

Record of Meeting

Meeting	TALC BEPS Sub-Committee – Implementation of Pillar Two, Meeting 2		
Location	Revenue offices, Dublin Castle	Meeting Date	13/06/2023
D/Finance Attendees	Deirdre Donaghy; Rafal Saniternik; Michael Cantwell; Evan Lombard		
Revenue	Jeannette Doonan; Keith Noonan; John Quigley; Diarmuid Kelly; Rory Noone		
ITI	Anne Gunnell; David Fennell; Emma Arlow; Gareth Bryan; Harry Harrison; Riaan Van Gent;		
CCAB_I	Enda Faughan^; Gearoid O’Sullivan; Kevin Doyle^; Paschal Comerford; Terence Coveney; Mike O’Halloran		
Irish Law Society	Andrew Quinn^; Philip Tully; Caroline Devlin^		
^ Attended remotely via WebEx (additionally Michael Raine, Deloitte attended via WebEx at the request of Emma Arlow)			

Purpose
To discuss the accounting issues raised in the responses to the Pillar Two Feedback Statement.
Minutes
<p>Accounting Considerations</p> <p>A presentation was provided by the ITI. A slide deck was also provided (to be circulated with the draft minutes).</p> <p>The presentation and discussion covered the following topics:</p> <ul style="list-style-type: none"> • Difficulties in providing separate Constituent Entity level financial data in certain circumstances. • Different accounting frameworks (e.g. IFRS, US GAAP, Local GAAP) at Ultimate Parent Entity level and Constituent Entity Level. • Different accounting year ends requiring accounting period adjustments. • Purchase price adjustments and adjustments between fair value and carrying value. • Deferred tax implications. • Material competitive distortions. • Disclosures in financial statements and the requirement that some disclosures will be required as soon as for 31 December 2023 year-ends. <p>Following the presentation the Department of Finance requested, and it was agreed with practitioners, that in order to progress these issues submissions would be made under the following categories within two weeks, to then be discussed at the meeting on 11 July:</p> <ol style="list-style-type: none"> 1. Issues/difficulties that practitioners wish Finance/Revenue to be aware of, but for which no potential action points have been identified. 2. Issues that can possibly be addressed in Irish legislation or guidance; and 3. Issues that could possibly be resolved through multi-lateral engagement at OECD and/or EU.

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There was a discussion regarding the accounting standards under which an Irish QDTT may be computed. The Department of Finance indicated that this was still under consideration / discussion at OECD and would be dependent upon the Administrative Guidance to be issued in respect of the QDMTT safe harbour. Practitioners were asked to submit their views on their preferred approach regarding the accounting standards that should be used for the purposes of the Irish QDTT.

Consequential Amendments

A discussion took place in respect of the following issues raised by practitioners:

- The review period (statute limitations) where an adjustment arises from an audit of the CT return and a corresponding adjustment is required to the GloBE return.
- The status of the film tax credit, the digital games tax credit and the KDB under the Pillar Two rules. In general, practitioners felt Pillar Two was more likely to be of relevance to entities that would be claiming the digital games credit than the film tax credit.

It was agreed that consequential amendments would be retained as a standing item for future meetings.

AOB

- The ITI enquired as to the progress of the next Feedback Statement. The Department of Finance indicated that it may issue by the end of June / early July. However, there are certain matters under consideration at OECD level that may need to be decided in advance of the second Feedback Statement issuing.

Action points

Actions

In respect of the accounting matters raised, practitioners to provide further detail within two weeks, to then be discussed at the meeting on 11 July. In particular, for each issue, practitioners to outline whether the specific issue is one that:

1. No actions are proposed (as it is part of the international Pillar Two agreement)
2. can possibly be addressed in Irish legislation; and
3. can possibly be resolved through multi-lateral engagement.

Practitioners were asked to submit their views on their preferred approach regarding the accounting standards that should be used for the purposes of the Irish QDTT.

Next Meeting

The Department of Finance confirmed that the next meeting (27 June) would take place in Merrion Row (at D/Finance).

Signed

Rory Noone