 2023, section 2.7.3.  |
| Meaning of marketable transferable tax credit Section 111V | (1)                                  | Marketable Price Floor             |                     |                    | See OECD Administrative Guidance July 2023, page 32, paragraph 37(b).  |
| Meaning of marketable transferable tax credit Section 111V | (1)                                  | Marketable Transferable Tax Credit |                     |                    | See OECD Administrative Guidance July 2023, page 32, paragraph 37.   |

| <b>Irish Legislation – Section Title</b>                      | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                      | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|---|--------------------------------------|--|---------------------|--------------------|--|
| Meaning of marketable transferable tax credit<br>Section 111V | (1)                                  | Non-Marketable Transferable Tax Credit |                     |                    | See OECD Administrative Guidance July 2023, page 35, paragraph 40.   |
| Meaning of marketable transferable tax credit<br>Section 111V | (1)                                  | Originator                             |                     |                    | See OECD Administrative Guidance July 2023, page 32, paragraph 36.   |
| Meaning of marketable transferable tax credit<br>Section 111V | (1)                                  | Origination year                       |                     |                    | See OECD Administrative Guidance July 2023, page 32, paragraph 37.   |
| Meaning of marketable transferable tax credit<br>Section 111V | (2)                                  |  |                     |                    | Provides for the definition of legal transferability standard.<br><br>See OECD Administrative Guidance July 2023 page 32, paragraph 37(a). |

| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition                                     | EU Directive | Model Rules | Notes   |
|---|-------------------------------|--|--------------|-------------|---|
| Meaning of marketable transferable tax credit<br>Section 111V   | (3)                           |  |              |             | Provides for the definition of the marketability standard.<br><br>See OECD Administrative Guidance July 2023, page 32, paragraph 37(b).                       |
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (1)                           | Expected tax benefits ratio                    |              |             | See OECD Administrative Guidance July 2023, page 37, paragraph 49, 57.7.2 and related provisions in OECD Administrative Guidance February 2023, page 65, 57.6 |
| Equity investment inclusion election and qualified flow-through tax benefits of qualified                                     | (1)                           | Proportional amortisation method of accounting |              |             | see OECD Administrative Guidance July 2023, page 37, paragraph 47.  |



| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition                         | EU Directive | Model Rules | Notes   |
|---|-------------------------------|------------------------------------|--------------|-------------|---|
| ownership interests<br>Section 111W   |                               |                                    |              |             |   |
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (1)                           | Qualified flow-through tax benefit |              |             | see OECD Administrative Guidance February 2023, page 64, paragraph 16, 57.5 and 57.6. |
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (1)                           | Qualified ownership interest       |              |             | see OECD Administrative Guidance February 2023, page 64, paragraph 16, 57.8.          |

| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition | EU Directive | Model Rules | Notes  |
|---|-------------------------------|------------|--------------|-------------|--|
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (2)                           |            |              |             | See OECD Administrative Guidance February 2023, page 64, paragraph 16, 57.2. |
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (3)                           |            |              |             | See OECD Administrative Guidance February 2023, page 64, paragraph 16, 57.2  |

| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition | EU Directive | Model Rules | Notes  |
|---|-------------------------------|------------|--------------|-------------|--|
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (4)                           |            |              |             | See OECD Administrative Guidance February 2023, page 64, paragraph 16, 57.4. |
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (5)                           |            |              |             | See OECD Administrative Guidance February 2023, page 64, paragraph 16, 57.5. |

| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition | EU Directive | Model Rules | Notes  |
|---|-------------------------------|------------|--------------|-------------|--|
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (6)                           |            |              |             | See OECD Administrative Guidance February 2023, page 64, paragraph 16, 57.6. |
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (7)                           |            |              |             | See OECD Administrative Guidance February 2023, page 64, paragraph 16, 57.7. |

| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition | EU Directive | Model Rules | Notes   |
|---|-------------------------------|------------|--------------|-------------|---|
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (8)                           |            |              |             | See OECD Administrative Guidance July 2023, page 37, paragraph 49, 57.7.1 and 57.7.2. |
| Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests<br>Section 111W | (9)                           |            |              |             | See OECD Administrative Guidance July 2023, page 37, paragraph 49, 57.7.1 and 57.7.2  |

| <b>Irish Legislation – Section Title</b>             | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b>    | <b>Notes</b>  |
|--|--------------------------------------|-------------------|---------------------|-----------------------|---|
| Total deferred tax adjustment amount<br>Section 111X | (1)                                  |                   | Article 22(1)       | 4.4.6; 4.4.7          | Subsection (1), in the legislation, also contains the definition of a “recapture exception accrual” which is contained in Article 22(8) of the Directive.               |
| Total deferred tax adjustment amount<br>Section 111X | (2)                                  |                   | Article 22(2)       | 4.4.1                 |   |
| Total deferred tax adjustment amount<br>Section 111X | (3)                                  |                   | Article 22(3)       | 4.4.2 (a) ; 4.4.2 (b) |   |
| Total deferred tax adjustment amount<br>Section 111X | (4)                                  |                   | Article 22(4)       | 4.4.2 (c)             |   |
| Total deferred tax adjustment amount<br>Section 111X | (5)                                  |                   | Article 22(5)       | 4.4.1                 |   |
| Total deferred tax adjustment amount<br>Section 111X | (6) and (7)                          |                   |                     |                       | Subsections (6) and (7) added to the legislation to reflect provisions contained in agreed OECD guidance.<br><br>See paragraph 13, section 2.8.3 of OECD Administrative |

| <b>Irish Legislation – Section Title</b>             | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|-------------------|---------------------|--------------------|--|
|  |                                      |                   |                     |                    | Guidance February 2023 (which inserts a new paragraph 82.2 into the OECD Pillar 2 Model Rules Commentary). |
| Total deferred tax adjustment amount<br>Section 111X | (8)                                  |                   | Article 22(6)       | 4.4.3              |  |
| Total deferred tax adjustment amount<br>Section 111X | (9)                                  |                   | Article 22(7)       | 4.4.4              |  |
| Total deferred tax adjustment amount<br>Section 111X | (10)                                 |                   | Article 22(8)       | 4.4.4; 4.4.5       | Subsection (1) of section 111X contains the definition of a “recapture exception accrual”.                 |
| Qualifying loss election<br>Section 111Y             | (1)                                  |                   | Article 23(1)       | 4.5.1; 4.5.5       |  |
| Qualifying loss election<br>Section 111Y             | (2)                                  |                   | Article 23(2)       | 4.5.3              |  |
| Qualifying loss election<br>Section 111Y             | (3)                                  |                   | Article 23(3)       | 4.5.2              |  |

| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|-------------------|---------------------|--------------------|--|
| Qualifying loss election<br>Section 111Y   | (4)                                  |                   | Article 23(4)       | 4.5.4              |  |
| Qualifying loss election<br>Section 111Y   | (5)                                  |                   | Article 23(5)       | 4.5.5              | Subsection (5)(a) is subject to subsection 5(b) which provides for where an election under the CbCR safe harbour has been made, in accordance with the guidance in page 12 paragraph 33 of OECD Administrative Guidance December 2022. |
| Qualifying loss election<br>Section 111Y   | (6)                                  |                   | Article 23(6)       | 4.5.6              |  |
| Specific allocation of covered taxes incurred by certain types of constituent entities<br>Section 111Z | (1)                                  | Passive income    | Article 24(6)       | 10.1.1             |  |
| Specific allocation of covered taxes incurred by certain types of constituent entities                 | (2)                                  |                   | Article 24(1)       | 4.3.2 (a)          |  |



| Irish Legislation – Section Title  | Irish Legislation– Subsection | Definition | EU Directive  | Model Rules | Notes |
|--|-------------------------------|------------|---------------|-------------|-------|
| Section 111Z   |                               |            |               |             |       |
| Specific allocation of covered taxes incurred by certain types of constituent entities<br>Section 111Z | (3)                           |            | Article 24(2) | 4.3.2 (b)   |       |
| Specific allocation of covered taxes incurred by certain types of constituent entities<br>Section 111Z | (4)                           |            | Article 24(3) | 4.3.2 (c)   |       |

| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b>                | <b>Notes</b>   |
|--|--------------------------------------|-------------------|---------------------|-----------------------------------|--|
| Specific allocation of covered taxes incurred by certain types of constituent entities<br>Section 111Z | (5)                                  |                   | Article 24(4)       | 4.3.2 (d); 10.1.1 (Hybrid Entity) | The definition of a “hybrid entity” is included in section 111A [Interpretation (Part4A)].                                       |
| Specific allocation of covered taxes incurred by certain types of constituent entities<br>Section 111Z | (6)                                  |                   | Article 24(5)       | 4.3.2 (e)                         |  |
| Specific allocation of covered taxes incurred by certain types of constituent entities<br>Section 111Z | (7)                                  |                   | Article 24(6)       | 4.3.3 10.1.1 (Passive Income)     | Subsection (1) of section 111Z contains the definition of “passive income” which is contained in Article 24(6) of the Directive. |
| Specific   | (8)                                  |                   | Article 24(7)       | 4.3.4                             |  |

| <b>Irish Legislation – Section Title</b>  | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                 | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|---|--------------------------------------|-----------------------------------|---------------------|--------------------|--|
| allocation of covered taxes incurred by certain types of constituent entities<br>Section 111Z |                                      |                                   |                     |                    |  |
| Rules required for blended CFC regime<br>Section 111AA  | (1)                                  | Applicable rate                   |                     |                    | See OECD Administrative Guidance February 2023, page 68, Section 2.10.3 paragraph 8. |
| Rules required for blended CFC regime<br>Section 111AA  | (1)                                  | Attributable Income of the Entity |                     |                    | See OECD Administrative Guidance February 2023, page 68, Section 2.10.3 paragraph 8  |
| Rules required for blended CFC regime<br>Section 111AA  | (1)                                  | Blended CFC Tax Regime            |                     |                    | See OECD Administrative Guidance February 2023, page 68, Section 2.10.3 paragraph 8  |
| Rules required for blended CFC regime<br>Section 111AA  | (1)                                  | Jurisdictional ETR                |                     |                    | See OECD Administrative Guidance February 2023, page 68, Section 2.10.3 paragraph 8  |

| <b>Irish Legislation – Section Title</b>                      | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|---|--------------------------------------|-------------------|---------------------|--------------------|--|
| Rules required for blended CFC regime<br>Section 111AA        | (2)                                  |                   |                     |                    | See OECD Administrative Guidance February 2023, page 68, Section 2.10.3 paragraph 8  |
| Rules required for blended CFC regime<br>Section 111AA        | (3)                                  |                   |                     |                    | See OECD Administrative Guidance February 2023, page 68, Section 2.10.3 paragraph 8  |
| Post-filing adjustments and tax rate changes<br>Section 111AB | (1)                                  |                   | Article 25(1)       | 4.6.1              |  |
| Post-filing adjustments and tax rate changes<br>Section 111AB | (2)                                  |                   | Article 25(2)       | 4.6.2              |  |
| Post-filing adjustments and tax rate changes<br>Section 111AB | (3)                                  |                   | Article 25(3)       | 4.6.3              | The wording in subsection (3)(a) of section 111AB takes into account the wording and examples in section 4.6.3, paragraph 130 and 131, page 113 of OECD Pillar Two Model Rules Commentary. |

| <b>Irish Legislation – Section Title</b>                                | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b> |
|---|--------------------------------------|-------------------|---------------------|--------------------|--------------|
| Post-filing adjustments and tax rate changes<br>Section 111AB           | (4)                                  |                   | Article 25(4)       | 4.6.4              |              |
| <b>Chapter 5 – Calculation of the effective tax rate and top-up tax</b> |                                      |                   |                     |                    |              |
| Determination of the effective tax rate<br>Section 111AC                | (1) and (2)                          |                   | Article 26(1)       | 5.1.1              |              |
| Determination of the effective tax rate<br>Section 111AC                | (3)                                  |                   | Article 26(2)       | 5.1.2              |              |
| Determination of the effective tax rate<br>Section 111AC                | (4)                                  |                   | Article 26(3)       | 5.1.3              |              |

| <b>Irish Legislation – Section Title</b>                 | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|--|--------------------------------------|-------------------|---------------------|--------------------|---|
| Determination of the effective tax rate<br>Section 111AC | (5)                                  |                   | Article 26(4)       | 5.1.1              |   |
| Calculation of the top-up tax<br>Section 111AD           | (1)                                  |                   | Article 27(1)       |                    |   |
| Calculation of the top-up tax<br>Section 111AD           | (2)                                  |                   | Article 27(2)       | 5.2.1              |   |
| Calculation of the top-up tax<br>Section 111AD           | (3)                                  |                   | Article 27(3)       | 5.2.3              | OECD Administrative Guidance July 2023, Page 76, paragraph 81 provides further guidance on when a “qualified domestic top-up tax” is “payable”. See section 111A for the definition of “qualified domestic top-up tax payable”. |
| Calculation of the top-up tax<br>Section 111AD           | (4)                                  |                   | Article 27(4)       | 5.2.2              |   |
| Calculation of the top-up tax<br>Section 111AD           | (5)                                  |                   | Article 27(5)       | 5.2.4              |   |

| <b>Irish Legislation – Section Title</b>       | <b>Irish Legislation– Subsection</b> | <b>Definition</b>      | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|------------------------|---------------------|--------------------|--|
| Calculation of the top-up tax Section 111AD    | (6)                                  |                        | Article 27(6)       | 5.2.5              |  |
| Calculation of the top-up tax Section 111AD    | (7)                                  |                        | Article 27(7)       | 5.1.1              |  |
| Substance-based income exclusion Section 111AE | (1)                                  | Eligible Employees     | Article 28(1)       | 5.3.4; 10.1.1      |  |
| Substance-based income exclusion Section 111AE | (1)                                  | Eligible Payroll Costs |                     |                    | Reference to “stock-based compensation” included in the definition of “eligible payroll costs”.<br><br>This is to reflect agreed OECD guidance as referred to in paragraph 34 Chapter 5 of OECD Pillar Two Model Rules Commentary. |
| Substance-based income exclusion Section 111AE | (2)                                  |                        | Article 28(2)       | 5.3.1; 5.3.2       |  |
| Substance-based income exclusion Section 111AE | (3)                                  |                        | Article 28(3)       | 5.3.3              | Subsection (3)(c) has been drafted with reference to paragraph 28 and 29 on Page 44 of OECD Administrative Guidance July 2023.   |

| <b>Irish Legislation – Section Title</b>          | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|---|--------------------------------------|-------------------|---------------------|--------------------|---|
| Substance-based income exclusion<br>Section 111AE | (4)                                  |                   | Article 28(4)       | 5.3.4              | Subsections 4(b)(ii) & (iii) reflect Paragraph 31 on pages 44 and 45 of OECD Administrative Guidance July 2023. |
| Substance-based income exclusion<br>Section 111AE | (5)                                  |                   | Article 28(5)       | 5.3.5              |   |
| Substance-based income exclusion<br>Section 111AE | (6)                                  |                   | Article 28(6)       | 5.3.6              |   |
| Substance-based income exclusion<br>Section 111AE | (7)                                  |                   | Article 28(7)       | 5.3.7              |   |
| Substance-based income exclusion<br>Section 111AE | (8)                                  |                   | Article 28(8)       | 5.1.1              |   |
| Substance-based income exclusion                  | (9)                                  |                   | Article 28(9)       | 5.3.2              |   |



| <b>Irish Legislation – Section Title</b>          | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|---|--------------------------------------|-------------------|---------------------|--------------------|---|
| Section 111AE                                     |                                      |                   |                     |                    |   |
| Substance-based income exclusion<br>Section 111AE | (10) & (11)                          |                   |                     |                    | Subsections (10) and (11) reflect paragraph 53, section 3, page 48 of OECD Administrative Guidance July 2023 which inserts new paragraph 43 into the OECD Pillar Two Model Rules Commentary on Article 5.3.4. |
| Substance-based income exclusion<br>Section 111AE | (12)                                 |                   |                     |                    | Subsection (12) reflects Paragraph 72, section 3, page 55 of OECD Administrative Guidance July 2023 which amends paragraph 63 of the OECD Pillar Two Model Rules Commentary to Article 5.3.7.                 |
| Additional top-up tax<br>Section 111AF            | (1)                                  |                   | Article 29(1)       | 5.4.1              |   |
| Additional top-up tax<br>Section 111AF            | (2)                                  |                   | Article 29(2)       | 5.4.2              | The legislation contains the text “for the purposes of section 111I(2) [Allocation of top-up tax under IIR]” in line with Articles 5.4.2 and 5.4.3 of the OECD Pillar Two Model Rules.                        |
| Additional top-up tax<br>Section 111AF            | (3)                                  |                   | Article 29(3)       | 5.4.3              | Same comment as for subsection (2) above.   |

| <b>Irish Legislation – Section Title</b> | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|-------------------|---------------------|--------------------|--|
| Additional top-up tax<br>Section 111AF   | (4)                                  |                   | Article 29(4)       | 5.4.4              |  |
| De minimis exclusion<br>Section 111AG    | (1)                                  |                   | Article 30(1)       | 5.5.1              | The requirement to make the election annually under Article 5.5.1 of OECD Pillar Two Model Rules is included in section 111AG(6) |
| De minimis exclusion<br>Section 111AG    | (2)                                  |                   | Article 30(2)       | 5.5.2              |  |
| De minimis exclusion<br>Section 111AG    | (3)                                  |                   | Article 30(3)       | 5.5.3 (a)          |  |
| De minimis exclusion<br>Section 111AG    | (4)                                  |                   | Article 30(4)       | 5.5.3 (b)          |  |
| De minimis exclusion<br>Section 111AG    | (5)                                  |                   | Article 30(5)       | 5.5.4              |  |
| De minimis exclusion<br>Section 111AG    | (6)                                  |                   | Article 30(1)       | 5.5.1              |  |

| <b>Irish Legislation – Section Title</b>                    | <b>Irish Legislation– Subsection</b> | <b>Definition</b>        | <b>EU Directive</b> | <b>Model Rules</b>            | <b>Notes</b>   |
|---|--------------------------------------|--------------------------|---------------------|-------------------------------|--|
| Minority owned constituent entities<br>Section 111AH        | (1)                                  |                          | Article 31(1)       | 10.1.1 (relevant definitions) |  |
| Minority owned constituent entities<br>Section 111AH        | (2)                                  |                          | Article 31(2)       | 5.6.1                         |  |
| Minority owned constituent entities<br>Section 111AH        | (3)                                  |                          | Article 31(3)       | 5.6.2                         |  |
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (1)                                  | OECD peer review process | Article 11(2)       |                               | See OECD Administrative Guidance July 2023, page 78, section 5.1 paragraph 6 |
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (1)                                  | QDTP Safe Harbour        |                     |                               | Construed in accordance with subsection (2)                                  |

| <b>Irish Legislation – Section Title</b>                    | <b>Irish Legislation– Subsection</b> | <b>Definition</b>           | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|---|--------------------------------------|-----------------------------|---------------------|--------------------|---|
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (1)                                  | QDTT Safe Harbour Standards |                     |                    | See OECD Administrative Guidance July 2023, page 80.                          |
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (1)                                  | QDTT Subgroup               |                     |                    | See OECD Administrative Guidance July 2023, page 78, Section 5.1 paragraph 10 |
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (1)                                  | Specified Return Date       |                     |                    | Defined in section 111AAF   |
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (2)                                  |                             |                     |                    | See paragraph 8, section 5.1, OECD Administrative Guidance July 2023.         |
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (3)                                  |                             |                     |                    | See paragraph 12, section 5.1, OECD Administrative Guidance July 2023.        |

| Irish Legislation – Section Title                           | Irish Legislation– Subsection | Definition | EU Directive | Model Rules | Notes   |
|---|-------------------------------|------------|--------------|-------------|---|
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (4)                           |            |              |             | See - OECD Administrative Guidance July 2023:<br><br>(a) Page 85 example 2<br><br>(b) Page 85 example 3<br><br>(c) Page 86 example 4  |
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (5)                           |            |              |             | See OECD Administrative Guidance July 2023, page 86 example 5   |
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (6)                           |            |              |             | See OECD Administrative Guidance July 2023, page 86 example 7   |
| Qualified domestic top-up tax safe harbour<br>Section 111AI | (7)                           |            |              |             | Administrative provision to ensure that all relevant information concerning the application of the QDTT Safe Harbour is to be included in the top-up tax information return.<br><br>The provisions in relation to the top-up tax information return is provided for in section 111AAI [Top-up tax |

| <b>Irish Legislation – Section Title</b>     | <b>Irish Legislation– Subsection</b> | <b>Definition</b>              | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|--------------------------------|---------------------|--------------------|--|
|  |                                      |                                |                     |                    | information return].   |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Country-by-Country Report      |                     | -                  | See section 891H(1) TCA 1997   |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Investment Entity Jurisdiction |                     |                    | See OECD Administrative Guidance December 2022, page 13 – Special Rules for Investment Entities and their Constituent Entity-owners. |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Multi-Parented MNE Group       |                     |                    | To be construed in accordance with section 111AP   |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Net Unrealised Fair Value Loss |                     |                    | See OECD Administrative Guidance December 2022, page 14, points 8 & 9, and page 20 paragraphs 73 & 74                                |

| <b>Irish Legislation – Section Title</b>     | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|----------------------------------|---------------------|--------------------|--|
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Profit or Loss Before Income Tax |                     |                    | See OECD Administrative Guidance December 2022, page 8   |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Qualified CbC Report             |                     |                    | See OECD Administrative Guidance December 2022, page 8   |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Qualified Financial Statements   |                     |                    | See OECD Administrative Guidance December 2022, page 8   |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Qualified Person                 |                     |                    | See OECD Administrative Guidance December 2022, page 13<br>- Special Rule for Tax Neutral UPEs |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Simplified Covered Taxes         |                     |                    | See OECD Administrative Guidance December 2022, page 6   |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Simplified ETR                   |                     |                    | See OECD Administrative Guidance December 2022, page 6   |

| <b>Irish Legislation – Section Title</b>     | <b>Irish Legislation– Subsection</b> | <b>Definition</b>              | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|--------------------------------|---------------------|--------------------|--|
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Total Revenue                  |                     |                    | See OECD Administrative Guidance December 2022, page 6   |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Transitional CbCR Safe Harbour |                     |                    | To be construed in accordance with subsection (2)  |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Transition Period              |                     |                    | See OECD Administrative Guidance December 2022, page 6   |
| Transitional CbCR safe harbour Section 111AJ | (1)                                  | Transition Rate                |                     |                    | See OECD Administrative Guidance December 2022, page 6   |
| Transitional CbCR safe harbour Section 111AJ | (2)                                  |                                |                     |                    | See OECD Administrative Guidance December 2022, page 6<br>See OECD Administrative Guidance December 2022, page 11 paragraph 29 with respect to 2(c)(ii). |
| Transitional CbCR safe harbour Section 111AJ | (3)                                  |                                |                     |                    | See OECD Administrative Guidance December 2022, page 6   |



| <b>Irish Legislation – Section Title</b>              | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|---|--------------------------------------|-------------------|---------------------|--------------------|---|
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (4)                                  |                   |                     |                    | See OECD Administrative Guidance December 2022, page 14 – Special Rule for Net Unrealised Fair Value Loss and page 20 paragraph 73 & 74 |
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (5)                                  |                   |                     |                    | See OECD Administrative Guidance December 2022, page 10 paragraph 26 – De minimis test  |
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (6)                                  |                   |                     |                    | See OECD Administrative Guidance December 2022, page 11 paragraph 30 – Routine profits  |
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (7)                                  |                   |                     |                    | See OECD Administrative Guidance December 2022, page 13 – Special Rule for Joint Ventures & page 15                                     |
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (8)                                  |                   |                     |                    | See OECD Administrative Guidance December 2022, page 13 – Special Rule for Tax Neutral UPEs & page 17                                   |
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (9)                                  |                   |                     |                    | See OECD Administrative Guidance December 2022, page 13 – Special Rule for Tax Neutral UPEs & page 17                                   |

| <b>Irish Legislation – Section Title</b>              | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|---|--------------------------------------|-------------------|---------------------|--------------------|---|
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (10)                                 |                   |                     |                    | See OECD Administrative Guidance December 2022, page 13 – paragraphs 35 & 36  |
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (11)                                 |                   |                     |                    | See OECD Administrative Guidance December 2022, page 14 – Exclusions  |
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (12)                                 |                   |                     |                    | See OECD Administrative Guidance December 2022, page 11 & page 12 – paragraph 33 – Transition Period  |
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (13)                                 |                   |                     |                    | See OECD Administrative Guidance December 2022, page 12 – paragraph 33 – footnote 3 – Transition Period   |
| Transitional<br>CbCR safe<br>harbour<br>Section 111AJ | (14)                                 |                   |                     |                    | Administrative provision to ensure that all relevant information concerning the application of the transitional CbCR safe harbour is to be included in the top-up tax information return.<br><br>The administration provisions in relation to the top-up tax information return is provided for in section 111AAI [ Top-up tax information return]. |

| <b>Irish Legislation – Section Title</b>                          | <b>Irish Legislation– Subsection</b> | <b>Definition</b>             | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|---|--------------------------------------|-------------------------------|---------------------|--------------------|--|
| Transitional UTPR safe harbour<br>Section 111AK                   | (1)                                  | Corporate Income Tax Rate     |                     |                    | See OECD Administrative Guidance July 2023 which contains guidance on the application of a UTPR Safe Harbour at section 5.2.<br><br>Definition contained at paragraph 5, page 89 & 90.       |
| Transitional UTPR safe harbour<br>Section 111AK                   | (1)                                  | Transition Period Fiscal Year |                     |                    | See OECD Administrative Guidance July 2023 which contains guidance on the application of a UTPR Safe Harbour at section 5.2.<br><br>Definition contained at point 2 in the table on page 89. |
| Transitional UTPR safe harbour<br>Section 111AK                   | (2)                                  |                               |                     |                    | See OECD Administrative Guidance July 2023, point 1 (and paragraph 4), in the table on page 89.  |
| Transitional UTPR safe harbour<br>Section 111AK                   | (3)                                  |                               |                     |                    | See OECD Administrative Guidance July 2023, paragraph 7, Page 90.  |
| <b>Chapter 6 – Corporate restructuring and holding structures</b> |                                      |                               |                     |                    |  |

| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b> |
|--|--------------------------------------|-------------------|---------------------|--------------------|--------------|
| Application of consolidated revenue threshold to group mergers and demergers Section 111AL | (1)                                  | Merger            | Article 33(1)       | 6.1.2              |              |
| Application of consolidated revenue threshold to group mergers and demergers Section 111AL | (1)                                  | Demerger          | Article 33(1)       | 6.1.3              |              |
| Application of consolidated revenue threshold to group mergers and demergers Section 111AL | (2)                                  |                   | Article 33(2)       | 6.1.1 (a)          |              |

| <b>Irish Legislation – Section Title</b>  | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b> |
|---|--------------------------------------|-------------------|---------------------|--------------------|--------------|
| Application of consolidated revenue threshold to group mergers and demergers Section 111AL          | (3)                                  |                   | Article 33(3)       | 6.1.1 (b)          |              |
| Application of consolidated revenue threshold to group mergers and demergers Section 111AL          | (4)                                  |                   | Article 33(4)       | 6.1.1 (c)          |              |
| Constituent entities joining and leaving an MNE group or a large-scale domestic group Section 111AL | (1)                                  |                   | Article 34(1)       | 6.2.1 (a)          |              |

| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition | EU Directive  | Model Rules | Notes |
|---|-------------------------------|------------|---------------|-------------|-------|
| Constituent entities joining and leaving an MNE group or a large-scale domestic group Section 111AL | (2)(a)                        |            | Article 34(2) | 6.2.1 (b)   |       |
| Constituent entities joining and leaving an MNE group or a large-scale domestic group Section 111AL | (2)(b)                        |            | Article 34(3) | 6.2.1 (c)   |       |
| Constituent entities joining and leaving an MNE group or a large-scale domestic group Section 111AL | (2)(c)                        |            | Article 34(4) | 6.2.1 (d)   |       |

| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b> |
|--|--------------------------------------|-------------------|---------------------|--------------------|--------------|
| Constituent entities joining and leaving an MNE group or a large-scale domestic group<br>Section 111AL | (2)(d)                               |                   | Article 34(5)       | 6.2.1 (e)          |              |
| Constituent entities joining and leaving an MNE group or a large-scale domestic group<br>Section 111AL | (3) and (4)                          |                   | Article 34(6)       | 6.2.1 (f)          |              |
| Constituent entities joining and leaving an MNE group or a large-scale domestic group<br>Section 111AL | (5)                                  |                   | Article 34(7)       | 6.2.1 (g)          |              |

| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b>  | <b>Notes</b>                                      |
|--|--------------------------------------|-------------------|---------------------|---|---|
| Constituent entities joining and leaving an MNE group or a large-scale domestic group<br>Section 111AL | (6)                                  |                   | Article 34(8)       | 6.2.1 (h)   |   |
| Constituent entities joining and leaving an MNE group or a large-scale domestic group<br>Section 111AL | (7)                                  |                   | Article 34(9)       | 6.2.2   |   |
| Transfer of assets and liabilities<br>Section 111AN  | (1)                                  |                   | Article 35(1)       | 10.1.1 (Reorganisation)<br>10.1.1 (Non-qualifying Gain or Loss) | See OECD Commentary 2022, paragraph 23, page 197. |
| Transfer of assets and liabilities<br>Section 111AN  | (2) and (3)                          |                   | Article 35(2)       | 6.3.1   |   |
| Transfer of assets and liabilities   | (4)                                  |                   | Article 35(3)       | 6.3.2   |   |



| <b>Irish Legislation – Section Title</b>            | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b>  | <b>Notes</b>   |
|---|--------------------------------------|-------------------|---------------------|---|--|
| Section 111AN                                       |                                      |                   |                     |   |  |
| Transfer of assets and liabilities<br>Section 111AN | (5)                                  |                   | Article 35(4)       | 6.3.3   |  |
| Transfer of assets and liabilities<br>Section 111AN | (6) and (7)                          |                   | Article 35(5)       | 6.3.4   |  |
| Joint ventures<br>Section 111AO                     | (1)                                  |                   | Article 36(1)       | 10.1.1 (Joint Venture)<br>10.1.1 (Joint Venture Subsidiary) | The legislation has provided for Article 36(1)(b)(ii) by means of subsection (2) in section 111AO. |
| Joint ventures<br>Section 111AO                     | (2)                                  |                   |                     |   | See note above.  |
| Joint ventures<br>Section 111AO                     | (3)                                  |                   | Article 36(2)       | 6.4.1 (a)   |  |
| Joint ventures<br>Section 111AO                     | (4)                                  |                   | Article 36(3)       | 6.4.1 (b)   |  |
| Joint ventures<br>Section 111AO                     | (5)                                  |                   | Article 36(4)       | 6.4.1 (c)   |  |

| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b>  | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|--|--------------------------------------|--|---------------------|--------------------|--|
| Multi-parented MNE groups<br>Section 111AP | (1)                                  | Consolidated Financial Statements of the Multi-Parented MNE Group or Multi-Parented Large-Scale Domestic Group | Article 37(3)       | 6.4.1 (c)          | Article 37(3) is effectively included as a definition of ‘consolidated financial statements of the multi-parented MNE group or large-scale domestic group’ in subsection (1).  |
| Multi-parented MNE groups<br>Section 111AP | (1)                                  | Dual-listed Arrangement  |                     | 10.1.1             |  |
| Multi-parented MNE groups<br>Section 111AP | (1)                                  | Multi-parented Large-scale Domestic Group  | Article 37(1)       | n/a                | Definition of ‘multi-parented MNE group or large-scale domestic group’ has been legislated for by way of two separate definitions for ‘multi-parented large-scale group’ and ‘multi-parented MNE group’. This is to ensure that the provisions also apply in respect of large-scale domestic groups. |
| Multi-parented MNE groups<br>Section 111AP | (1)                                  | Multi-parented MNE Group   | Article 37(1)       | 10.1.1             |  |
| Multi-parented MNE groups                  | (1)                                  | Stapled Structure  | Article 37(1)       | 10.1.1             |  |

| <b>Irish Legislation – Section Title</b>                   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b>    | <b>Notes</b> |
|--|--------------------------------------|-------------------|---------------------|-----------------------|--------------|
| Section 111AP  |                                      |                   |                     |                       |              |
| Multi-parented MNE groups<br>Section 111AP                 | (2) and (3)                          |                   | Article 37(2)       | 6.4.1 (a) ; 6.4.1 (b) |              |
| Multi-parented MNE groups<br>Section 111AP                 | (4)                                  |                   | Article 37(4)       | 6.4.1 (d)             |              |
| Multi-parented MNE groups<br>Section 111AP                 | (5)                                  |                   | Article 37(5)       | 6.4.1 (e)             |              |
| Multi-parented MNE groups<br>Section 111AP                 | (6)                                  |                   | Article 37(6)       | 6.4.1 (f)             |              |
| Multi-parented MNE groups<br>Section 111AP                 | (7)                                  |                   | Article 37(7)       | 6.4.1 (g)             |              |
| <b>Chapter 7 – Tax neutrality and distribution regimes</b> |                                      |                   |                     |                       |              |

| <b>Irish Legislation – Section Title</b>                              | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                                    | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b> |
|---|--------------------------------------|--|---------------------|--------------------|--------------|
| Ultimate parent entity that is a flow-through entity<br>Section 111AQ | (1)                                  | Ultimate parent entity that is a flow-through entity | Article 38(1)       | 7.1.1 (a)          |              |
| Ultimate parent entity that is a flow-through entity<br>Section 111AQ | (2)                                  |  | Article 38(2)       | 7.1.1 (b)          |              |
| Ultimate parent entity that is a flow-through entity<br>Section 111AQ | (3)                                  |  | Article 38(3)       | 7.1.2              |              |
| Ultimate parent entity that is a flow-through entity<br>Section 111AQ | (4)                                  |  | Article 38(4)       | 7.1.3              |              |
| Ultimate parent entity that is a flow-through entity<br>Section 111AQ | (5)                                  |  | Article 38(5)       | 7.1.4              |              |

| Irish Legislation – Section Title  | Irish Legislation– Subsection | Definition                 | EU Directive  | Model Rules | Notes   |
|--|-------------------------------|----------------------------|---------------|-------------|---|
| Ultimate parent entity subject to a deductible dividend regime Section 111AR | (1)                           | Cooperative                | Article 39(1) | 10.1.1      | The definition of a “patronage dividend” and “supply cooperative” based on Article 7.2.1 of OECD Pillar 2 Model Rules Commentary, paragraph 42. |
| Ultimate parent entity subject to a deductible dividend regime Section 111AR | (1)                           | Deductible Dividend        | Article 39(1) | 10.1.1      |   |
| Ultimate parent entity subject to a deductible dividend regime Section 111AR | (1)                           | Deductible Dividend Regime | Article 39(1) | 10.1.1      |   |

| <b>Irish Legislation – Section Title</b>  | <b>Irish Legislation– Subsection</b> | <b>Definition</b>  | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>  |
|---|--------------------------------------|--------------------|---------------------|--------------------|---|
| Ultimate parent entity subject to a deductible dividend regime<br>Section 111AR | (1)                                  | Patronage Dividend | n/a                 | n/a                |   |
| Ultimate parent entity subject to a deductible dividend regime<br>Section 111AR | (1)                                  | Supply Cooperative |                     |                    | See paragraph 42, page 165 of on Chapter 7 of OECD Pillar 2 Model Rules Commentary.   |
| Ultimate parent entity subject to a deductible dividend regime<br>Section 111AR | (2), (3)(a) and (3)(b)               |                    | Article 39(2)       | 7.2.1              | In relation to section 111AR(3)(b), see paragraph 41, page 165 of on Chapter 7 of OECD Pillar Two Model Rules Commentary regarding Article 7.2.1(a)(ii) of the OECD Pillar 2 Model Rules. |
| Ultimate parent entity subject to a deductible                                  | (3)(c)                               |                    | Article 39(3)       | 7.2.1              |   |

| <b>Irish Legislation – Section Title</b>  | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b> |
|---|--------------------------------------|-------------------|---------------------|--------------------|--------------|
| dividend regime<br>Section 111AR  |                                      |                   |                     |                    |              |
| Ultimate parent entity subject to a deductible dividend regime<br>Section 111AR | (4)                                  |                   | Article 39(4)       | 7.2.2              |              |
| Ultimate parent entity subject to a deductible dividend regime<br>Section 111AR | (5)                                  |                   | Article 39(5)       | 7.2.3              |              |
| Ultimate parent entity subject to a deductible dividend regime<br>Section 111AR | (6)                                  |                   | Article 39(6)       | 7.2.4              |              |

| <b>Irish Legislation – Section Title</b>        | <b>Irish Legislation– Subsection</b> | <b>Definition</b>                 | <b>EU Directive</b> | <b>Model Rules</b>   | <b>Notes</b> |
|---|--------------------------------------|-----------------------------------|---------------------|----------------------|--------------|
| Eligible Distribution Tax Systems Section 111AS | (1)                                  | Eligible Distribution Tax Systems | Article 40(1)       | 7.3.1                |              |
| Eligible Distribution Tax Systems Section 111AS | (2)                                  |                                   | Article 40(2)       | 7.3.2                |              |
| Eligible Distribution Tax Systems Section 111AS | (3)                                  |                                   | Article 40(3)       | 7.3.3 (a); 7.3.3 (b) |              |
| Eligible Distribution Tax Systems Section 111AS | (4)                                  |                                   | Article 40(4)       | 7.3.3 (c); 7.3.4     |              |
| Eligible Distribution Tax Systems Section 111AS | (5)                                  |                                   | Article 40(5)       | 7.3.5                |              |
| Eligible Distribution Tax Systems Section 111AS | (6)                                  |                                   | Article 40(6)       | 7.3.6                |              |



| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b> |
|--|--------------------------------------|-------------------|---------------------|--------------------|--------------|
| Eligible Distribution Tax Systems Section 111AS  | (7)                                  |                   | Article 40(7)       | 7.3.7; 7.3.8       |              |
| Eligible Distribution Tax Systems Section 111AS  | (8)                                  |                   | Article 40(1)       | 7.3.1; 7.3.5       |              |
| Determination of the effective tax rate and top-up tax of an investment entity Section 111AT | (1)                                  |                   | Article 41(1)       | 7.4.1; 7.4.2       |              |
| Determination of the effective tax rate and top-up tax of an investment entity Section 111AT | (2)                                  |                   | Article 41(2)       | 7.4.2              |              |

| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition | EU Directive  | Model Rules  | Notes  |
|---|-------------------------------|------------|---------------|--------------|--|
| Determination of the effective tax rate and top-up tax of an investment entity<br>Section 111AT | (3)                           |            | Article 41(3) | 7.4.3        |  |
| Determination of the effective tax rate and top-up tax of an investment entity<br>Section 111AT | (4)                           |            | Article 41(4) | 7.4.5; 7.4.6 | Subsection 4(a) – in the formula, regarding amount “D” – see OECD Administrative Guidance, July 2023, page 64, paragraph 34. |
| Determination of the effective tax rate and top-up tax of an investment entity<br>Section 111AT | (5)                           |            | Article 41(5) | 7.4.4        |  |

| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition | EU Directive  | Model Rules | Notes  |
|---|-------------------------------|------------|---------------|-------------|--|
| Election to treat an investment entity as a tax transparent entity<br>Section 111AU | (1)                           |            | Article 42(2) | 7.5.1       | Definition of ‘insurance investment entity’ included in section 111A [Interpretation Part (4A)].<br><br>Also to note, ‘insurance investment entity’ is included in the definition of ‘investment entity’ in section 111A. Therefore, reference is only made to ‘investment entity’ in section 111AU. |
| Election to treat an investment entity as a tax transparent entity<br>Section 111AU | (2)                           |            | Article 42(3) | 7.5.1       |  |
| Election to treat an investment entity as a tax transparent entity<br>Section 111AU | (3) and (4)                   |            | Article 42(4) | 7.5.2       |  |

| <b>Irish Legislation – Section Title</b>                         | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b> |
|--|--------------------------------------|-------------------|---------------------|--------------------|--------------|
| Election to apply a taxable distribution method<br>Section 111AV | (1)                                  |                   | Article 43(1)       | 7.6.1              |              |
| Election to apply a taxable distribution method<br>Section 111AV | (2)                                  |                   | Article 43(2)       | 7.6.2; 7.6.5       |              |
| Election to apply a taxable distribution method<br>Section 111AV | (3)                                  |                   | Article 43(3)       | 7.6.3; 7.6.4       |              |
| Election to apply a taxable distribution method<br>Section 111AV | (4)                                  |                   | Article 43(4)       | 7.6.5              |              |

| <b>Irish Legislation – Section Title</b>   | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b> |
|--|--------------------------------------|-------------------|---------------------|--------------------|--------------|
| Election to apply a taxable distribution method<br>Section 111AV   | (5) and (7)                          |                   | Article 43(5)       | 7.6.6              |              |
| Election to apply a taxable distribution method<br>Section 111AV   | (6)                                  |                   | Article 43(1)       | 7.6.1              |              |
| <b>Chapter 8 – Transition rules</b>  |                                      |                   |                     |                    |              |
| Tax treatment of deferred tax assets, deferred tax liabilities and transferred assets upon transition<br>Section 111AW | (1)                                  |                   | Article 47(1)       | 10.1.1             |              |

| Irish Legislation – Section Title  | Irish Legislation– Subsection | Definition | EU Directive  | Model Rules | Notes   |
|--|-------------------------------|------------|---------------|-------------|---|
| Tax treatment of deferred tax assets, deferred tax liabilities and transferred assets upon transition<br>Section 111AW | (2)                           |            | Article 47(2) | 9.1.1       | The term “transition year” is defined in subsection (1) of section 111AW. |
| Tax treatment of deferred tax assets, deferred tax liabilities and transferred assets upon transition<br>Section 111AW | (3)                           |            | Article 47(3) | 9.1.2       |   |
| Tax treatment of deferred tax assets, deferred tax liabilities and transferred assets upon transition                  | (4)                           |            | Article 47(4) | 9.1.3       |   |

| <b>Irish Legislation – Section Title</b>  | <b>Irish Legislation– Subsection</b> | <b>Definition</b> | <b>EU Directive</b> | <b>Model Rules</b> | <b>Notes</b>   |
|---|--------------------------------------|-------------------|---------------------|--------------------|--|
| Section 111AW   |                                      |                   |                     |                    |  |
| Transitional relief for substance-based income exclusion<br>Section 111AX                                       | (1)                                  |                   | Article 48(1)       | 9.2.1              | For this section, OECD Pillar Two Model Rules Article 9.2.1 has been adopted in the legislation. |
| Transitional relief for substance-based income exclusion<br>Section 111AX                                       | (2)                                  |                   | Article 48(2)       | 9.2.2              | For this section, OECD Pillar Two Model Rules Article 9.2.2 has been adopted in the legislation. |
| Initial phase of exclusion from the IIR and UTPR of MNE groups and large-scale domestic groups<br>Section 111AY | (1)                                  |                   | Article 49(1)       | 9.3.1              |  |

| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition | EU Directive  | Model Rules  | Notes |
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| Initial phase of exclusion from the IIR and UTPR of MNE groups and large-scale domestic groups<br>Section 111AY | (2)                           |            | Article 49(2) | 9.3.1        |       |
| Initial phase of exclusion from the IIR and UTPR of MNE groups and large-scale domestic groups<br>Section 111AY | (3)                           |            | Article 49(3) | 9.3.2; 9.3.3 |       |
| Initial phase of exclusion from the IIR and UTPR of MNE groups and large-scale domestic                         | (4)                           |            | Article 49(4) | 9.3.4        |       |



| Irish Legislation – Section Title   | Irish Legislation– Subsection | Definition           | EU Directive  | Model Rules | Notes  |
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| groups<br>Section 111AY   |                               |                      |               |             |  |
| Initial phase of exclusion from the IIR and UTPR of MNE groups and large-scale domestic groups<br>Section 111AY | (5)                           |                      | Article 49(5) |             |  |
| Delayed application of the IIR and UTPR by Member States<br>Section 111AZ                                       | (1) and (2)                   |                      | Article 50(2) |             |  |
| <b>Chapter 9 – Domestic Top-up Tax</b>  |                               |                      |               |             |  |
| Interpretation (Chapter 9) – section 111AAA   | (1)                           | Foreign IIR Election |               |             | This definition is required as there may be elections that are made for the purposes of calculating a tax equivalent to IIR/UTPR top-up tax in another jurisdiction that are given effect for the purposes of the domestic top-up tax which are made via a GIR filed with the Revenue Commissioners in Ireland or a foreign tax authority. |

| <b>Irish Legislation – Section Title</b>    | <b>Irish Legislation– Subsection</b> | <b>Definition</b>               | <b>EU Directive</b> | <b>Model Rules</b>  | <b>Notes</b>   |
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| Interpretation (Chapter 9) – section 111AAA | (1)                                  | Local Accounting Standard       |                     |   | See OECD Administrative Guidance July 2023, section 5.1 page 80.   |
| Interpretation (Chapter 9) – section 111AAA | (1)                                  | Qualifying Entity               |                     |   | To be construed in accordance with section 111AAB TCA 1997.  |
| Interpretation (Chapter 9) – section 111AAA | (1)                                  | Standalone Financial Statements |                     |   | This definition is required for the purposes of applying the domestic top-up tax to standalone entities that are within scope of domestic top-up tax.  |
| Qualifying entities Section 111AAB          | (1) & (2)                            |                                 |                     | OECD Admin Guidance Feb 2023, Section 5 and July 2023, Sections 4 and 5.1 | <p>This section sets out what entities are in scope of the domestic top-up tax, being ‘qualifying entities’. The requirement is that it is an entity or permanent establishment located in Ireland and it is one of paragraph (a) – (c), excluding investment entities and insurance investment entities.</p> <p>(a) OECD Administrative Guidance February 2023 sets out on page 100 – paragraph 118.2 – 118.5 that a QDMTT must apply to domestic Constituent Entities of MNE Groups that meet the scope threshold.</p> <p>(b) OECD Administrative Guidance February 2023 page 101 – paragraph 118.8 provides that jurisdictions can choose</p> |

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| Chargeable entities<br>Section 111AAC                             | (1) |  |  |   | Subsection (1) provides that qualifying entities per section 111AAB (1)(a) and (b) are chargeable to QDTT in respect of a fiscal year.   |
| Chargeable entities<br>Section 111AAC                             | (2) |  |  |   | Subsection (2) provides that qualifying entities per section 111AAB (1)(c) are chargeable to QDTT in respect of an accounting year. This is on the basis that standalone entities will not have a fiscal year as defined (which relates to the accounting period of an ultimate parent entity).  |
| Chargeable entities<br>Section 111AAC                             | (3) |  |  |   | Subsection (3) provides for joint and several liability to be applied to the owners of a flow-through entity in respect of any QDTT liability of that entity.  |
| Determining top-up amounts of qualifying entity<br>Section 111AAD | (1) |  |  | OECD Admin Guidance Feb 2023, Section 5 and July 2023, Sections 4 and 5.1 | <p>Subsection (1) provides that the rules relating to the computation of the Income Inclusion Rule ('IIR') and Undertaxed Payments Rule ('UTPR') as set in Chapters 3-8 apply for the purposes of determining the amount due under the QDTT, subject to subsections (2)-(6) of this section.</p> <p>The OECD Administrative Guidance February 2023 provided some guidelines on aspects of the design and operation of a QDMTT to be used for an assessment of whether a minimum tax meets the requirements for qualified status.</p> <p>It set out two guiding principles for evaluating QDMTTs:</p> |

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|  |  |  |  |  | <p>(a) the minimum tax must be consistent with the design of the GloBE Rules;</p> <p>and</p> <p>(b) the minimum tax must provide for outcomes that are consistent with the GloBE Rules and Commentary.</p> <p>The OECD Administrative Guidance July 2023 set out further specific requirements and the standards to be met in order for a QDMTT to qualify for safe harbour status.</p> <p>The remainder of this section sets out the changes needed for the calculation of the QDTT to operate as intended and give effect to the mandatory variations from the IIR/UTPR rules which must be applied in calculating the QDTT to meet the requirements of the guidance.</p> <p>See pages 83-87 of OECD Administrative Guidance July 2023 regarding the consistency standard, mandatory variations and optional variations.</p> |
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| <p>Determining top-up amounts of qualifying entity<br/>Section 111AAD</p> | <p>(2)</p> |  |  |  | <p>Subsection (2) alters the IIR and UTPR provisions in order to give effect to the QDTT for example, by substitution of certain terms, insertion or omission of certain sections etc.</p> <p>(a) Substitutes ‘qualifying entity’ where constituent entity is used in Chapters 3-8.</p> <p>(b) The reason for the omission of these provisions is that the calculation of top-up tax for IIR and UTPR requires that a credit be given for QDTT payable in that territory. A credit should not be available for QDTT/QDMTT in calculating QDTT.</p> <p>(c) These provisions are excluded as Ireland does not have a distribution tax system and therefore are irrelevant for to the calculation of a QDTT. (A distribution tax system (Article 3(42)) is a system in place on or before 1 July 2021 that imposes corporation tax of 15% or more on profits only where those profits are distributed or deemed to be distributed or when certain non-business expenses are incurred.)</p> <p>(d) Financial accounting net income or loss is defined with reference to the accounting standard of the ultimate parent</p> |
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|  |  |  |  |  | <p>standard in the calculation of QDIT in certain circumstances (see below) the definition needs to be amended where a local accounting standard is used.</p> <p>(e) This provision relates to the 'Accounting Standard Rule'. Page 80 of OECD Administrative Guidance July 2023 provides that in applying a QDMTT a territory can use the provisions of Articles 3.1.2 and 3.1.3 of the OECD Pillar 2 Model Rules or the Local Financial Accounting Standard, subject to certain conditions. The approach in the legislation has been made to apply the Local Financial Accounting Standard. See also para 14-26 pages 80-82 of the OECD Administrative Guidance July 2023.</p> <p>(f) – (h) Page 67 paragraph 44 of the OECD Administrative Guidance July 2023 provides for a number of specific mandatory variations of the IIR rules relating to covered taxes when applying a QDMTT.</p> <p>(i) Disapplies rules relating to the allocable share of a parent company in a joint venture / joint venture affiliate contained in section 111AO. Page 57 and example 7 on page 86/87 of the OECD Administrative Guidance July 2023 refer.</p> <p>(j) Disapplies the charging and filing provisions contained in the IIR/UTPR sections relating to multi-parented MNE groups as these are not relevant to the QDMTT.</p> |
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| Determining top-up amounts of qualifying entity<br>Section 111AAD | (3) |  |  |                          | <p>Subsection (3) provides for the amendments required to ensure that the QDTP operates as intended for standalone entities that are in scope of QDTP.</p> <p>The paragraphs substitute language referable to group entities ((a) and (b)) and excludes group related provisions ((c)(i) – (xi)) as they are not relevant to standalone entities.</p>   |
| Determining top-up amounts of qualifying entity<br>Section 111AAD | (4) |  |  | 9.3 – Transitional Rules | <p>Page 86 example 4 of OECD Administrative Guidance July 2023 allows for a territory to opt how it will apply Article 9.3 of the Model Rules for the purposes of the QDTP, which refers to a transitional exclusion for MNE groups in their initial phase of international activity. This option does not impact compliance with the ‘Consistency Standard’.</p> <p>The Irish legislation applies option 2 which is to provide for a limited exclusion i.e. the exclusion is limited to where the entity(ies) are not held by an entity that would be subject to the IIR in respect of that entity(ies).</p> |
| Determining top-up amounts of qualifying entity<br>Section 111AAD | (5) |  |  |                          | <p>Page 69, paragraphs 118.49.1 and 118.49.2, OECD Administrative Guidance July 2023 refers.</p> <p>This subsection provides for alignment of IIR/UTPR rules and QDTP rules with regard to the transition year where a QDTP applies to an entity before an IIR or UTPR applies to that entity.</p>  |

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| Determining top-up amounts of qualifying entity<br>Section 111AAD        | (6)       |  |  |  | This subsection provides that elections that are made for the purposes of calculating IIR/UTPR top-up tax are given effect for the purposes of QDTT.   |
| Determining top-up amounts of qualifying entity<br>Section 111AAD        | (7)       |  |  |  | Provides, for the purposes of subsection (6) that a foreign IIR election, as defined, is treated as an election made under Part 4A.  |
| Scope of application of qualifying domestic top-up tax<br>Section 111AAE | (1)       |  |  |  | This is the QDTT commencement date provision.<br><br>(a) Provides that the provision will apply in respect of constituent entities/joint ventures/joint venture affiliates for fiscal years commencing on or after 31 December 2023; and<br>(b) for standalone entities, that also meet the entity revenue threshold and are not an excluded entity, for accounting periods commencing on, or after, 31 December 2023. |
| <b>Chapter 10 – Administration</b>                                       |           |  |  |  |  |
| Interpretation (Chapter 10)<br>Section 111AAF                            | (1) - (4) |  |  |  | Introduces definitions relating to the administration of this Part.  |



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| Care and management<br>Section<br>111AAG        | (1) & (2) |  |                                 |              | This section provides that the three GloBE taxes (IIR top-up tax, UTPR top-up tax and domestic top-up tax) are all under the care and management of the Revenue Commissioners.   |
| Obligation to register<br>Section<br>111AAH     | (1) - (6) |  |                                 |              | This section imposes an obligation on an entity within scope of GloBE taxes to notify the Revenue Commissioners, register and provide the necessary information.   |
| Top-up tax information return<br>Section 111AAI | (1)       |  | Article 44(2)                   | 8.1.1; 8.1.5 | This section places an obligation on an entity to prepare and deliver to the Revenue Commissioners a top-up tax information return.  |
| Top-up tax information return<br>Section 111AAI | (2)       |  | Article 44(3);<br>Article 44(4) | 8.1.2; 8.1.3 |  |
| Top-up tax information return<br>Section 111AAI | (3)       |  | Article 44(5)                   | 8.1.4        |  |
| Top-up tax information return<br>Section 111AAI | (4)       |  |                                 |              | This subsection contains an additional required administrative provisions:<br><br><ul style="list-style-type: none"> <li>• Where an entity does not have the required information to prepare and deliver the top-up tax information return, that entity shall request the required information from the ultimate parent entity.</li> </ul> |

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|  |           |  |               |  | <ul style="list-style-type: none"> <li>• Where the ultimate parent entity fails to provide such information, the entity is obligated to notify the Revenue Commissioners of that failure.</li> </ul>   |
| Top-up tax information return<br>Section 111AAI  | (5)       |  | Article 44(6) |  |  |
| Top-up tax information return<br>Section 111AAI  | (6)       |  |               |  | <p>This subsection contains an administration provision which clarifies when a top-up tax information return might be amended.</p> <p>A top-up tax information return may be amended where that amendment is necessary to correct either an error or mistake or to comply with any provision of Part 4A.</p> |
| Top-up tax information return<br>Section 111AAI  | (7)       |  |               |  | An administration provision which itemises the required information that a notification of filer must include when notifying the Revenue Commissioners under this section.   |
| Top-up tax information return<br>Section 111AAI  | (8)       |  | Article 44(7) |  | Definition of 'specified return date' effectively transposes the requirement of Article 44(7).   |
| IIR return and self-assessment<br>Section 111AAJ | (1) - (3) |  |               |  | <p>Details the requirements for a domestic return in relation to IIR top-up tax liabilities.</p> <p>This section provides that a relevant parent entity shall</p>  |

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|   |           |  |  |  | prepare and deliver to the Revenue Commissioners a full and true return for the fiscal year, in the prescribed form, on or before the specified return date. This form is referred to as the "IIR return".  |
| UTPR return and self-assessment<br>Section 111AAK | (1) - (3) |  |  |  | <p>Details the requirements for a domestic return in relation to UTPR top-up tax liabilities.</p> <p>This section provides that a relevant UTPR entity shall prepare and deliver to the Revenue Commissioners a full and true return for the fiscal year, in the prescribed form, on or before the specified return date. This form is referred to as the "UTPR return".</p>  |
| UTPR group<br>Section 111AAL                      | (1) - (5) |  |  |  | <p>Provisions relating to the creation of a UTPR group, designation of group filer and payments matters.</p> <p>This section provides that a "UTPR group" in relation to a fiscal year shall comprise of all members of an MNE group that would be required to prepare and deliver a UTPR return to the Revenue Commissioners for the fiscal year. The members of the group are referred to as "the relevant UTPR members".</p> <p>The relevant members must have elected to become members of the UTPR group and must have appointed one such member to be designated as the "UTPR group filer".</p> |

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| UTPR group recovery<br>Section<br>111AAM             | (1) - (3) |  |  |  | <p>Provisions relating to recovery of UTPR defaults within the group.</p> <p>An administrative provision to assist in the collection of taxes, which includes imposing a liability on other group members in certain cases of non-payment by the filing entity.</p>  |
| QDTT return and self-assessment<br>Section<br>111AAN | (1) - (3) |  |  |  | <p>Details the requirements for a domestic return in relation to domestic top-up tax liabilities.</p> <p>This section provides that a qualifying entity shall prepare and deliver to the Revenue Commissioners a full and true return for the fiscal year, in the prescribed form, on or before the specified return date.</p> <p>This form is referred to as the “QDTT return”.</p> |

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| <p>QDTT group<br/>Section<br/>111AAO</p>          | <p>(1) - (5)</p> |  |  |  | <p>Provisions relating to the creation of a QDTT group, designation of group filer and payments matters.</p> <p>This section provides that a “QDTT group” in relation to a fiscal year shall comprise of all members of an MNE group, large-scale domestic group or joint venture group that would be required to prepare and deliver a QDTT return to the Revenue Commissioners for the fiscal year on or before the specified return date.</p> <p>The members of the group are referred to as “the relevant QDTT members”.</p> <p>The relevant QDTT members must have elected to become members of the QDTT group and must have appointed one such member to be designated as the “QDTT group filer”.</p> |
| <p>QDTT group<br/>recovery<br/>Section 111AAP</p> | <p>(1) - (3)</p> |  |  |  | <p>Provisions relating to recovery of QDTT defaults within the group.</p> <p>An administrative provision to assist in the collection of taxes, which includes imposing a liability on other group members in certain cases of non-payment by the filing entity.</p>   |

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| Expression of doubt<br>Section 111AAQ                      | (1) - (8) |  |  |  | This section provides that an entity may file an expression of doubt with the domestic GloBE returns where they are in doubt as to the correct application of the law relating to the application of this Part, or where applicable, doubt relating to the application of guidance.              |
| Actions by person acting under authority<br>Section 111AAR | (1) - (3) |  |  |  | An administrative section that provides that a person other than an entity can act on behalf of the entity. This is a distinctly separate authority to that of the designated local entity and is designed to cover scenarios where a return is being filed by an agent on behalf of a taxpayer. |
| Date for payment<br>Section 111AAS                         | (1)       |  |  |  | This section provides that GloBE tax is due and payable on the specified return date (being the day 15 months after the end of the fiscal year, or where the fiscal year is a transition year, 18 months after the end of the fiscal year).  |
| Assessments and enquiries<br>Section 111AAT                | (1)       |  |  |  | This section provides for the ability of the Revenue Commissioners to make assessments and enquiries on Globe returns.   |
| Revenue assessment<br>Section 111AAU                       | (1) - (4) |  |  |  | Provides rules relating to the making of Revenue Commissioner assessments.   |

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| Notice of Revenue assessment<br>Section 111AAV       | (1) - (3) |  |  |  | This section provides that where a Revenue Commissioners assessment is made, the Revenue Commissioners officer will give notice to the entity of that assessment which may be given by electronic means. |
| Appeal to Appeal Commissioners<br>Section 111AAW     | (1) - (2) |  |  |  | This section provides a right of appeal where an entity is aggrieved by a Revenue Commissioners assessment.  |
| Surcharge for late return<br>Section 111AAX          | (1) - (5) |  |  |  | This section provides that where a return is submitted after the specified return date, the amount of GloBE tax payable is increased by a surcharge calculated under this section.                       |
| Interest on overdue amounts<br>Section 111AAY        | (1) - (3) |  |  |  | This section provides that any of amount of tax that remains unpaid shall be liable to statutory interest calculated in accordance with this section.  |
| Obligation to keep certain records<br>Section 111AAZ | (1) - (6) |  |  |  | This section provides that an entity shall retain or cause to be retained on their behalf, all records to enable a full and true GloBE return to be made.  |

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| Use of currency<br>Section<br>111AAAA | (1) - (5) |  |  |  | <p>Technical administrative section on the translation of currency for the purposes of GloBE calculations and returns.</p> <p>Certain aspects reflect OECD Administrative Guidance July 2023:</p> <p>Subsection (2) reflects paragraph 34 on page 13.</p> <p>Subsection (3) reflects paragraph 36 on page 14.</p> <p>Subsection (4) reflects paragraph 65 on page 72.</p> <p>Subsection (5)(b) reflects paragraph 34 on page 13.</p> |
| Penalties<br>Section<br>111AAAB       | (1)       |  |  |  | <p>Subsection(1)(a) provides for a penalty where there is a failure to submit the top-up tax information return.</p> <p>Subsection (1)(b) provides for a penalty where there is a failure to submit the notification of filer.</p>   |
| Penalties<br>Section<br>111AAAB       | (2)       |  |  |  | <p>Provides for a penalty where there is a failure to submit any GloBE return (i.e. the domestic return in relation to the top-up taxes), failure to deliver a notification of registration or failure to furnish any particulars etc as requested by notice.</p>  |
| Penalties<br>Section<br>111AAAB       | (3)       |  |  |  | <p>Provision relating to the recovery of a penalty.</p>  |



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| Penalties<br>Section<br>111AAAB   | (4)       |  |               |  | Penalty for assisting or inducing the making or delivery of an incorrect return etc under Part 4A.   |
| Penalties<br>Section<br>111AAAB   | (5)       |  |               |  | Provision of transitional penalty relief.<br><br>This is provided for in page 29 & 30, OECD Administrative Guidance December 2022.   |
| Transitional<br>simplified<br>jurisdictional<br>reporting<br>Section<br>111AAAC | (1) - (4) |  |               |  | This section provides for the 'simplified jurisdictional reporting framework' which is a method of reporting for the purposes of the top-up tax information return, as published by the OECD.<br><br>The section reflects OECD GloBE Information Return Guidance July 2023.  |
| Elections<br>Section<br>111AAAD   | (1)       |  | Article 45(3) |  |  |
| Elections<br>Section<br>111AAAD   | (2)       |  | Article 45(1) |  |  |
| Elections<br>Section<br>111AAAD   | (3)       |  | Article 45(2) |  |  |
| Elections<br>Section<br>111AAAD   | (4)       |  |               |  | Section 111P(16) provides that, on the making of an election, the amount of a debt release included in the financial accounting net income or loss of a constituent entity can be excluded from the calculation of a constituent entity's qualifying income or loss, where that debt release satisfies certain criteria. |

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|  |     |  |  |  | <p>This subsection, section 111AAAD(4), clarifies that this election needs to be made for each debt release which is included in the financial accounting net income or loss of a constituent entity in a fiscal year.</p>   |
| <p>Elections<br/>Section<br/>111AAAD</p> | (5) |  |  |  | <p>Section 111W – ‘Equity investment inclusion election and qualified flow-through tax benefits of qualified ownership interests’ provides for an election in section 111W(2), by a constituent entity in its calculation of its qualifying income or loss, with respect to certain types of ownership interests held.</p> <p>This subsection, section 111AAAD(5), clarifies that that election cannot be withdrawn where a loss in respect of an ownership interest, other than a qualified ownership interest, was included in the calculation of the qualifying income or loss of the constituent entity in the five-year period commencing on the first day of the fiscal year in in respect of which the election was made.</p> |
| <p>Elections<br/>Section<br/>111AAAD</p> | (6) |  |  |  | <p>Section 111AN(6) provides for an election with respect to the transfer of assets and liabilities.</p> <p>This subsection, section 111AAAD(6), clarifies that an election under section 111AN(6) shall:</p> <ul style="list-style-type: none"> <li>• be in effect for the fiscal year in respect of which the election relates,</li> <li>• remain in effect for all subsequent fiscal years, and</li> </ul>  |

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|                                 |     |  |  |  | <ul style="list-style-type: none"> <li>not be withdrawn at any time following the fiscal year in respect of which the election is made.</li> </ul>   |
| Elections<br>Section<br>111AAAD | (7) |  |  |  | <p>Section 111AJ(2) provides for an election with respect to applying the Transitional CbCR Safe Harbour.</p> <p>This subsection, section 111AAAD(7), clarifies that an election under section 111AJ(2) shall apply to the fiscal year in respect of which the election is made.</p> |
| Elections<br>Section<br>111AAAD | (8) |  |  |  | <p>Section 111AK(2) provides for an election with respect to applying the Transitional UTPR Safe Harbour.</p> <p>This subsection, section 111AAAD(8), clarifies that such an election shall apply to the fiscal year in respect of which the election is made.</p>                   |
| Elections<br>Section<br>111AAAD | (9) |  |  |  | <p>Section 111AI(2) provides for an election with respect to applying the Qualifying Domestic Top-up tax Safe Harbour.</p> <p>This subsection, section 111AAAD(9), clarifies that such an election shall apply to the fiscal year in respect of which the election is made.</p>      |

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| Elections<br>Section<br>111AAD                | (10)      |  |  |  | Subsection (10) provides that the elections made under subsections (7), (8) and (9) will not apply in certain cases as outlined in the subsection. |
| <b>Chapter 11 – Application</b>               |           |  |  |  |  |
| Application<br>(Part 4A)<br>Section<br>111AAE | (1) & (2) |  |  |  |  |