Global Minimum Tax: Terms of Reference and Assessment Methodology for the Full Legislative Review

OECD

BETTER POLICIES FOR BETTER LIVES

OECD/G20 Base Erosion and Profit Shifting Project

Global Minimum Tax: Terms of Reference and Assessment Methodology for the Full Legislative Review

Inclusive Framework on BEPS

This work was approved and declassified by the Inclusive Framework on BEPS on 2 September 2026.

Please cite this publication as:
OECD (2026), *Global Minimum Tax: Terms of Reference and Assessment Methodology for the Full Legislative Review*, OECD, Paris, https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/global-minimum-tax/terms-of-reference-and-assessment-methodology-for-the-full-legislative-review.pdf.

Table of contents

1 Purpose of the full legislative review

1.1. Qualified rule status

1. The Global Minimum Tax consists of an interlocking and coordinated system of domestic rules that operate together to ensure that large MNE Groups are subject to a minimum tax on their excess profits. The Inclusive Framework on BEPS ("Inclusive Framework") provided in its October 2021 statement that the Global Anti-Base Erosion ("GloBE") Rules have the status of a common approach. This means that Inclusive Framework members are not required to adopt the GloBE Rules, but, if they choose to do so, they agree to implement and administer the rules in a way that is consistent with the outcomes provided for under Pillar Two, including in light of model rules and guidance approved by the Inclusive Framework. In addition, the common approach means that members of the Inclusive Framework accept the application of the GloBE Rules applied by other Inclusive Framework members including agreement as to rule order and the application of any agreed safe harbours.

2. The GloBE Rules consist of two charging provisions: the Income Inclusion Rule ("IIR") which applies at the level of a Parent Entity within the MNE Group and the backstop rule (the UTPR) which applies where low-tax income is not subject to a Qualified IIR. In addition, the GloBE Rules provide that source jurisdictions may charge tax on low-taxed income, in priority to the IIR, through the Qualified Domestic Minimum Top-up Tax ("QDMTT").

3. Implementing jurisdictions that decide to adopt these charging provisions need to introduce them in their domestic law. Therefore, the Inclusive Framework has developed a number of mechanisms to ensure consistency and coordination of these charging provisions. Consistency and coordination ensure integrity of the rules, meaning that MNE Groups pay a minimum level of tax for each jurisdiction in which they operate. Furthermore, they ensure proportionality because MNE Groups are not subject to unnecessary compliance costs or double or over taxation.

4. To ensure consistency, the Inclusive Framework released the GloBE Model Rules in December 2021. These Model Rules are supplemented with a Commentary which provides guidance on the interpretation and operation of the provisions set out in the Model Rules. The Commentary is subject to change by way of Administrative Guidance which can also address aspects of the Model Rules which have not been addressed in the Commentary.

5. To ensure coordination among implementing jurisdictions, the GloBE Rules rely on a rule order which modifies the application of the rules in one jurisdiction where there is an applicable "qualified" rule in another jurisdiction. In addition, the Inclusive Framework has developed parts of the administrative framework, which includes the standardised GloBE Information Return with an exchange of information system. The Inclusive Framework is also currently exploring the development of further coordination initiatives, including a taxpayer-initiated mechanism that would enable greater tax certainty and co-ordination among jurisdictions in their application of domestic rules to specific cases.

1.2. Peer review process

6. The qualified rule status gives effect to the rule order by modifying the application of the rules in one jurisdiction (e.g. by deactivating a jurisdiction's rules) where there is an applicable "qualified" rule in another jurisdiction. Deferring to qualified rules in other jurisdictions ensures that the rules are coordinated in a way that provides certainty for MNE Groups and avoids the risk of double or over-taxation. To achieve this outcome, each implementing jurisdiction will need to have a common transparent basis for recognising qualified rules in another jurisdiction in a timely fashion.

7. The Inclusive Framework agreed to develop a peer review process based on a common assessment and recognition of the qualified rule status of the IIR, UTPR and Domestic Minimum Top-up Tax ("DMTT"), as well as the eligibility for the QDMTT Safe Harbour, in each jurisdiction. This process consists of a transitional qualification mechanism, a full legislative review and an ongoing monitoring process.

8. The purpose of the peer review process is to achieve consistency and coordination in the application of the GloBE Rules across different jurisdictions. The full legislative review is designed to determine if the legislation of an implementing jurisdiction achieves consistent outcomes with those provided for under the GloBE Rules. The ongoing monitoring process complements the full legislative review by monitoring whether rules are being applied and administered consistently with the outcomes provided under the GloBE Rules, that recommendations and items to be monitored approved during the full legislative review in relation to an implementing jurisdiction's legislation are implemented by that jurisdiction, and that an implementing jurisdiction does not provide benefits which are related to the GloBE Rules. In all instances, the GloBE Rules include the GloBE Model Rules, the Commentary and Administrative Guidance.

9. Undertaking a common peer review process ensures a consistent assessment of the qualified status and it is more efficient than each jurisdiction undertaking its own separate review of every other implementing jurisdiction's legislation. In addition, a common peer review process ensures that peers can assess on an equal footing the conditions under which the qualified status is obtained. Finally, a common peer review process is expected to provide greater certainty to both implementing jurisdictions and MNE Groups which are in a position to anticipate in which jurisdictions they will be required to apply their rules.

1.2.1. Transitional qualification mechanism

10. The Inclusive Framework acknowledged that, in the short term, it was not possible to conduct and finalise a full legislative review for each implementing jurisdiction having an IIR and/or DMTT in place effective from 2024. It has therefore developed a transitional mechanism to swiftly recognise the qualified status of an implementing jurisdiction's legislation on a temporary basis, which is then supplemented with the full legislative review. An implementing jurisdiction's legislation can however undergo the full legislative review at any time when it has not been assessed under the transitional qualification mechanism.

11. The approach for the transitional qualification mechanism relies on a self-certification by the implementing jurisdiction based on a high-level review of the main features of the domestic legislation. The transitional qualified status generally expires upon completion of the full legislative review provided that legislative review is initiated within the relevant timeframe.

1.2.2. Full legislative review

12. This note sets out the terms of reference (Chapter 2) and the assessment methodology (Chapter 3) for the full legislative review of an implementing jurisdiction's legislation. The full legislative review will rely on a detailed analysis of the text of the legislation to assess consistency with the GloBE Rules as well as the jurisdiction's framework to ensure such a consistency. The implementing jurisdiction will be given

the opportunity to provide explanations on the interpretation of its legislation and will also be invited to explain whether and how its domestic legislation achieves consistent outcomes as those provided in the GloBE Rules. In situations where the legislation does not provide consistent outcomes with the GloBE Rules, the Inclusive Framework will formulate recommendations to the implementing jurisdiction to address those inconsistencies.

1.2.3. Ongoing monitoring process

13. The full legislative review is designed to assess the consistency of a jurisdiction's legislation with the GloBE Rules. This assessment is generally limited to the expected outcomes under the jurisdiction's domestic legislation and is made at a particular point in time. It is not designed to address the risk that subsequent changes are made to the legislation that make it no longer consistent with the GloBE Rules. Therefore, to address the risks associated with subsequent legislative changes, as well as certain other risks arising after the full legislative review, the Inclusive Framework has approved the need for an ongoing monitoring process under the full legislative review.

14. The ongoing monitoring process consists of several modules, which will be dedicated to relevant topics. This modular approach provides flexibility and allows the Inclusive Framework to use a tailored approach where the timing, scope and breadth of each module can be determined based on the specific considerations that apply to each item. This approach also facilitates effective prioritisation and efficient resource allocation that recognises that the size and nature of risks can change over time. Like the full legislative review, the ongoing monitoring process could affect the qualified status of an implementing jurisdiction's legislation. This interaction is expected to be further addressed in the context of each ongoing monitoring module.

15. The Inclusive Framework has already identified a need for an ongoing monitoring module under the full legislative review and has approved the following topics to supplement the full legislative review:

1. Inconsistencies that have been identified by the Inclusive Framework as needing to be addressed will be monitored to assess whether they are addressed at the end of the period that was approved by the Inclusive Framework (see section 3.3.1);
2. Items that have been identified by the Inclusive Framework as needing to be monitored will be monitored to assess whether they become an inconsistency that needs to be addressed (see section 3.3.2);
3. Administrative Guidance that was not tested during the full legislative review will be monitored by the Inclusive Framework to assess whether it is implemented in line with the Terms of Reference (see section 3.3.3);
4. Changes that an implementing jurisdiction may make to its legislation will be monitored such that the Inclusive Framework can assess whether there is a need to formulate new recommendations (see section 3.3.3);
5. Newly identified inconsistencies which were not identified by the Inclusive Framework at the time of the full legislative review (e.g. where inconsistencies in the transposition of the GloBE Rules into domestic legislation are identified through the application or administration of the rules) will be monitored by the Inclusive Framework to assess whether a recommendation would be appropriate (see section 3.3.3).

16. More broadly, the Inclusive Framework expects to introduce additional ongoing monitoring topics to address other areas on a continuous basis. This will include, for example, Related Benefits.

2 Terms of Reference

17. The common approach for the implementation of the Global Minimum Tax has been translated into terms of reference to facilitate the review of a jurisdiction's compliance with the common approach. The terms of reference are broken down by type of legislation: IIR and UTPR first, and then DMTT and its eligibility for the QDMTT Safe Harbour.

2.1. IIR and UTPR

2.1.1. Consistent outcomes

ToR 1.a.	A jurisdiction's Income Inclusion Rule (IIR) or UTPR shall provide for outcomes that are consistent with those provided for under the GloBE Model Rules, the Commentary and Administrative Guidance.

18. The overall design and structure of the IIR and the UTPR should be consistent with the GloBE Rules. The legislation is considered as providing consistent outcomes when it would systematically result in equivalent Top-up Tax liabilities as compared to the GloBE Model Rules, the Commentary and Administrative Guidance. Providing consistent outcomes would generally require having a consistent scope, Top-up Tax computation and application of the rule order in the GloBE Model Rules.

19. The focus on outcomes, however, means that a provision can be consistent even if the jurisdiction has adopted different drafting in its legislation (e.g. because its legal system requires the law to be drafted more specifically or prescriptively). In this respect, no specific drafting approach or method would be required or expected. The outcomes will be tested based on the language of the relevant provision, within the wider context of the implementing jurisdiction's IIR and UTPR legislation and taking into account any associated compliance burden for in-scope MNE Groups. Any other legislation (including secondary legislation) that affects the application of the implementing jurisdiction's IIR and UTPR legislation, if necessary, will also be taken into account in the assessment.

Administrative Guidance

20. Article 8.3.1 of the GloBE Model Rules requires implementing jurisdictions to apply their domestic rules in accordance with Administrative Guidance. The full legislative review will consequently assess whether a jurisdiction's legislation is applied in line with the Administrative Guidance. However, the requirement to apply Administrative Guidance in Article 8.3.1 is subject to the requirements of domestic law. This recognises that implementing jurisdictions might have different ways to implement Administrative Guidance depending on their domestic legal framework. In particular, some jurisdictions may have to include specific provisions in their legislation or regulations to apply Administrative Guidance. The time needed to complete these legislative processes after that Administrative Guidance is released could mean there is a period when the Administrative Guidance is not able to be applied under a jurisdiction's domestic law.

21. Accordingly, the full legislative review will assess whether legislation is applied in accordance with: (i) Administrative Guidance that was released more than 24 months before the review is initiated and (ii) Administrative Guidance that was released less than 24 months before the review is initiated and for which the Inclusive Framework has approved an effective date that has passed at the time when the review is initiated. When the Administrative Guidance provides for an option for different effective dates, the effective date taken into account will be the one opted for by the jurisdiction, or, if not yet opted for, the later effective date.

22. Where a jurisdiction's legislation is not yet applied in line with Administrative Guidance that was released less than 24 months before the review is initiated and for which the Inclusive Framework has approved an effective date that has passed at the time when the review is initiated, the jurisdiction will be expected to explain its legislative plans. If the jurisdiction explains that it will apply such Administrative Guidance with retrospective effect from the approved effective date, this will not lead to the recognition of an inconsistency to be addressed in the full legislative review but the retrospective application of the relevant Administrative Guidance would be monitored as part of the ongoing monitoring process, taking into account the jurisdiction's legislative plans and constraints.

23. Other Administrative Guidance (i.e. that was released less than 24 months before the review is initiated and for which the Inclusive Framework has not approved an effective date or for which the effective date has not yet passed) is not tested as part of the full legislative review but will instead be monitored as part of the ongoing monitoring process. An implementing jurisdiction may request that such monitoring is expedited, e.g. where the Administrative Guidance has already been implemented in its legislation at the time of the full legislative review.

Reporting requirements

24. The full legislative review will also assess whether the implementing jurisdiction's framework includes filing requirements for the standardised GloBE Information Return ("GIR") are in accordance with Articles 8.1 and 9.4 of the GloBE Model Rules and whether the information collected is consistent with the standardised GIR (OECD, 2025[1]). This would include a confirmation that the jurisdiction does not require more information than what it would be entitled to receive under the dissemination approach.

25. The review, however, will not assess the jurisdiction's tax return and payment requirements other than to confirm that the jurisdiction is not requiring the reporting of additional data points beyond the GIR as part of its routine tax return and payment requirements and any additional information relates, for instance, to liability, timing and method of payment or identification of the taxpayer and contact details, rather than the calculation of a Constituent Entity's Top-up Tax liability. The review will also not assess the jurisdiction's compliance with the exchange of information framework, which would be addressed through a separate ongoing monitoring process.

Related Benefits

26. The definitions of a Qualified IIR and Qualified UTPR in Article 10.1 of the GloBE Model Rules state that a jurisdiction's legislation will not be eligible to obtain qualified status if the jurisdiction provides benefits related to its rules ("Related Benefits").

27. The Inclusive Framework is currently developing Administrative Guidance that will clarify how to identify Related Benefits. This guidance will be supplemented through the development of an ongoing monitoring process that further clarifies the meaning of Related Benefits and will ensure a coordinated assessment of whether benefits are Related Benefits. This ongoing monitoring process will become the mechanism to address Related Benefits and, to avoid duplication, Related Benefits will not be considered as part of the full legislative review once this monitoring process has been approved and is in place.

2.1.2. Recognition of Qualified Rules

ToR 1.b.	A jurisdiction's IIR or UTPR shall consider the legislation of other implementing jurisdictions as qualified in line with the outcomes approved by the Inclusive Framework.

28. To ensure coordinated outcomes in the implementation of the GloBE Rules, an implementing jurisdiction is required to apply the rule order in accordance with the central record for purposes of the Global Minimum Tax which sets out implementing jurisdictions' domestic legislation that are considered as qualified (including as eligible for a QDMTT Safe Harbour Status or Eligible SbS or UPE Regime) by the Inclusive Framework. This means that a jurisdiction shall turn off or adjust the effect of its rules where there are qualified rules that apply in another jurisdiction and take priority under the agreed rule order.

29. For this purpose, a formal recognition of the qualified status or Safe Harbour status is not needed, and it is sufficient that an implementing jurisdiction respects the Inclusive Framework's central record for purposes of the Global Minimum Tax in the application of its legislation.

2.2. Domestic Minimum Top-up Tax

ToR 2.a.	A jurisdiction's Domestic Minimum Top-up Tax (DMTT) shall incorporate the mandatory variations in the QDMTT Commentary and produce functionally equivalent outcomes as those provided for under the GloBE Model Rules, the Commentary and Administrative Guidance.

2.2.1. Functionally equivalent outcomes

30. As provided in paragraph 118 of the QDMTT Commentary, a DMTT should be functionally equivalent to the GloBE Rules to be treated as a QDMTT. To be considered functionally equivalent, a DMTT should be implemented and administered so that it reliably produces outcomes that are consistent with the outcomes for the jurisdiction that are provided for under the GloBE Model Rules, the Commentary and Administrative Guidance. The tax should be structured so that it is in line with the architecture of the GloBE Rules and it should not systematically result in an incremental Top-up Tax for the jurisdiction that is less than what would have been determined under the GloBE Rules.

31. The functional equivalence of the legislation will be assessed through legal analysis. This will be evaluated by comparing the outcomes in the domestic legislation with the GloBE Rules. To be functionally equivalent, the legislation will be expected to be:

- consistent with any mandatory variations in the QDMTT definition in the Commentary; and
- the only differences in the legislation relate to (i) optional variations, which are those that have explicitly been allowed in the QDMTT Commentary (e.g. not including the election under Art. 3.2.2 of the GloBE Model Rules if the QDMTT jurisdiction allows stock-based compensation expense only in the amount allowed for accounting purposes) or (ii) inconsistencies that would not systematically result in less Top-up Tax for the jurisdiction under the DMTT than under the GloBE Rules.

32. In other respects, the legislation will be assessed based on its consistency with the GloBE Rules in the same way as an IIR or UTPR (under the same conditions as described in paragraphs 18 to 26).

33. If inconsistencies are identified, the functional equivalence of the legislation in relation to those inconsistencies would be considered on a case-by-case basis. For example, provisions that are omitted

may not affect the functional equivalence of the legislation if the provisions are not relevant within the jurisdiction's domestic legal framework and do not affect the outcomes under the DMTT.

2.2.2. Reporting requirements

34. In terms of reporting requirements, the QDMTT should be designed such that the QDMTT computations can be made with the data points that are required to compute the GloBE tax liability but, for administration purposes, the information return collected by the QDMTT jurisdiction may follow a different format (i.e. a different layout) from the GIR (see paragraph 118.42 of the QDMTT Commentary).The QDMTT jurisdiction's tax return and payment requirements will not be assessed, other than to the same extent as for an IIR or UTPR where relevant (see paragraph 25). The QDMTT jurisdiction's compliance with the exchange of information framework will also be assessed through a separate ongoing monitoring process.

2.2.3. Related Benefits

35. The definition of a QDMTT in Article 10.1 of the GloBE Model Rules state that a jurisdiction's legislation will not be eligible to obtain qualified status if the jurisdiction provides Related Benefits. The Inclusive Framework is currently developing Administrative Guidance that will clarify how to identify Related Benefits (see paragraph 27).

2.3. QDMTT Safe Harbour

2.3.1. Accounting and Consistency Standards

ToR 2.b.	A jurisdiction's QDMTT shall meet the Accounting Standard.
ToR 2.c.	A jurisdiction's QDMTT shall meet the Consistency Standard.

36. The terms of reference for the QDMTT Safe Harbour are that the jurisdiction's legislation meets the Accounting Standard and the Consistency Standard in the Administrative Guidance on the QDMTT Safe Harbour ("QDMTT Safe Harbour Commentary").

37. Paragraphs 35 and 38 of the QDMTT Safe Harbour Commentary contain variations and cases that do not prevent the QDMTT from meeting the Consistency Standard. In other respects, the legislation will be assessed based on its consistency with the GloBE Model Rules, the Commentary and Administrative Guidance in the same way as an IIR or UTPR (under the same conditions as described in paragraphs 18 to 26).

38. Where the QDMTT legislation includes a variation, it is considered as providing consistent outcomes only to the extent the variation is listed as an acceptable variation under paragraph 35 of the QDMTT Safe Harbour Commentary. However, paragraph 36 of the QDMTT Safe Harbour Commentary explains that the Inclusive Framework could agree to include further variations in the list of acceptable variations that would not prevent a QDMTT legislation from meeting the Consistency Standard, for example because the inconsistency would produce equivalent or greater liabilities in all circumstances. It is expected that during the full legislative review, the Inclusive Framework will become aware of more inconsistencies and conclude that some of them could be added to the list of acceptable variations that do not prevent an implementing jurisdiction's legislation from meeting the Consistency Standard. To ensure greater transparency, the Inclusive Framework will release the list of acceptable variations identified in the full legislative review and produce Administrative Guidance to update the QDMTT Safe Harbour Commentary on a timely basis.

39. In addition, when a QDMTT adopts one of the approaches in the paragraph 38 of the QDMTT Safe Harbour Commentary, a switch-off rule prevents the MNE Group from applying the safe harbour in relation to either all or a subset of Constituent Entities or members of JV Groups located or created in the QDMTT jurisdiction and requires the MNE Group to switch to the credit method under Article 5.2.3 of the GloBE Model Rules. The Inclusive Framework will consider extending the application of the switch-off rule to additional scenarios.

2.3.2. Reporting requirements

ToR 2.d	A jurisdiction's QDMTT shall have information collection and reporting requirements that are consistent with the equivalent requirements under the GloBE Model Rules and the approach set out in the GloBE Information Return.

40. A QDMTT Safe Harbour jurisdiction shall have information collection and reporting requirements that are consistent with the equivalent requirements under the GloBE Rules and the approach set out in the dissemination approach (see paragraph 51 of the QDMTT Safe Harbour Commentary). For purpose of the review, a QDMTT jurisdiction that benefits from the safe harbour will be considered as meeting this standard when its legislation includes reporting obligations that are consistent with Article 8.1 of the GloBE Model Rules and the jurisdiction collects the same data points of the GIR in the same format (i.e. same layout).

41. The QDMTT jurisdiction's information collection and reporting framework will therefore be assessed in the same way as an IIR or UTPR (under the same conditions as described in paragraphs 24 and 25).

2.3.3. Related Benefits

42. Like for a QDMTT jurisdiction, a QDMTT Safe Harbour jurisdiction will only achieve consistent outcomes with the GloBE Rules when the jurisdiction does not provide Related Benefits. The Inclusive Framework is currently developing Administrative Guidance that will clarify how to identify Related Benefits (see paragraph 27).

3 Assessment Methodology

3.1. Review process

43. This section sets out the assessment methodology that will be followed for purposes of assessing whether an implementing jurisdiction's legislation meets the terms of reference identified in the previous section. For this purpose, an implementing jurisdiction is a jurisdiction that has implemented the IIR, UTPR or DMTT, or a combination of these rules in their domestic legislation. Other initiatives, such as the enactment of a corporate income tax or any other tax that qualifies as a Covered Tax for purposes of the GloBE Rules, are not in scope of the full legislative review.

44. The assessment methodology clarifies the role of implementing jurisdictions and other Inclusive Framework members for purposes of conducting the full legislative review.[1]

45. The review process consists of the following steps:

1. **Initiation of the full legislative review**: the implementing jurisdiction initiates the full legislative review for a given piece of legislation by submitting a comparison table, together with a copy of the domestic legislation to the Secretariat. Within one month after initiation, the implementing jurisdiction submits the self-assessment form and within three months after initiation, the implementing jurisdiction submits the translation of the legislation. The Secretariat will provide the delegates of Working Party 11 with access to these documents after they are received.
2. **Peer input and stakeholder input**: the Secretariat will collect the information from peers and stakeholders, who are invited to identify any inconsistencies in the relevant legislation and explain their practical implications.
3. **Conduct of the full legislative review**:
    a. *Secretariat's draft preliminary assessment sent to the implementing jurisdiction*: the Secretariat reviews all required documentation and additional information collected and engages with the jurisdiction to seek clarifications where necessary. Following that, the Secretariat shares a draft preliminary assessment with the implementing jurisdiction, which is given the opportunity to make any initial comments. If needed, the Secretariat revises the draft preliminary assessment.
    b. *Secretariat's preliminary assessment sent to Working Party 11*: the Secretariat submits to Working Party 11 a preliminary assessment for comments, which includes specific recommendations and items to be monitored. The implementing jurisdiction may then provide comments in response or engage in discussions with jurisdictions that submitted comments.

[1] Some jurisdictions that are not Inclusive Framework members are also implementing the IIR, UTPR or DMTT, or a combination of these rules. The assessment and recognition of the qualified status of those rules will also be relevant and ensure coordinated outcomes. A jurisdiction cannot participate in that peer review process unless it is an Inclusive Framework member. If an implementing jurisdiction is not a member then the Inclusive Framework could consider whether the jurisdiction can be involved as a "jurisdiction of relevance". Jurisdictions of relevance would be identified on the basis of consensus, first at the level of Working Party 11 and then at the level of the Inclusive Framework.

c. *Approval of recommendations and items to be monitored by Working Party 11*: the Secretariat submits a revised preliminary assessment to reflect additional findings to Working Party 11 (or resubmits the preliminary assessment if no changes are made). Working Party 11 considers the revised preliminary assessment and is asked to approve to each of the recommendations and items to be monitored, if any, on a consensus-minus-one basis.

d. *Approval of recommendations and items to be monitored by the Inclusive Framework*: the Secretariat then submits a consolidated document with all the recommendations and items to be monitored approved by Working Party 11 to the Inclusive Framework for approval on a consensus-minus-one basis.

46. These steps are further detailed in this Chapter.

3.1.1. Initiation of the full legislative review

47. The full legislative review for an implementing jurisdiction's legislation starts when the implementing jurisdiction initiates the review within the approved timelines. The review is initiated when the implementing jurisdiction sends the Secretariat a comparison table, together with a copy of the domestic legislation (see below).

48. An implementing jurisdiction is generally expected to initiate the full legislative review within two years after the effective date of the legislation. However, if the enactment date of the legislation is later than the effective date (but within two years from the effective date), the full legislative review would be expected to be initiated within two years after the enactment date. As an exception, the full legislative review can be initiated within three years of the effective date or, if later, the enactment date of the legislation (provided this is within two years from the effective date) for legislation that took effect on or before 1 April 2025.[2] The Inclusive Framework can also approve extension of the deadline on a case-by-case basis, taking into account special circumstances.

49. In addition, a jurisdiction could decide to initiate the full legislative review for its legislation without having first gone through the transitional qualification mechanism.

Documents to be provided for the initiation of the full legislative review

50. The full legislative review is initiated when the implementing jurisdiction provides the Secretariat with a comparison table, together with a copy of the domestic legislation (see also paragraphs 58-61).

51. Following the initiation of the full legislative review, the implementing jurisdiction then needs to provide:

- Within one month after the initiation date: a self-assessment form;
- Within three months after the initiation date: a document containing the translated version (in English or in French) of the domestic legislation, in line with paragraphs 58-61.

52. If an implementing jurisdiction has in addition to the comparison table, some or all of the other required documents available earlier than the deadline, it may submit those documents when available, and potentially at the same time.

53. If some of the documentation is missing, or is considered incomplete, then the Secretariat may request that the remaining documents are provided or the documents are revised as necessary. It is generally expected that these documents are provided as promptly as possible. The Secretariat will notify

[2] In any case, the full legislative review of the UTPR shall not be initiated before 1 January 2028.

the delegates of Working Party 11 once it has determined that all relevant documents have been received and will provide them with access to these documents.

54. The different documents are described below, including the stakeholder consultation process that will inform the full legislative review.

Self-assessment form and comparison table

55. The Inclusive Framework has developed a self-assessment form that an implementing jurisdiction should complete to self-certify under the transitional qualification mechanism. This form consists of high-level questions and a table to compare the domestic legislation provisions with the GloBE Rules (comparison table).

56. The self-assessment form and the comparison table provide a reliable basis to inform a detailed analysis of the full text of the legislation. Therefore, for the purpose of the full legislative review, the implementing jurisdiction shall submit a revised self-assessment form and a revised comparison table. Both will cover aspects of the GloBE Rules that were identified during the transitional qualification mechanism but will also address aspects which were not covered under the transitional qualification mechanism.

57. If the implementing jurisdiction's legislation has undergone the transitional qualification mechanism, the implementing jurisdiction will be able to leverage the work previously done when completing the self-assessment form for the full legislative review. The implementing jurisdiction may, where appropriate, simply cross-reference the answer previously provided to the same question if it is still valid. If not, it shall explain any answer that differs from the answer given under the transitional qualification mechanism (e.g. relevant amendments to the domestic legislation). The comparison table provided under the transitional qualification mechanism may be resubmitted, but it should be up to date at the time of the submission.

Relevant provisions with English or French translation

58. In addition to the self-assessment form and comparison table, the implementing jurisdiction shall provide a document containing a copy of the domestic legislation that transposes the relevant charging mechanism (i.e. IIR, UTPR or DMTT) and any other relevant provisions that implement the rule and constitute legally binding rules for the tax administration and taxpayers in the implementing jurisdiction (e.g. regulations)[3], in their original language and translated into either English or French (if neither is the original language). This means that other documents or information that are not binding on the taxpayers, but only on the tax administration (e.g. rulings, guidance manuals, administrative interpretations), are not required to be submitted for initiating the full legislative review or translated within three months of the initiation date. Where the legislation has been modified over time, the document should include the consolidated legislation (i.e. the single text that includes all the applicable provisions and incorporates any revisions made to the original legislation that are enacted prior to initiating the full legislative review). Where the rules have been implemented through several legal instruments in a jurisdiction, more than one document may be submitted, provided that each is a consolidated version. Where amendments have been made shortly before the initiation date, the jurisdiction can submit a consolidated version that does not include such amendments where (i) it would impose significant practical challenges to incorporate such

[3] As an exception, where the implementing jurisdiction is required under its legal framework to implement the GIR template, similar domestic tax returns, or related guidance materials through legally binding secondary legislation, submission these documents is not required in order to initiate the full legislative review and a translation is not required within three months of the initiation date.

amendments and (ii) a consolidated version incorporating those amendments will be provided within a reasonable period of time.

59. It is acknowledged that for a jurisdiction that has not legislated in one of these two languages, a translation might be time consuming and resource intensive. Therefore, the implementing jurisdiction is free to use machine translation software to produce an unofficial translation. Whether the translation is produced by a certified translator or using a machine translation software will be treated similarly. It is important, however, that the translation is reliable and accurate. To ensure this, the implementing jurisdiction should review the translation (possibly in cooperation with a certified translator), regardless of how it was produced, before submission. This review is necessary to ensure the translation fairly and accurately represents the original text and maintains its intended meaning.

60. It is recognised that translations may not be perfect and could for example miss some nuances of the original text. The Secretariat will contact the implementing jurisdiction to discuss any inconsistencies that have been identified and the implementing jurisdiction will be given an opportunity to correct the translation.

61. After the initiation of the full legislative review, the Secretariat may, at any time, request that the implementing jurisdiction translate and submit a specific document, or a part of a document, that was not required for initiating the full legislative review if there are concerns that the document could result in the legislation not being applied consistently with the GloBE Rules.

Failure to initiate the full legislative review within the approved timelines

62. If the jurisdiction does not provide all relevant documents for the full legislative review within the approved timelines (in line with the staggered approach set out in paragraphs 50 and 51), its legislation would lose transitional qualified status six months after the initiation deadline. However, if the jurisdiction notifies the Secretariat of the expected delay at least four weeks before the initiation deadline, the Inclusive Framework can approve on a consensus-minus-one basis to provide an extension to initiate the full legislative review, taking into account special circumstances and also considering the reason(s) why the jurisdiction has not initiated the full legislative review on time. In exceptional circumstances and on a case-by-case basis, the Inclusive Framework can approve on a consensus-minus-one basis to provide an extension to initiate the full legislative review where a notification has not been made in due time.

3.1.2. Additional information collection

63. As part of the full legislative review, peer input and stakeholder input will be collected.

Peer input

64. Once an implementing jurisdiction submits all required documentation, the Secretariat will invite all Inclusive Framework members to provide peer input on any inconsistencies in the legislation of the implementing jurisdiction, as well as on the potential impact and significance of these inconsistencies. In their peer input, peers may also suggest that a specific document, or a part of a document, be provided by the implementing jurisdiction. This peer input will be shared with the Secretariat and considered in the preparation of the preliminary assessment. The Secretariat will share any concerns received with the implementing jurisdiction.

65. Peer input shall be submitted to the Secretariat no later than four weeks after the Secretariat notification to Working Party 11 referred to in paragraph 53 indicating that all required documents have been received. This timeframe is intended to ensure the timely receipt of input, enable the Secretariat to properly consider it during the drafting of the preliminary assessment, and avoid delays in the overall

process. The Secretariat may also request additional details or arrange informal discussions with the submitting jurisdiction to further explore the issues raised.

66. If a peer's concerns are not raised during this process, or if the concerns raised are not reflected in the preliminary assessment prepared by the Secretariat, they may still be raised and reviewed at a later stage by Working Party 11 delegates, as outlined in paragraph 81.

Stakeholder input

67. Stakeholders, including taxpayers, are well placed to identify possible inconsistencies in the legislation that they need to comply with, as well as to provide insights into the significance and impact of these inconsistencies. Therefore, in addition to the information that it is collected from the implementing jurisdiction, the Inclusive Framework will take into account the input collected from stakeholders to identify any potential inconsistencies and their impact on the outcomes of the legislation. This input will only be used as a basis for further research and analysis and will not be used to trigger a dialogue between a stakeholder and the implementing jurisdiction.

68. The Secretariat will collect input by posting a call for taxpayer input on the OECD's website as soon as possible after the initiation of the full legislative review. This process will seek feedback from stakeholders to identify possible inconsistencies, as well as an analysis of their impact. This feedback should clarify, for instance, whether the difference gives rise to specific additional concerns in relation to the coordination of the legislation. The questionnaire will also ask whether the same inconsistency has been identified in the legislation of other implementing jurisdictions.[4] The process will be based on the domestic legislation and other relevant legal provisions, in their original language, submitted by the implementing jurisdiction to initiate the full legislative review.

69. To avoid placing unnecessary burden on the full legislative review process, this procedure requires focused and concise input based on a standardised questionnaire. The questionnaire will be designed to ensure that only targeted and relevant information on inconsistencies with the GloBE Rules is collected.

70. Stakeholders will have four weeks to submit their input regarding a specific implementing jurisdiction, which will be announced on the OECD's website. Once submissions are received, the Secretariat will review them and separate relevant submissions from those that did not follow the instructions of the questionnaire, to allow for a more focused review for the implementing jurisdiction and Working Party 11.

71. The Secretariat will then share all stakeholder inputs, including their identities, with the implementing jurisdiction as it prepares the draft preliminary assessment. This allows the implementing jurisdiction, if it so wishes, to provide comments to clarify or provide context. All stakeholder inputs, alongside the comments of the implementing jurisdiction, would be circulated to Working Party 11. The stakeholder input and the implementing jurisdiction's comments will not be made publicly available on the OECD's website, and the Inclusive Framework commits to treating this information as confidential.

72. The Inclusive Framework may decide to use a similar stakeholder consultation process in the ongoing monitoring process.

Related Benefits

73. The stakeholder input process will also cover Related Benefits through a separate questionnaire on benefits, until the ongoing monitoring process for Related Benefits has been approved and is in place.

[4] Where a stakeholder indicates in a submission that the same inconsistency has also been identified in the domestic legislation of another implementing jurisdiction, the submission will also be taken into account for the review of that other jurisdiction.

The same approach as described above would be followed, except that the identities of stakeholders providing input to the questionnaire on benefits that request their identities to remain confidential will be anonymised by the Secretariat before circulation to the implementing jurisdiction and Working Party 11.

3.1.3. Conduct of the full legislative review

Scheduling of legislative reviews

74. The Secretariat and Working Party 11 will ensure that the legislative review is conducted on a timely basis. Where multiple reviews are initiated, these will be conducted in priority based on objective criteria, such as: (i) the effective date of the legislation; (ii) the inconsistencies identified under the transitional qualification mechanism; or (iii) the initiation date of the full legislative review.

75. The full legislative review may be conducted in priority where a jurisdiction has:

- Identified inconsistencies in the context of the transitional qualification mechanism that were intended to be fixed, especially when those needed to be fixed with retrospective effect
- Implemented a Conditional DMTT, an Elective IIR or an Elective DMTT for the 2024 Fiscal Year;[5,6]
- Self-certified for the QDMTT status but has not implemented the mandatory variation on the allocation of cross-border taxes in paragraph 118.28 to 118.30 of the QDMTT Commentary;
- Received questions during the transitional qualification mechanism that were not resolved to delegates' satisfaction or that were resolved pending further action from the jurisdiction;
- Other areas of concern that could be identified by delegates or the Secretariat.

Secretariat review and preliminary assessment

76. The Secretariat will review the legislation together with the other documents that have been provided, as well as any stakeholder input and peer input, and the jurisdiction's clarifications, if any. The purpose of this review will be to assess the legislation against the Terms of Reference, including identifying any areas where the legislation is inconsistent with the GloBE Rules.

77. The review may analyse all sources that are relevant to the understanding of the implementing jurisdiction's legislation. For instance, the relevant sources could extend to secondary legislation and any (technical) guidance that has legal force in the jurisdiction. The Secretariat will be in regular contact with the implementing jurisdiction and may ask follow-up questions.

78. The Secretariat will prepare a draft preliminary assessment, which summarises its review of the legislation, identifies any inconsistencies or other areas of risk in the legislation and proposes recommendations and items to be monitored. This will be shared with the implementing jurisdiction whose

[5] A Conditional DMTT is a DMTT that applies to a Constituent Entity located in the jurisdiction under the condition that the MNE Group to which it belongs is subject to a Qualified IIR or a Qualified UTPR in respect of that Constituent Entity in another jurisdiction. Subject to certain conditions, the Inclusive Framework has approved as a time-limited derogation that a jurisdiction that has implemented a Conditional or DMTT as of 1 January 2024 could self-certify for the transitional qualified status for the QDMTT and the QDMTT Safe Harbour. The conditionality should be limited to 2024 so that the DMTT will apply to all in-scope MNE Groups as of 1 January 2025

[6] An Elective IIR is an IIR that include a provision that allows MNE Groups to elect whether the Parent Entities located in the jurisdiction are subject to the IIR. An Elective DMTT is a DMTT that includes a provision that allows MNE Groups to elect whether their Constituent Entities located in the DMTT jurisdiction are subject to the DMTT. Subject to certain conditions, the Inclusive Framework has approved as a time-limited derogation that a jurisdiction that has implemented an Elective IIR or DMTT as of 1 January 2024 could self-certify for the transitional qualified status. The electivity should be limited to 2024 so that the DMTT will apply mandatorily to all in-scope MNE Groups as of 1 January 2025.

legislation is under review. The jurisdiction will have six weeks to submit any comments to the Secretariat on the draft preliminary assessment and can provide further information which would be taken into account to adjust the draft preliminary assessment where relevant.

79. The jurisdiction will also be expected to explain how it expects that any inconsistencies would be addressed under its domestic legal framework. This should include an explanation of whether any changes to its domestic legislation would need to be made to address the inconsistency and how such legislative amendments would be made. It should also include information about any domestic legal constraints that would affect the jurisdiction's capacity to address the inconsistency, for example including details about when the inconsistency could be addressed and which Fiscal Years the inconsistency could be addressed for.

80. The Secretariat will then revise its draft preliminary assessment, taking into account the plan provided by the jurisdiction. The preliminary assessment will identify the inconsistencies and include recommendations to address those inconsistencies within a given timeframe. The suggested timeframe will take into account the impact and significance of the inconsistency as well as the tools available in the jurisdiction to address the inconsistency. The recommendation will be drafted after a discussion with the implementing jurisdiction about how it plans to address the inconsistency.

81. The preliminary assessment will be then shared with Working Party 11 for comments. Working Party 11 will have six weeks to make any comments on the proposed recommendations and items to be monitored set out in the preliminary assessment. Working Party 11 delegates may also raise additional inconsistencies not identified in the preliminary assessment. In such cases, the comment should specify the relevant provision in the legislation and the term of reference to which the alleged inconsistency relates.

82. At the end of the period for comments, the Secretariat will share a compilation of comments received with Working Party 11. The implementing jurisdiction may then provide written responses or engage in discussion with the jurisdiction(s) that submitted comments. The Secretariat may revise the preliminary assessment, which will then be circulated to Working Party 11 for approval, as further explained in section 3.2.2.

3.2. Outcomes

3.2.1. Categories of recommendations and decisions

83. Any outcomes will be classified on a case-by-case basis. This classification will be based on the significance to the outcomes under the domestic legislation (taking into account the effect of any interaction with the other provisions of the legislation where relevant) and how similar inconsistencies or items in the legislation of other jurisdictions have previously been classified.

84. In some cases, the same item could have a different impact on coordination or effectiveness of the overall system depending on the charging mechanism (i.e. the IIR, UTPR or QDMTT). For example, an inconsistency in the calculation of the Top-up Tax in a QDMTT may have less impact on the coordination between different jurisdictions' domestic rules compared to a similar inconsistency in the calculation of the Top-up Tax under an IIR or UTPR. This means the Inclusive Framework could provide different recommendations for similar inconsistencies where these are expected to have different impacts on the coordination and effectiveness of the overall system. Similarly, given the QDMTT Safe Harbour applies an exemption mechanism, the review of a QDMTT eligible for such a safe harbour relies on a higher standard of consistency than a QDMTT which is not eligible for the safe harbour, and therefore could have specific recommendations.

85. The preliminary assessment will categorise each inconsistency or other item that has been identified in the legislation under review, based on this categorisation:

1. Inconsistencies to be addressed.

2. Items to be monitored.

86. In some cases, there may be significant inconsistencies that cannot be addressed satisfactorily with a recommendation. In such cases, a decision could be taken by the Inclusive Framework to no longer recognise the legislation's qualified status, in accordance with the process described below.

Inconsistencies to be addressed

87. The category of "inconsistencies to be addressed" covers inconsistencies that the Inclusive Framework would expect the implementing jurisdiction to address in order for the qualified status of its legislation to be recognised (or to continue to be recognised). The recommendation will also specify when the inconsistency should be addressed by, which will be determined on a case-by-case basis for each inconsistency.

88. The Inclusive Framework will recommend that the inconsistency is addressed at the latest for Fiscal Years beginning on or after a certain date. This date will be considered on a case-by-case basis depending on the significance of the inconsistency. The recommendation will also include a date by when the relevant procedural steps to address the inconsistency (for example legislative changes to the domestic legislation) are expected to have been completed. This date will be the relevant date for the subsequent monitoring process to confirm that the recommendation has been implemented, which is described further in section 3.3.1.

89. It is recognised that an implementing jurisdiction can have constitutional constraints to address an inconsistency retrospectively. It is also recognised that a jurisdiction may need time to make amendments to its legislation (e.g. implementation of certain Administrative Guidance within a certain timeframe). Depending on the other tools available in the jurisdiction, some inconsistencies may also be addressed, on a temporary basis, without amending the legislation (for instance, some jurisdictions may be able to issue taxpayer favourable guidance that applies with no delay). Therefore, a structured dialogue will take place during the full legislative review between the implementing jurisdiction, its peers and the Secretariat, to identify the most effective and efficient way of addressing the inconsistency, starting with the plan of the implementing jurisdiction. A failure by the Inclusive Framework to approve a date from which the inconsistency should be addressed, where such date is retrospective, does not cause the inconsistency automatically to become an inconsistency that cannot be addressed with a recommendation (see paragraphs 91 and 92).

90. The below box illustrates the Fiscal Years for which inconsistencies in this category may need to be addressed.

Example 1 – Inconsistencies to be addressed for later Fiscal Years

Jurisdiction A has implemented a DMTT that has an effective date of 1 January 2025 and has obtained transitional qualified status.

MNE A operates in Jurisdiction A and has a Fiscal Year from 1 January to 31 December.

Jurisdiction A's domestic legislation completes the full legislative review, and the Inclusive Framework approves on 30 August 2027 that there is a recommendation to address an inconsistency for Fiscal Years beginning on or after 30 August 2028.

The inconsistency will therefore be addressed at the latest for MNE A's Fiscal Year from 1 January 2029 to 31 December 2029 and for all subsequent Fiscal Years.

Inconsistencies that cannot be addressed with a recommendation

91. For the most significant inconsistencies that cannot be addressed with a recommendation, the Inclusive Framework could decide on a consensus-minus-one basis to withdraw the qualified status of the legislation with immediate (and prospective) effect. This determination, and the effective date of the withdrawal, would be recorded in the central record for purposes of the Global Minimum Tax.

92. The loss of the qualified status would then apply prospectively to Fiscal Years that begin on or after the effective date specified in the Inclusive Framework's decision. This is to avoid that a jurisdiction would need to amend its recognition of another jurisdiction's qualified status retrospectively as well as uncoordinated outcomes for MNE Groups.

Example 2 – Inconsistencies leading to immediate loss of qualified status

Jurisdiction B has implemented a DMTT that has an effective date of 1 January 2026 and its legislation has obtained transitional qualified status.

In 2027, during the full legislative review, the Inclusive Framework determines that Jurisdiction B's DMTT includes an inconsistency that cannot be addressed with a recommendation. On 31 March 2027, the Inclusive Framework decides that the DMTT's qualified status should be withdrawn with immediate effect for Fiscal Years beginning on or after 31 March 2027. The removal of the qualified status will be recorded in the central record for purposes of the Global Minimum Tax.

MNE B

MNE B operates in Jurisdiction B and has a Fiscal Year from 1 January to 31 December. For MNE B, the loss of Jurisdiction B's legislation's qualified status will have an effect for the Fiscal Year that runs from 1 January 2028 to 31 December 2028 and for all subsequent Fiscal Years. However, the loss does not need to be taken into account for Fiscal Years that started before the recommendation was approved and therefore does not need to be applied for the 2026 and 2027 Fiscal Years.

MNE C

MNE C operates in Jurisdiction C and has a Fiscal Year from 1 August to 31 July. For MNE C, the loss of Jurisdiction B's qualified status will have an effect for the Fiscal Year that runs from 1 August 2027 to 31 July 2028 and for all subsequent Fiscal Years. However, the loss does not need to be taken into account for Fiscal Years that started before the recommendation was approved and therefore does not need to be applied for the 2026 (1 August 2026 to 31 July 2027) Fiscal Year.

Items to be monitored

93. This category would cover items that the implementing jurisdiction would not be required to address unless the identified circumstances materialise. While there would not be a recommendation to address these items as part of the full legislative review, they would be subject to further monitoring. Accordingly, a recommendation to address an identified inconsistency could be made at a later stage for an item to be monitored.

94. This category would generally be expected to cover cases where the Inclusive Framework considers that the relevant provisions in the legislation meet the Terms of Reference despite the fact that it does not yet apply an Administrative Guidance that has been released less than 24 months before the full legislative review is initiated and for which the Inclusive Framework has approved an effective date that has passed at the time when the review is initiated. This may be the case, for example, when the implementing jurisdiction is still in the process of applying such Administrative Guidance at the time when

the review is initiated, and will be able to apply such Administrative Guidance retrospectively from the effective date, as explained in paragraph 22.

95. Items to be monitored could also arise in a DMTT jurisdiction when the DMTT legislation omits some provisions of the GloBE Rules that do not apply to the DMTT jurisdiction's domestic legal framework and such omission would have no effect on the outcomes under the DMTT legislation, because those omitted GloBE Rules provisions are not relevant to the existing features of that DMTT jurisdiction's domestic legal framework. It is expected that the Inclusive Framework could decide that such items would not need to be addressed but should instead be monitored in case those features were amended . For instance, the DMTT jurisdiction may take the view that its legislation should not include any provisions on some type of Entities (e.g. Flow-through Entities) because the domestic legal framework in the jurisdiction means there will not be fiscally transparent Entities created in that jurisdiction, so the Flow-through Entity provisions will not have any effect. However, if those Entities could be created under future legislative amendments, then following such amendments, the omission of those provisions would result in an inconsistency to be addressed. Such items would not typically be included in the list of acceptable variations of the Consistency Standard of the QDMTT Safe Harbour Commentary, because the acceptability of the variation is based on the specific features of that jurisdiction's domestic legal framework. In those cases, the Inclusive Framework could consider that the legislation meets the Consistency Standard despite the omission, where the omission does not affect the outcomes under the legislation and the legislation generally provides the same outcomes as those under the GloBE Rules.

96. The type and frequency of the monitoring will be considered on a case-by-case basis for each item. For example, the Inclusive Framework could decide in the above example where a DMTT omits provisions that would have no practical effect that the issue would only need to be revisited if there was a subsequent change which meant the omission would affect the outcomes under the legislation.

Cumulative guidance note

97. It is expected that Working Party 11 will discuss technical questions on the intended outcomes of the GloBE Rules for purposes of the full legislative review. For instance, the Working Party might conclude that certain differences with the GloBE Rules do not need to be addressed because they are consistent with the intended outcomes under the GloBE Rules.

98. The relevant conclusions would be recorded in a cumulative note to ensure consistency based on prior practice. The note will not be made publicly available but will be shared with Working Party 11 delegates and uploaded on the O.N.E. Communities website. It will be updated on a regular basis to support Working Party 11 in the full legislative review and the ongoing monitoring, and it could inform future Administrative Guidance where needed which will be reflected in an updated version of the Commentary. For instance, as provided in paragraph 38, this could be the case where the Inclusive Framework considers that certain optional variations could be added to the list of optional variations that are allowed under the Consistency Standard of the QDMTT Safe Harbour or where additional scenarios are added to extend the application of the switch-off rule, as referred to in paragraph 39.

3.2.2. Decision-making process

Overview of the decision-making process

99. After the review process for comments described in paragraphs 76 to 82, the Secretariat will share the (revised) preliminary assessment with Working Party 11 and will invite it to approve each proposed recommendation or item to be monitored included in the assessment on a consensus-minus-one basis. This means a recommendation or item to be monitored will be approved unless more than one jurisdiction has objected to it. At the level of Working Party 11, the decision-making process can only be completed

once all the recommendations and items to be monitored (if any), have been approved and it has been approved that no further recommendations or items to be monitored are required.

100. The process will primarily be conducted through written procedure. Working Party 11 delegates may raise an objection to a proposed recommendation(s) or item(s) to be monitored (or the absence of such recommendation or item to be monitored) in the (revised) preliminary assessment. Objections should specify which recommendation and the relevant term of reference the objection relates to, or the item to be monitored and should be clearly explained and supported on technical grounds. In particular, the jurisdiction should specify the nature of their disagreement (for example, whether they disagree that there is an inconsistency or item to be monitored, the proposed categorisation or the terms of the recommendation) and indicate how they would propose the inconsistency or item should be treated.

101. The Secretariat will moderate discussions between the implementing jurisdiction and the jurisdiction(s) that have raised the objections, as needed, with the aim of resolving disagreements to achieve consensus-minus-one approval. Throughout this process, the Secretariat will keep Working Party 11 informed, e.g. by sharing questions and answers on O.N.E. Community and by providing updates during a Working Party 11 meeting. If objections remain unresolved, the Secretariat may revise its preliminary assessment, taking into account the points raised by the objecting jurisdiction(s), and re-circulate it to Working Party 11 for approval. At any stage, a jurisdiction may submit questions or comments to the implementing jurisdiction and the Secretariat may revise its preliminary assessment again and circulate it to Working Party 11 to achieve consensus-minus-one approval.

Process in case of approval

102. When the process is completed at the level of Working Party 11, the (revised) preliminary assessment will be sent to the Inclusive Framework for approval. The recommendations and items to be monitored included in the assessment would also be submitted to the Inclusive Framework level for approval on a consensus-minus-one basis.

103. If all recommendations and items to be monitored are approved by the Inclusive Framework, the qualified status of the implementing jurisdiction’s legislation will be confirmed and replace the transitional qualified status (in case this was obtained by the implementing jurisdiction). This confirmation is based on the expectation that the implementing jurisdiction will implement the recommendations and address the inconsistencies that have been identified. These recommendations will consequently be monitored. See further sections on the process for confirming a jurisdiction’s legislation’s qualified status, on the publication of the outcomes from the full legislative review process and on the subsequent ongoing monitoring.

Process pending approval

104. Where there is no consensus-minus-one approval on the (revised) preliminary assessment, there will be further discussions to reach a consensus-minus-one approval on the outstanding issues. To facilitate this, the Secretariat may bring the issues for discussion at a Working Party 11 meeting. Working Party 11 could also consult the Steering Group of the Inclusive Framework to provide guidance on the issues to inform Working Party 11 discussions on the issues and reach an agreement.

105. At any stage, the Secretariat could revise its preliminary assessment, e.g. to better target a recommendation and facilitate approval of Working Party 11 to such a recommendation, and circulate it to Working Party 11. The process outlined in paragraphs 99 to 101 will apply each time a revised preliminary assessment is circulated. The Secretariat will also periodically provide an update to Working Party 11 of those cases where no consensus-minus-one approval was yet reached, which could include e.g. the objecting jurisdictions and details on the specific issues. This approach will be applied consistently across the full legislative review of all implementing jurisdictions.

106. The jurisdiction's legislation will continue to be recognised as having transitional qualified status while these discussions are ongoing. However, if there is still no resolution of the outstanding issues one year after the preliminary assessment was first circulated to Working Party 11, then the Inclusive Framework will be asked to decide, on a consensus-minus-one basis, whether to remove the transitional qualified status of the jurisdiction's legislation ("first decision"). If necessary, the Inclusive Framework will be asked, on each anniversary of the date of the first decision ("annual decision"), to decide again, on a consensus-minus-one basis, on whether to remove the transitional qualified status.

107. Within two years after the date of the first decision, a (potentially further revised) preliminary assessment may be approved by the Inclusive Framework on a consensus-minus-one basis. If that is not the case, the transitional qualified status of the jurisdiction's legislation will expire automatically. This will prevent prolonged delays to the completion of the full legislative review by encouraging delegates to arrive at a consensus-based decision. In exceptional circumstances, however, the Inclusive Framework could approve a time-limited extension to the two-year period on a consensus-minus-one basis. For instance, this is expected to happen in cases where an outstanding issue is not sufficiently significant to be capable of materially affecting the assessment of the legislation's qualified status.

3.2.3. Publication of outcomes

108. As above, the qualified status of a jurisdiction's legislation is confirmed at the date that all proposed recommendations and items to be monitored have been approved by the Inclusive Framework.

109. The central record for purposes of the Global Minimum Tax made publicly available on the OECD's website will be updated on a regular basis and in a timely manner to confirm that the legislation has completed the full legislative review process. If a jurisdiction's legislation was considered as qualified and no longer has qualified status, a separate section in the central record will record such status together with the date when the qualified status ceased and the history of changes of status will be available.

110. By default, the central record will also include the recommendations for inconsistencies to be addressed that have been approved by the Inclusive Framework (if any). For instance, if a jurisdiction's UTPR legislation applies to MNE Groups with a different revenue threshold than the one included in Article 1.1.1 of the GloBE Model Rules, then this will be noted as such in the central record for purposes of the Global Minimum Tax. The central record will also provide details about when it is expected that the recommendation is addressed. If needed, the Inclusive Framework can decide on a case-by-case basis and by consensus-minus-one approval that a recommendation would not be included in the central record, or that more detail will be included for a certain recommendation. The rationale to include a recommendation or not and the level of detail would be discussed as part of the implementing jurisdiction's review. The Inclusive Framework will seek to apply a consistent approach across recommendations but may for instance, decide that a lower level of detail is more appropriate in some instances where disclosing the inconsistency raises integrity concerns or legal or constitutional issues for the jurisdiction.

111. If needed, the Inclusive Framework can decide on a case-by-case basis and by consensus-minus-one approval that information will be included for a certain outstanding issue or an item to be monitored.

3.3. Monitoring

3.3.1. Monitoring of the recommendations regarding inconsistencies to be addressed

112. The confirmation of the qualified status of a jurisdiction's legislation is based on the expectation that the jurisdiction implements all recommendations regarding the inconsistencies to be addressed according to the approved timeframe. The recommendations will consequently be monitored in order to assess whether they have been implemented within the approved timeframe.

113. The level and timing of the monitoring will depend upon the particular inconsistency and will be specified in the recommendation itself. Each recommendation will be monitored separately, irrespective of whether different timeframes were approved for them to be addressed.

114. The implementing jurisdiction should initiate this monitoring process by notifying the Secretariat to confirm whether the recommendation has been addressed. This notification should be made by the date the jurisdiction was required to address the inconsistency or, if earlier, as soon as possible after the procedural steps to address the inconsistency have been completed. If the Secretariat has not received any notification by the deadline that was approved in the recommendation, it will ask the implementing jurisdiction whether the inconsistency has been addressed according to the approved timeframe.

115. The notification should include copies of any amendments to the legislation, or other relevant material, if the jurisdiction considers the inconsistency has been addressed. If the inconsistency has not been addressed according to the approved timeframe, the jurisdiction may explain why the recommendation has not been implemented (e.g. unforeseen circumstances that prevent implementation) and set out a revised plan on how the inconsistency will be addressed at the latest within six weeks from the date when the inconsistency needed to be addressed.

116. If the recommendation has been addressed, then the Secretariat will send the notification to Working Party 11 together with an opinion that the recommendation has been addressed. Delegates in Working Party 11 will have four weeks to raise any questions.

117. If the recommendation has not been addressed, the Secretariat will explore whether the Inclusive Framework could be invited to amend its initial recommendation to take into account the jurisdiction's plan and approve a new recommendation on a consensus-minus-one basis. If the Inclusive Framework fails to approve such a revised recommendation after six months from the date that the jurisdiction was required to address the inconsistency (according to the initial recommendation), the qualified status of the jurisdiction's legislation will be revoked at the end of the six-month period.

3.3.2. Monitoring of items to be monitored

118. As explained in paragraph 93, items to be monitored would cover items that the implementing jurisdiction would not be required to address unless the identified circumstances materialise. This would include, for instance, Administrative Guidance that was released less than 24 months before the review is initiated and for which the Inclusive Framework has approved an effective date that has passed at the time when the review is initiated. For this type of Administrative Guidance, as explained in paragraph 22, the Inclusive Framework would assess whether the application of the legislation in line with such guidance could be an item to be monitored taking into account the legislative plans of the jurisdiction. This monitoring process will test whether the item becomes an inconsistency that needs to be addressed. In the latter case, a consensus-minus-one approval would be needed for any recommendation to classify the inconsistency as an inconsistency to be addressed.

119. The monitoring of these items is therefore different from the monitoring as described under the previous section. During this monitoring, any jurisdiction may submit questions or comments to the implementing jurisdiction, which may also be shared with Working Party 11 at the submitting jurisdiction's request. The frequency and timing of the monitoring will be determined on a case-by-case basis and will be specified.

3.3.3. Monitoring of Administrative Guidance not tested during the full legislative review and subsequent changes or newly identified inconsistencies to the legislation

120. This category includes Administrative Guidance that was not tested during the full legislative review (e.g. Administrative Guidance released less than 24 months before the review is initiated and for

which the Inclusive Framework has not approved an effective date and Administrative Guidance that was released after the initiation of the review). Such Administrative Guidance will be monitored by the Inclusive Framework to assess whether it is implemented in line with the Terms of Reference. Any jurisdiction may submit questions or comments to the implementing jurisdiction in respect of the application of such Administrative Guidance, which may also be shared with Working Party 11 at the submitting jurisdiction's request. In addition, as explained in paragraph 23, an implementing jurisdiction may request that monitoring of Administrative Guidance released less than 24 months before the review is initiated and for which the Inclusive Framework has not approved an effective date is expedited, e.g. where the Administrative Guidance has already been implemented in its legislation at the time of the full legislative review.

121. In addition, an implementing jurisdiction may introduce changes to its relevant legislation (or any other relevant legal provisions referred to in paragraph 58) after the full legislative review is completed. Substantive changes need to be notified to Working Party 11 by the concerned jurisdiction within six weeks of the change (e.g. the date of enactment), except for changes related to inconsistencies that were to be addressed or items to be monitored, which are covered in separate monitoring modules. Substantive changes would include any changes that could affect an assessment against the Terms of Reference or that could have foreseeably impacted a determination by the Inclusive Framework on eligibility as a qualified rule. This does not include minor changes that merely increase the consistency of domestic legislation with the GloBE Rules. This approach is intended to avoid burdensome notification requirements where subsequent changes are minor and do not raise any risk of introducing new inconsistencies.

122. Furthermore, the jurisdiction may identify new inconsistencies, for example where:

- an MNE Group has identified in the GIR that there are differences between the GloBE Rules and the domestic legislation,
- where a taxpayer raises an issue or the tax administration is in contact with other jurisdictions and identifies inconsistencies in the transposition of the GloBE Rules into the domestic legislation, or
- where a new final court decision adopts an interpretation different from that anticipated by the implementing jurisdiction during the full legislative review and that decision is applicable more generally.

123. Those newly identified inconsistencies also need to be notified to Working Party 11. Any jurisdiction may submit questions or comments to the implementing jurisdiction in respect of an alleged newly identified inconsistency, which may also be shared with Working Party 11 at the submitting jurisdiction's request. In case newly identified inconsistencies were not yet addressed, Working Party 11 could request further information about the inconsistencies and formulate recommendations using a similar process to the full legislative review. This would ensure that inconsistencies are comprehensively addressed as part of the peer review process.

3.4. Recognition of qualified status

3.4.1. Confirmation of a legislation's transitional qualified status

124. Following the transitional qualification mechanism, where the qualified status of a jurisdiction's legislation is confirmed in the full legislative review, it should continue to be recognised without interruption by other implementing jurisdictions.

3.4.2. Loss of qualified status

125. In the following circumstances, the full legislative review may lead to a loss of the qualified status of a jurisdiction's legislation:

- When a jurisdiction does not provide all documents to initiate the full legislative review within the approved timelines (see paragraph 62). In this case, the loss of qualified status applies from the date falling six months after the initiation deadline.
- When there is a consensus-minus-one decision as a result of the full legislative review that the qualified status should be immediately revoked because of significant inconsistencies that cannot be addressed with a recommendation (see paragraph 91). In this case, the loss of the qualified status applies from the date specified in the Inclusive Framework's decision.
- When the full legislative review has not concluded, but there is a consensus-minus-one decision to remove or not recognise the jurisdiction's legislation qualified status (see paragraph 106). In this case, the loss of the qualified status applies from the date of the approval by the Inclusive Framework.
- When the full legislative review has not concluded within two years from the date of the first decision (see paragraph 107). In this case, the loss of the qualified status applies from the date that is two years after the date of the first decision by the Inclusive Framework.
- When a recommendation has not been implemented and there is no consensus-minus-one decision to issue a replacement recommendation. In this case, the loss of the qualified status applies from the date that is six months from the date that the jurisdiction was required to address the inconsistency (see paragraph 117).

126. In all cases, the loss of qualified status will only apply prospectively for Fiscal Years that start on or after the relevant date specified in paragraph 125.

3.4.3. Retrospective recognition of qualified status

127. When an implementing jurisdiction's legislation loses its qualified status, or the qualified status expires, the implementing jurisdiction can amend its legislation to address the inconsistencies.

128. Where the implementing jurisdiction amends its legislation to address an inconsistency with retrospective effect and the legislation re-obtains qualified status, the Inclusive Framework could decide to recognise the qualified status retrospectively. This would be determined on a case-by-case basis and on a consensus basis. A similar process applies for legislation that did not have (transitional) qualified status before the full legislative review was initiated, where the Inclusive Framework can decide that the legislation could still be recognised as qualified from an earlier date, having regard to the need to provide certainty for taxpayers and other implementing jurisdictions.

Example 3 – Retrospective recognition of qualified status

Jurisdiction B has implemented a DMTT that has an effective date of 1 January 2026 for which it had obtained transitional qualified status. In 2027, during the full legislative review, the Inclusive Framework determines that Jurisdiction B's DMTT was conditional. On 31 March 2027, the Inclusive Framework decides that the DMTT's qualified status should be withdrawn with immediate effect for Fiscal Years beginning on or after 1 April 2027.

In June 2027, Jurisdiction B amends its legislation to address the conditionality of its DMTT retroactively for Fiscal Years that began on or after 1 January 2027. Jurisdiction B reinitiates the full legislative review.

On 1 November 2027, following its reassessment, the Inclusive Framework concludes that the inconsistency has been addressed. The Inclusive Framework would also determine the effective date from which Jurisdiction B's legislation's qualified status should apply, which could be as early as 1 April 2027, so that there is effectively no loss of qualification and the returns or Top-up Tax payments are not likely to be impacted (e.g. the GIR filing date would not be due before 31 March 2029).

3.5. Review clause

129. The full legislative review is available to all implementing jurisdictions, irrespective of the effective date of their domestic legislation. Based on the first years of application of the GloBE Rules, however, the Inclusive Framework will review the process set out in this note to assess the need for any changes to be implemented but not before 31 December 2030.

References

OECD (2025), *Tax Challenges Arising from the Digitalisation of the Economy – GloBE Information Return (January 2025): Inclusive Framework on BEPS*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, https://doi.org/10.1787/a05ec99a-en. [1]

Global Minimum Tax: Terms of Reference and Assessment Methodology for the Full Legislative Review

The Inclusive Framework on BEPS has developed a peer review process to ensure there is a consistent and co-ordinated approach to determining the qualified status of the key rules underpinning the Global Minimum Tax (GMT), namely the Income Inclusion Rule (IIR), the Undertaxed Profits Rule (UTPR) and the Qualified Domestic Minimum Top-up Tax (QDMTT) and the eligibility of the QDMTT Safe Harbour. This peer review process consists of the full legislative review of a jurisdiction's legislation and ongoing monitoring. This report outlines the methodology used to conduct the full legislative review.

OECD
BETTER POLICIES FOR BETTER LIVES