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Global Tax Alert

The Latest on BEPS and Beyond

October 2025

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Highlights

The previous two editions of our "Latest on BEPS and Beyond" (September 2025, July 2025) discussed developments regarding the proposed "side-by-side" approach within the Pillar Two Global Anti-Base Erosion (GloBE) framework. Discussion continues in the Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) on a "side-by-side" approach and its implications, together with compliance simplification for Pillar Two more broadly in the form of a safe harbor and the treatment of tax incentives under Pillar Two. With negotiations ongoing and a target of securing an agreement on these issues by the end of the year, there have been no official communications from the IF regarding progress and there is no formal process for business input into the discussions.

These negotiations and their outcomes have the potential to have significant impacts on multinational businesses. While the final outcomes are not yet certain, some key business implications are worth considering. Global companies should consider the effects on their businesses of each of the three elements currently under negotiation. Global companies should also consider the potential indirect effects, including the short-term and long-term implications for the competitiveness and complexity of the tax environment in the jurisdictions that are relevant to their businesses. Moreover, whether agreement in these negotiations is reached by year-end could have implications for possible further activity in the US with respect to new Internal Revenue Code Section 899, which was removed from the "One Big Beautiful Bill" (OBBB) legislation prior to enactment in light of the G7 understanding reached in late June.

Shape the future with confidence

In addition, the timing of any agreement in the IF, as well as the timing of when jurisdictions incorporate the outcomes into their domestic law and regulations, will have significant consequences in terms of companies' reporting obligations.

The coming months will reveal how this situation unfolds. Companies should monitor developments closely. They also may want to consider engaging with policymakers in relevant jurisdictions on the impact of Pillar Two on their operations.

BEPS 2.0

OECD

MCAA GIR new signatories

On 8 October 2025, the OECD released an updated list of jurisdictions that have signed the Multilateral Competent Authority Agreement on the Exchange of GloBE Information Returns (GIR MCAA). The GIR MCAA provides the legal framework for the automatic exchange of GloBE Information Returns.

Since the previous update on 4 September 2025, five additional jurisdictions have signed the GIR MCAA: Finland, Germany, Liechtenstein, Norway and South Africa. This brings the total number of signatories to 21.

Albania signs STTR MLI

On 23 September 2025, Albania signed the Multilateral Convention to Facilitate the Implementation of the Pillar Two Subject-to-Tax Rule (STTR MLI). The STTR is a treaty-based rule that protects the taxing rights of the source jurisdiction by limiting treaty benefits relating to the payment if, and as far as, the nominal tax rate in the hands of the recipient lies below 9%.

Albania is the first jurisdiction to sign the STTR MLI since the initial signing ceremony in September 2024 when nine countries signed; the addition of Albania brings the total number of signatories to 10.

For the STTR MLI to enter into force, two signatories must first deposit their instruments of ratification, acceptance or approval; after the second deposit, a three-calendar-month period must then expire before the Convention enters into force. In other words, signature is an important step, but ratification (and deposit) are required to trigger entry into force.

Country developments

Belgium submits amendments to the Pillar Two legislation to Parliament

On 9 October 2025, the Belgian government submitted to Parliament draft amendments to its Pillar Two legislation. The proposal focuses on procedural and codification matters, rather than on the substantive calculation of the top-up tax.

The draft clarifies that joint ventures are also in scope for the QDMTT and introduces a joint assessment mechanism for all Belgian entities and provides for the designation of a general representative responsible for all filing and procedural obligations. It further clarifies that all filings and relevant communications must go through a specific secured portal of the Belgian tax authorities.

In addition, the statute of limitations for assessments is reduced from ten to six years, and assessment notices may not be issued earlier than six months after the Belgian Tax Administration receives the relevant tax returns.

Brazil amends Pillar Two legislation

On 3 October 2025, Brazil's Federal Revenue Service published Normative Instruction RFB No. 2,282, amending the Brazilian QDMTT regulations. These changes are intended to incorporate into the domestic Pillar Two rules the OECD's Administrative Guidance and other reference documents issued through July 2025.

Most of these amendments will be effective as of 1 January 2025. However, certain provisions will only take effect from 1 January 2026, although taxpayers will have the option to apply them retroactively starting from 1 January 2025.

Canada announces Pillar Two registration requirement

On 12 September 2025, the Canada Revenue Agency (CRA) announced a new registration requirement for Canadian entities subject to Pillar Two. Under this requirement, covered entities must register for a Global Minimum Tax program account (PT program account) in Canada.

A member of a qualifying multinational enterprise (MNE) group in Canada will be required to register for this account if it must file any of the prescribed returns or notifications, or if it has a tax liability under the Global Minimum Tax Act (GMTA). The GMTA allows qualifying MNE groups to designate a constituent entity as the filing entity for compliance purposes. In most cases, it will be sufficient for this designated entity to register for the PT program account. However, if multiple constituent entities within an MNE group have a tax liability under the GMTA, each entity will need to obtain its own registration.

Registration opened on 20 October 2025. Although a formal due date has not yet been specified, registration should be completed before the filing of any GMTA returns (with the earliest deadline being 30 June 2026 for calendar-year groups).

France releases Pillar Two guidance

On 8 October 2025, the French Tax Authorities released the first set of guidelines accompanying the domestic Pillar Two legislation. The guidelines provide a summary of the local rules and offer clarifications and illustrations of various provisions, drawing on examples from the OECD Model Rules.

This initial release primarily focuses on the definitions and scope of the GloBE rules. Further guidance is expected in due course, covering areas such as Safe Harbors, Top-up Tax calculations, payment procedures, and compliance obligations.

Iceland proposes Pillar Two implementation

On 8 September 2025, the Minister of Finance and Economic Affairs of Iceland presented the 2026 Budget to Parliament. The Budget bill proposes the implementation of Pillar Two through the introduction of a domestic minimum top-up tax (DMTT), designed to align with the OECD GloBE Rules. The bill also includes the adoption of an Income Inclusion Rule (IIR). At this stage, the draft does not provide for an Undertaxed Profits Rule (UTPR).

If enacted, the new rules would apply to financial years starting on or after 31 December 2025.

Ireland releases guidance on Pillar Two registration process

On 5 September 2025, the Irish Tax Authorities (Irish Revenue) released guidance on the Pillar Two registration process. The guidance provides practical detail on timing, scope and compliance.

Entities subject to the IIR, UTPR, or Domestic Top-up Tax (DTT) must register with Irish Revenue no later than 12 months after the last day of the first fiscal year in which they fall in scope. In-scope groups with a 31 December 2024 fiscal year end will need to complete registration on or before 31 December 2025. Registration is a one-time requirement, though updates will be required if any of the information provided changes.

The guidance confirms that the information to be provided includes details of the Ultimate Parent Entity (UPE) (for multi-parented groups, information for all UPEs and confirmation of the nominated UPE), the designated filing entity (if applicable) and the relevant accounting-period Information. Every Irish entity within the scope of Pillar Two must register using Irish Revenue's Pillar Two Hub. However, groups may designate one Irish entity to pay tax and file on behalf of other Irish entities in the same group.

Failure to comply with the registration may result in penalties of up to €10k.

Japan updates Pillar Two guidance

On 26 September 2025, Japan released an updated version of the interpretative guidance on its domestic Pillar Two legislation. This update builds on the March 2025 amendments, which had already incorporated elements of the OECD's June 2024 Administrative Guidance.

The new guidance provides further clarification on several areas, including the pushdown treatment of current and deferred taxes, the application of the five-year deferred tax recapture rule, arm's-length price adjustments for cross-border transactions between constituent entities, and income calculation for permanent establishments.

Netherlands releases legislative proposal to amend Pillar Two legislation

On 16 September 2025, the Dutch Government published its Budget Plan 2026. The Budget Plan 2026 provides a separate legislative proposal aiming to incorporate the remaining OECD administrative guidance on Pillar Two issued in December 2023, June 2024 and January 2025, as well as several technical amendments to the Dutch Minimum Tax Act.

Among other areas, the proposal covers:

- Definitions, treatment and income allocation of flow-through entities
- Treatment of deferred tax assets (DTAs) arising from certain tax benefits provided by General Government (i.e., all levels of federal, state, regional, local government) and DTAs and deferred tax liabilities (DTLs) resulting from the introduction of a new CIT
- Guidance on mismatches between the fiscal year of the UPE and other Constituent Entities
- Guidance on the adjustments to Qualified Financial Statements
- Guidance on treatment of divergences between GloBE and accounting carrying values and the treatment of deferred taxes resulting from the divergences

If adopted, most amendments would apply retroactively to fiscal years starting on or after 31 December 2023. However, some provisions, such as the revised rules on DTAs and DTLs linked to pre-GloBE government arrangements, would only apply to fiscal years starting on or after 31 December 2025.

Finally, the Tax Plan 2026 proposes to implement the amendment of the EU Directive on Administrative Cooperation to introduce the GIR into EU law (also known as DAC9) in Dutch law as per 1 January 2026. As such, MNEs would only need to submit a single top-up tax information return for all EU jurisdictions in a single EU Member State.

Poland opens public consultation on Pillar Two compliance forms

On 11 September 2025, the Polish Ministry of Finance opened a public consultation on its draft Pillar Two notification forms and top-up tax returns. The consultation addressed a range of notifications, including those relating to the initial phase of activity, the designation of a filing entity, and relief from duplicate filing if the GIR is submitted by another constituent entity. In addition to these notifications, the Ministry also released draft templates with attachments for the QDMTT return, as well as the IIR and UTPR returns.

The consultation process concluded on 24 September 2025.

Slovenia releases draft legislation to implement DAC9

On 9 September 2025, the Slovenian Ministry of Finance released draft amendments to the Tax Procedure Law. The proposal transposes the DAC9 into national legislation.

The draft introduces central filing of the GIR, aimed at simplifying Pillar Two compliance and enabling the exchange of GIRs among EU Member States. The proposal now proceeds to parliamentary review and approval as the next step in the legislative process.

Turkiye opens public consultation

On 3 October 2025, Turkiye published a Draft General Communiqué on Local and Global Minimum Top-Up Corporation Tax, introduced by the Law no. 7524 enacted in 2024, which amended certain tax laws including Corporation Tax Law No. 5520, aligned with the OECD GloBE Model Rules. The draft sets out detailed provisions for applying the minimum tax and provides a template for the GloBE Information Return.

As part of the consultation process, the Turkish Revenue Administration invited stakeholders to submit comments, suggestions and proposed revisions by 27 October 2025.

Uruguay proposes to introduce a QDMTT

On 31 August 2025, the Uruguayan Government presented the Budget Bill for the period 2025 – 2029 to Congress. Among other items, the Bill proposes the implementation of Pillar Two through the introduction of a DMTT, which is expected to closely follow the GloBE rules. If enacted, the DMTT would apply to financial years starting on or after 1 January 2026.

The draft legislation does not currently provide for the adoption of the IIR or the UTPR, focusing solely on the DMTT.

In addition, the Bill introduces a filing requirement for the DMTT. Returns would generally need to be submitted within 15 months after the end of the fiscal year, extended to 18 months for the first transitional year.

Other developments

OECD

Argentina deposits instrument of ratification for the MLI

On 29 September 2025, the OECD announced that Argentina deposited its instrument of ratification for the Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent BEPS (MLI).

Argentina signed the MLI on 7 June 2017, and the Argentine Congress approved the ratification through Law 27,788, published in the ***Official Gazette*** on 28 May 2025. At the time of signature, Argentina listed 17 tax treaties as Covered Tax Agreements (CTAs). When depositing its instrument of ratification, Argentina confirmed the preliminary MLI positions it had previously indicated.

The MLI will enter into force for Argentina on 1 January 2026.

See EY Global Tax Alert, *Argentina's MLI enters into force on 1 January 2026*, dated 1 October 2025.

OECD updates Arbitration Profiles of Australia, Belgium, the Netherlands and New Zealand under MLI

On 29 September 2025, the OECD updated the Arbitration Profiles of Australia, Belgium, the Netherlands and New Zealand. The profiles set out each jurisdiction's position on applying Part VI (mandatory binding arbitration) of the MLI, including any reservations on the scope of cases eligible for Part VI and the list of competent authority agreements in which the mode of application of Part VI has been mutually settled with a treaty partner.

Australia and New Zealand have updated their arbitration profiles to include each other in the list of competent authority agreements. Similarly, Belgium and the Netherlands have updated their arbitration profiles to include one another in their lists of competent authority agreements.

Outcomes of eighth peer review on BEPS Action 13 on country-by-country reporting

On 23 September 2023, the OECD published the compilation of the reports from the eighth annual peer review (the Compilation) of the minimum standard with respect to Action 13 (Transfer Pricing Documentation and Country-by-Country Reporting) of the BEPS project. The Compilation, which covers 142 jurisdictions, reflects that jurisdictions' implementation of country-by-country (CbC) reporting (CbCR) is largely consistent with the Action 13 minimum standard.

According to the OECD press release, more than 120 jurisdictions have introduced legislation to impose a CbCR obligation on MNE groups, collectively covering almost all MNE groups with consolidated group revenue at or above the €750m threshold. Additional Inclusive Framework member jurisdictions are working toward finalizing their domestic legal frameworks for CbCR. Where legislation is in place, the implementation of CbCR has been found largely consistent with the Action 13 minimum standard. In addition, more than 4,900 bilateral relationships for the exchange of CbC reports are in place.

See EY Global Tax Alert, *OECD releases outcomes of eighth peer review on BEPS Action 13 on country-by-country reporting*, dated 23 September 2025.

Revised BEPS Action 5 Transparency Framework on Tax Rulings

On 8 September 2025, the OECD released the report "Revised BEPS Action 5 Transparency Framework on Tax Rulings" on the spontaneous exchange of information on tax rulings. The report reflects the Inclusive Framework's completion of an effectiveness review as part of its ongoing peer review of the Action 5 minimum standard. The changes agreed by the Inclusive Framework are intended to enhance the effectiveness of the transparency framework, including: modifications to the scope of rulings covered; revised terms of reference and an updated assessment methodology for peer reviews; and a revised Exchange on Tax Rulings XML Schema and User Guide.

See EY Global Tax Alert, *OECD publishes 'Revised BEPS Action 5 Transparency Framework on Tax Rulings'*, dated 16 September 2025.

OECD releases 10th edition of Tax Policy Reforms

On 11 September 2025, the OECD released the 10th annual edition of Tax Policy Reforms: OECD and Selected Partner Economies, which describes tax reforms implemented in 2024 across 86 jurisdictions.

The report highlights a notable shift in CIT policy – for the second consecutive year, more jurisdictions increased CIT rates than reduced them, signaling a reversal of the long-term downward trend. This shift reflects high public debt and emerging fiscal needs while governments continue to support investment through targeted measures, including incentives for R&D, clean technologies and strategic sectors.

The report also documents further progress on implementing the OECD/G20 BEPS package. The BEPS MLI now covers almost 2,000 bilateral tax agreements; approximately1,600 of those agreements have already been modified by the MLI, with additional agreements to be modified as more signatories ratify. The BEPS Action 6 minimum standard on treaty abuse has seen widespread adoption: over 95% of agreements among Inclusive Framework members are already compliant or on track to become compliant. CbCR under Action 13 has expanded substantially, with more than 4,650 bilateral exchange relationships established. Progress under Action 14 includes improved mutual agreement procedures and the publication of advance pricing arrangement statistics to enhance dispute-resolution transparency.

Finally, the report notes that countries continued in 2024 to legislate measures to implement the Global Minimum Tax (GMT). The OECD maintains a central record of jurisdictions with minimum-tax legislation that has completed the transitional qualification mechanism and achieved transitional qualified status; that record is updated regularly.

United Nations

UN Tax Committee receives broad stakeholder input to shape 2025–2029 Work Programme

On 29 September 2025, the UN Committee of Experts on International Cooperation in Tax Matters published stakeholder input received in response to its call for views, which ran until 8 September 2024. The Committee invited perspectives on pressing challenges in tax policy and administration facing developing countries, emerging issues requiring attention and areas in which additional or revised guidance is needed to inform its 2025–2029 Work Programme.

A total of 43 submissions were received from a diverse set of stakeholders, including member states, international organizations, academia, civil society and the private sector. This input will inform the Committee's deliberations and the recommendations discussed during its 30th session and will help shape priorities for the Committee's 31st session.

Stakeholders emphasized needs for guidance on dispute resolution, tax administration reform and remote work, and showed growing interest in environmental taxation, climaterelated fiscal measures and taxexpenditure reform. Transfer pricing was frequently flagged as an area requiring practical support, with calls for tools and guidance to facilitate advance pricing agreement negotiations. Contributors also stressed the importance of enabling developing countries to participate more effectively in international cooperative initiatives such as the OECD's International Compliance Assurance Programme.

Submissions drew attention to significant economic presence and other nexus rules and asked the Committee to consider profitattribution approaches that better reflect the realities of the digital economy while addressing treaty compatibility concerns. Remote work remained a prominent theme; stakeholders proposed updates to key provisions of the UN Model Tax Convention (notably Articles 5, 9 and 15) to address the tax implications of crossborder and virtual employment arrangements.

Tax-expenditure reform emerged as a priority following the UN's Fourth International Conference on Financing for Development. Stakeholders urged the Committee to develop frameworks for evaluating fiscal incentives and promoting transparent reporting, potentially in collaboration with the newly launched Coalition for Tax Expenditure Reform.

The provisional agenda of the Committee's 31st session, released on 14 August 2025, sets out the following five priority items:

1. Taxation and the sustainable development goals
2. Issues related to the UN Model Tax Convention
3. Review and possible update of the UN Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries
4. Procedural issues for the Committee
5. Other areas for Committee consideration and guidance as part of its Work Programme

The Committee's 31st session takes place in Geneva from 21 to 24 October 2025.

European Union

ECOFIN adopts conclusions on European Commission Recommendation on Tax Incentives

On 10 October 2025, during the Economic and Financial Affairs Council (ECOFIN) meeting, EU Finance Ministers approved conclusions in response to the European Commission Recommendation on Tax Incentives to support the Clean Industrial Deal. This Recommendation, released on 2 July 2025, supplements the Clean Industrial Deal State Aid Framework adopted on 25 June 2025. The Recommendation proposes two key instruments for Member States, aimed at stimulating private investment in clean technologies and industrial decarbonization: (1) accelerated depreciation (up to immediate expensing) for corporate tax purposes, and (2) targeted tax credits.

In their conclusions, the Finance Ministers welcomed the Recommendation and reflected on the differences between expenditure-based and income-based tax incentives. They emphasized the importance of maintaining simplicity in the design of tax incentives, recalling the principles of tax decluttering and simplification. The Council reaffirmed that, in the absence of binding EU-level rules, taxation remains under the exclusive competence of Member States. Accordingly, Member States are free to design, implement, and apply tax incentives based on their individual circumstances, while considering potential budgetary impacts.

EU Ministers revise list of noncooperative jurisdictions for tax purposes

On 10 October 2025, the Council of the European Union (the Council) held an Economic and Financial Affairs Council (ECOFIN) meeting in which Finance Ministers approved the Council Conclusions on the "EU list of non-cooperative jurisdictions for tax purposes" (EU List).

In this update, no changes were made to the EU List, which continues to include the following 11 jurisdictions: American Samoa, Anguilla, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, the US Virgin Islands and Vanuatu.

However, Greenland, Jordan, Montenegro and Morocco have now been included in the state-of-play overview set out in Annex II, which reflects the jurisdictions that are monitored regarding their cooperation with the EU around their commitments to implement tax good-governance principles. Additionally, Vietnam has been removed from the state-of-play overview, as it fulfilled its commitments by amending a harmful tax regime.

As a result, the revised state-of-play overview comprises the following 11 jurisdictions: Antigua and Barbuda, Belize, British Virgin Islands, Brunei Darussalam, Eswatini, Greenland, Jordan, Montenegro, Morocco, Seychelles and Türkiye.

The Council will continue to review and update the EU List biannually, with the next update due in February 2026.

See EY Global Tax Alert, *EU Ministers revise list of noncooperative jurisdictions for tax purposes*, dated 15 October 2025.

Preliminary Ruling Request on Belgian UTPR Provisions Referred to CJEU

On 17 July 2025, the Court of Justice of the European Union (CJEU) published a summary of a request for a preliminary ruling submitted by the Belgian Constitutional Court concerning the legality of the UTPR under Belgian law. This follows a constitutional challenge initiated by the American Free Enterprise Chamber of Commerce, representing a coalition of US MNEs.

The challenge targets Articles 35 and 36 of the Belgian law of 19 December 2023, which transposes the EU Minimum Tax Directive into national legislation. The Belgian Court seeks clarification from the CJEU on whether the UTPR provisions – particularly the imposition of top-up tax without regard to the financial capacity of the affected entities – violate several fundamental rights and freedoms enshrined in EU law. These include Articles 15 through 21 of the Charter of Fundamental Rights, Articles 49 and 56 of the Treaty on the Functioning of the European Union, and general principles such as legal certainty and fiscal territoriality. The case also invokes the First Additional Protocol to the European Convention on Human Rights.

The CJEU has initiated procedural steps, including notifying parties to submit written observations, scheduling a hearing, and appointing an Advocate-General to issue a nonbinding opinion. A final judgment is expected within approximately 18 months. The ruling will be binding across the EU, although the Belgian Court retains ultimate authority over the domestic application of the UTPR provisions.

Country developments

Bulgaria aligns transfer pricing framework with OECD Transfer Pricing Guidelines

On 3 October 2025, the Ministry of Finance of Bulgaria released for public consultation a draft enactment titled "Ordinance on the Procedure and Methods for Applying the Market Pricing Determination Methods." The draft Ordinance is intended to replace Ordinance No. H-9 of 2006 to align Bulgaria's transfer pricing framework with the latest OECD Transfer Pricing Guidelines. Additionally it seeks to modernize Bulgaria's transfer pricing regime, and more specifically, the application of the arm's length principle.

The draft Ordinance introduces a comprehensive overhaul of the existing framework aimed at replacing the "hierarchy of methods" with the "most appropriate method" approach, expanding guidance on comparability analysis, and revising the methodologies for profit-split, intra-group services, financial transaction and intangibles. Furthermore, it incorporates the OECD's BEPS Actions 8–10 on Transfer Pricing.

According to the explanatory memorandum to the draft Ordinance, this reform addresses the 2024 recommendations of OECD Working Party 6 calling for alignment of Bulgarian rules with OECD chapters I to III. Stakeholders will be able to provide their input by 23 October 2025.

Cayman Islands announces activation of CbCR portal setting 30 November 2025 as re-registration deadline

On 29 August 2025, the Cayman Islands Department for International Tax Cooperation (DITC) announced the activation of the CbCR module on its online portal. This follows the decommissioning of the CbCR Portal on 24 July 2025, aimed at enhancing the reporting framework for MNEs with Cayman Islands Constituent Entities (CEs).

To facilitate this transition, the DITC has published updated guidelines and resources on its website, replacing previous versions. This reregistration aims at complying with the 2017 CbCR Regulations, under which entities must determine their status as CEs and identify the Reporting Entity responsible for submitting consolidated notifications.

The relaunch is being undertaken in two Phases with the respective due dates: (1) Reregistration – Phase 1 – CEs of the MNE groups, whether reporting or nonreporting entity of the MNEs, are required to re-register on the DITC Portal no later than 30 November 2025, and (2) Reporting – Phase 2 only applies to reporting entities of the MNE groups (typically the UPE or the surrogate parent). These reporting entities are required to submit annual reports via the DITC Portal.

The reporting functionality of the DITC Portal is in progress and will be announced soon, with an aim by November 2025.

Denmark enacts Executive Order implementing DAC8 into national law

On 2 October 2025, Denmark published Executive Order No. 1155, reporting obligations for crypto-asset service providers under the EU Directive 2023/2226 (DAC8).

Under the new rules, any individual or entity facilitating crypto transactions on behalf of users – whether through exchange, transfer or custody – must register with the Danish Tax Agency and submit detailed user and transaction information. This includes name, address, tax residency, tax identification number and transaction data. In addition to reporting, providers must verify customer identity and tax residency, maintain up-to-date self-declarations, and register with the Danish Tax Agency. The scope of the order covers both domestic and cross-border activities, provided the provider is domiciled, registered, or have a business presence in Denmark.

Noncompliance may trigger administrative penalties, including fines, daily penalties and potential deregistration. The first reporting cycle will cover the 2026 calendar year.

The order will take effect on 1 January 2026.

Denmark expands CbCR requiring full entity-by-entity disclosure as of 2028

On 2 October 2025, Denmark published Executive Order No. 1157, dated 9 September 2025, introducing changes to its CbCR framework for MNE groups. These amendments are designed to align national rules with DAC8, the EU directive extending automatic information exchange on crypto assets, life insurance income, tax rulings for individuals and digital currencies and the OECD's updated guidance on transfer pricing documentation.

The revised rules expand the information required in Table 2 of Annex III to Chapter V of the OECD Transfer Pricing Guidelines. MNE groups will be obligated to provide detailed identification data for each constituent entity, including permanent establishments. This includes the full legal name, tax jurisdiction, Danish registration number and, for foreign entities, the applicable tax identification number in the relevant jurisdiction. The reporting must also specify each entity's primary business activity and tax residency.

The amendments will take effect from 1 January 2028.

Italian Council of Ministers approve draft bill implementing DAC8 into domestic law

On 8 October 2025, the Italian Council of Ministers announced the preliminary approval of a Legislative Decree aimed at transposing DAC8 into national law.

The proposed rules introduce three key components: (1) mandatory reporting and exchange of information on crypto assets and e-money, (2) the automatic exchange of cross-border tax rulings involving high-net-worth individuals, and (3) a strengthened compliance framework with penalties for noncompliance.

The legislative process will continue with parliamentary review before the decree is formally enacted, with implementation expected to begin on 1 January 2026.

Kazakhstan approves updated list of treaty countries for tax transparency compliance

On 6 October 2025, the Minister of Finance of the Republic of Kazakhstan issued Order No. 579, approving a revised list of countries with which Kazakhstan has a tax treaty in force.

Order No. 579 provides an updated list of countries that maintain an income tax treaty with Kazakhstan and have a nominal income tax rate exceeding 75% of Kazakhstan's CIT rate, meaning greater than 15%. This list is relevant for the application of Kazakhstan's CFC rules, which provide exemptions for non-resident entities established in qualifying jurisdictions. The special administrative regions of Macao and Hong Kong are excluded from the whitelist which continues to include 40 countries.

This update aims to ensure alignment with international tax standards by identifying jurisdictions that meet Kazakhstan's threshold for high nominal tax rates, thereby influencing the application of CFC rules and other anti-avoidance measures.

The order was registered with the Ministry of Justice on 7 October 2025 under No. 37079, and it will enter into force on 1 January 2026 and remain effective until 31 December 2027.

Kazakhstan introduces CFC participation forms

On 30 September 2025, Kazakhstan published Order No.536 of the Ministry of Finance, dated 25 September 2025, establishing standardized forms for taxpayers' participation in CFCs.

The adopted forms include: (i) a taxpayer's application for declaring shareholdings in a CFC; (ii) a notification issued by the tax authority in cases where a taxpayer's participation is revoked due to non-compliance with CFC-related legislation; and (iii) a formal decision by the tax authority recognizing a resident taxpayer as having direct or indirect control over a CFC when the taxpayer fails to rebut such control.

These forms are designed to operationalize Article 336 of the new Tax Code and will enter into force on 1 January 2026.

Kazakhstan adopts standardized forms to streamline Mutual Agreement Procedure

On 26 September 2025, Kazakhstan officially published Decree No. 530, dated 24 September 2025, introducing a set of standardized forms to be used in the administration of the mutual agreement procedure (MAP). These forms are intended to formalize and simplify the procedural framework for resolving international tax disputes under Kazakhstan's tax treaties.

The newly adopted forms cover all key stages of the MAP process. They include the taxpayer's application to initiate a MAP, decisions by the tax authority to accept or reject such applications, a form for terminating the procedure, and a final decision form reflecting the outcome of the MAP. The inclusion of these templates aims to ensure procedural consistency, improve transparency, and facilitate communication between Kazakhstan's competent authority and its treaty partners.

These forms will take effect on 1 January 2026.

Kazakhstan updates list of preferential tax jurisdictions for CFC compliance

On 19 September 2025, Kazakhstan officially published Order No. 492, dated 12 September 2025, introducing a revised list of jurisdictions considered to have preferential tax regimes for the purposes of the country's CFC rules.

The classification of a jurisdiction as preferential is based on criteria outlined in Article 20 of Kazakhstan's new Tax Code. A jurisdiction qualifies if it imposes a CIT rate below 10%, or if it maintains legal provisions that restrict access to financial or beneficial ownership information, unless a tax information exchange agreement with Kazakhstan is in place that ensures effective data sharing.

The updated list, which includes 56 countries and territories, will take effect on 1 January 2026 and replaces the previous list established under Order No. 142 of 8 February 2018.

Lithuania provides clarifications on DAC6 reporting obligations for cross-border tax arrangements

On 13 October 2025, the State Tax Inspectorate of Lithuania announced the release of an updated commentary on Article 61-2 of the Law on Tax Administration dated 9 October 2025, providing detailed guidance on the disclosure obligations for potentially aggressive cross-border tax arrangements under the EU Directive 2018/822 (DAC6 or EU Mandatory Disclosure Rules).

The revised guidance mandates that intermediaries – defined broadly to include any party involved in designing, marketing, organizing or managing a reportable arrangement – must disclose relevant information within 30 days of the earliest triggering event. These events include the arrangement's being made available, prepared for implementation or partially executed. If legal professional privilege applies, the obligation shifts to another intermediary or, in their absence, to the taxpayer.

Taxpayers are also required to report annually on the use of such arrangements and assume primary responsibility when no intermediary is involved or when an intermediary is exempt. The commentary further clarifies jurisdictional rules for determining the appropriate Member State for reporting, prioritizing factors such as tax residency, permanent establishment, legal incorporation or professional association membership.

Lithuania proposes Common Reporting Standard amendments to implement DAC8

On 13 October 2025, the Lithuanian government published draft amendments to its Common Reporting Standard (CRS) rules to implement DAC8 into domestic law.

Under the proposed rules, supervised financial market participants – including banks, credit unions, insurance firms and investment entities – must report detailed information to the State Tax Inspectorate. This includes the account holder's self-certification of tax residence, account type, the role of reporting controlling persons in the entity, joint account status and whether the account is new or pre-existing.

The amendments, among other things, align Lithuania's CRS framework with OECD standards, and mandate electronic XML-based submissions via the State Tax Inspectorate (abbreviated VMI) Tax Information Exchange Subsystem portal. The draft introduces enhanced due diligence, internal control requirements, and a five-year documentation retention period. It also establishes liability provisions under the Lithuanian Administrative Offences Code for noncompliance.

Poland launches public consultation on General Anti-Avoidance Rule ahead of 10-year review

On 11 September 2025, Poland's Ministry of Finance and Economy initiated a public consultation to evaluate the effectiveness of the General Anti-Tax Avoidance Rule (GAAR), which was introduced in 2016 under the Administrative Tax Code. The consultation comes in anticipation of the rule's tenth anniversary in 2026 and is intended to assess its practical application, identify areas for refinement and gather stakeholder input on its continued relevance in a changing legal and economic environment.

The Ministry was inviting submissions from a broad range of stakeholders, including legal professionals, academics, local authorities and taxpayers. The objective was to collect constructive feedback on the GAAR's current operation, its impact on tax compliance and legal certainty and potential improvements to its scope or enforcement mechanisms, as well as on whether the current framework adequately addresses artificial arrangements aimed at obtaining tax benefits contrary to the purpose or spirit of tax law.

The deadline for submitting opinions was 21 days from the date of publication of the notice, which was issued on 11 September 2025. The public consultation closed on 2 October 2025.

Senegal suspends CbCR obligations for 2023 and 2024

On 16 September 2025, the Directorate General of Taxes and Domains (DGID) of Senegal announced the suspension of CbCR requirements for MNE groups for the 2023 and 2024 fiscal years. The suspension was communicated through an official notice and applies specifically to entities that would otherwise be subject to CbCR under Article 31 ter of the General Tax Code (i.e., transfer pricing).

CbCR obligations in Senegal, introduced under Law No. 2018-10 of 30 March 2018, generally apply to entities resident in Senegal that are part of MNE groups and are owned, directly or indirectly, by a legal entity established in a jurisdiction that meets any of the following conditions:

- Lacking equivalent CbCR requirements, but would be required to file such a report if it were established in Senegal
- Not included on Senegal's approved exchange-of-information list, but with which Senegal has concluded a tax information exchange agreement
- Included on Senegal's approved exchange-of-information list, which is required to file a CbCR under the legislation in force in that jurisdiction, or which would be required to do so if it were established in Senegal, particularly if the parent company's jurisdiction of tax residence presents systemic deficiencies or is deemed noncompliant; despite the temporary suspension, the legal framework for CbCR remains in force

The DGID has clarified that the relief applies only to the filing obligations for the specified years, not to the underlying legal provisions.

Sweden proposes amendments to interest deduction limitation rules to align with EU law

On 30 September 2025, the Swedish government published on its website Bill 2025/26:20 proposing amendments to the targeted interest deduction limitation rules. The initiative follows earlier consultations and is intended to bring Swedish legislation into conformity with EU internal market principles, particularly the freedom of establishment.

The proposal introduces a new provision governing interest deductions on loans between affiliated entities within the European Economic Area (EEA). Under the rule, interest expenses on these loans will generally be deductible unless the arrangement is deemed artificial (i.e., lacking commercial substance and primarily structured to obtain a tax advantage). The assessment of whether a loan constitutes an artificial arrangement will be subject to judicial interpretation, with reference to EU case law.

The bill also updates the so-called "acquisition rule," which limits deductions on interest related to internal share acquisitions. Going forward, this rule will only apply if the lender is either a Swedish entity or a non-European Economic Area (EEA) entity. Loans from EEA-based affiliates will instead fall under the new anti-abuse provision.

No changes are proposed to the general interest deduction limitation rules, including the 5,000,000 Swedish Krona (SEK5m) safe harbor threshold, the six-year carryforward limit for negative net interest, or the absence of group-level consolidation.

The proposed changes are scheduled to take effect on 1 January 2026.

Sweden proposes draft rules to implement DAC8 and Crypto Asset Reporting Framework into domestic law

On 16 September 2025, the Swedish government published on its website Bill 2025/26:5 outlining a legislative proposal to implement DAC8 and Crypto Asset Reporting Framework into domestic law. The bill introduces new obligations for reporting and exchange of information on crypto assets, alongside targeted amendments to existing administrative cooperation rules.

The proposal includes the adoption of two new acts: one governing the collection of tax-related data on crypto assets and another establishing the framework for automatic exchange of such information. The bill also incorporates amendments to the Tax Procedure Act, introducing new chapters on reporting obligations and penalties, and aligns Sweden's CRS rules with recent OECD updates.

Additional provisions address the exchange of advance tax rulings concerning high-net-worth individuals and introduce stricter requirements for reporting foreign tax identification numbers. The legislative package also seeks parliamentary approval of the Multilateral Competent Authority Agreements underpinning Crypto-Asset Reporting Framework (CARF) and the revised CRS.

The proposed measures are scheduled to enter into force on 1 January 2026.

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