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Global Tax Alert

The Latest on BEPS and Beyond

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Highlights

Throughout this year, "uncertainty" has been the defining feature of international tax. The global minimum tax, the digitalization of the economy, trade and tariffs, and a shifting geopolitical environment are all moving at the same time. For multinational groups, the question is no longer whether tax will change, but how quickly it will evolve and where it is heading.

On Pillar Two, there has been limited official communication on the progress at the Inclusive Framework in the development of the "side-by-side" system. However, the 13 November 2025 Economic and Financial Affairs Council (ECOFIN) in the European Union (EU) meeting underlined that there is still an active debate. According to a recent statement by the Estonian government, 10 EU Member States raised competitiveness concerns at the November 2025 meeting of the EU Finance Ministers. This concern is not entirely new, but it confirms that a significant number of countries remains cautious about the impact of the global minimum tax on investment and growth. The same statement expresses Estonia's view that any major changes agreed at the Inclusive Framework level should trigger a reopening of the EU Directive, highlighting the complexity in the EU.

Shape the future with confidence

At the same time, the implementation of Pillar Two is clearly moving ahead. A growing number of jurisdictions are in the process of updating their domestic legislation to reflect the latest Administrative Guidance, signaling that they are proceeding irrespective of the ongoing Inclusive Framework negotiations. In practice, many multinational enterprise (MNE) groups with a calendar year reporting period now face their first Qualified Domestic Minimum Top-up Tax (QDMTT) return filings before year-end (e.g., with respect to Hungary, Turkiye and Vietnam), while Belgian Tax Authority has postponed the QDMTT return that was initially due by 30 November 2025. Additionally, there are new registration requirements in jurisdictions such as Ireland, Portugal and Vietnam. This first compliance cycle will be a test, for tax authorities and taxpayers, around data quality and systems readiness. For more detail, see our EY Pillar Two Developments Tracker.

With the Pillar One negotiations stalled in the Inclusive Framework, some jurisdictions are showing renewed interest in unilateral measures. Recent examples include the consideration of the French Parliament to double the Digital Services Tax (DST) rate from 3% to 6%, alongside ongoing deliberation in the German federal government on a possible digital advertising tax. At the same time, the United States has started to address DSTs through its trade policy, seeking commitments from trading partners to refrain from adopting or imposing such taxes. For example, in a recent joint statement with Switzerland and Liechtenstein, those jurisdictions agreed to continue to refrain from imposing DSTs. Providers of digital services are also facing heightened scrutiny from tax authorities. Collectively, these developments contribute to greater uncertainty for highly digitalized business models.

In parallel, a recent Organisation for Economic Co-operation and Development (OECD) review of Amount B adoption shows a fragmented picture. Only a limited number of jurisdictions have indicated their intention to fully implement Amount B, while many have indicated that they will not apply it domestically but will respect its application by covered jurisdictions in line with Inclusive Framework commitments. Others remain in an assessment phase. This suggests that, in the short term, the promise of global simplification for baseline marketing and distribution activities is likely to be only partially realized and that transfer pricing controversy may increase rather than decline. For groups with significant marketing and distribution footprints, a key question is how Amount B, where adopted, interacts with existing transfer pricing frameworks, advance pricing arrangements and controversy strategies.

Regarding environmental, social and governance (ESG) reporting and tax transparency, pressure continues to build as we approach year-end. EU public country-by-country (CbC) reports will need to be published by the end of 2025 for in-scope groups with relevant presence in Romania or Croatia. In addition, EU public CbC reports will also need to be published in Spain as early as 31 December 2025 for certain groups. Next year will be the first year in which the EU public CbC reporting (CbCR) rules are applicable across all EU Member States. This will require a strategic assessment by in-scope groups, given the multiple differences in domestic implementation and the need to ensure that public tax disclosures are aligned with the group's business footprint and ESG narrative. For more detail, see our EY Public CbCR Tracker.

These developments reinforce that tax is a lever through which governments pursue economic, social and geopolitical objectives. Businesses will be well served by treating tax policy as a strategic variable to be integrated into board-level discussions before decisions are made.

BEPS 2.0

Country developments

Australia releases amendments to the Pillar Two legislation

On 27 October 2025, the Australian Treasury released draft amendments to its Pillar Two legislation for public consultation, accompanied by an explanatory statement. The proposed changes are intended to bring Australia's rules into closer alignment with the OECD Model Rules and Administrative Guidance and apply to Fiscal Years commencing on or after 1 January 2024.

The draft includes (1) an Equity Investment Inclusion Election and the related rules on Qualified Flow-through Tax Benefits, (2) clarification of the limited circumstances where Securitiation Entities would be liable to pay Undertaxed Profits Rule (UTPR) top-up tax, (3) minor amendments to the Domestic Minimum Tax (DMT) provisions and (4) clarification of the Investment Entity Transparency Election for Regulated Mutual Insurance Companies.

The consultation period is open until 21 November 2025.

Austria releases amendments to Pillar Two legislation

On 16 October 2025, the Austrian Ministry of Finance released the draft Tax Amendment Act 2025 for public consultation. The draft legislation seeks to incorporate into Austrian domestic law the OECD Administrative Guidance issued in December 2023, June 2024 and January 2025. It also proposes the transposition of the EU Directive on Administrative Cooperation (DAC9), which will enable the exchange of Global Anti-Base Erosion (GloBE) Information Returns (GIR) between EU Member States.

If enacted, the amendments would apply retroactively to fiscal years starting on or after 31 December 2023. The public consultation period was open until 3 November 2025.

Belgium releases Pillar Two Circular

On 22 October 2025, Belgium issued a Circular providing detailed guidance on the implementation of its Pillar Two legislation, aligning domestic rules with the EU Minimum Tax Directive and OECD Model Rules.

The Circular is based on the OECD's "Consolidated Commentary to the Global Anti-Base Erosion Model Rules" and "Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two) Examples" as published on 25 April 2024, as well as the EU's "Frequently Asked Questions on Pillar Two Directive." The Circular does not take into account the latest OECD Agreed Administrative Guidance, published on 9 May 2025.

The Circular covers the core mechanics of Pillar Two, including scope, definitions, GloBE Income, Covered Taxes, effective tax rate (ETR), Safe Harbors and Top-up Tax computation.

Belgian QDMTT return deadline extended

On 17 November 2025, the Belgian Tax Authorities announced an extension for filing the first Qualified Domestic Minimum Top-up Tax (QDMTT) return. The Belgian Tax Authorities now granted a general extension for all QDMTT returns whose statutory filing deadline falls before 30 June 2026, until 30 June 2026.

The announcement further states that practical guidelines and technical documentation regarding the filing procedure will be communicated at a later date.

See EY Global Tax Alert, *Belgian QDMTT return deadline extended till 30 June 2026*, dated 17 November 2025.

Cabo Verde announces proposal to implement Pillar Two

On 30 September 2025, the Council of Ministers of Cabo Verde approved the draft National Budget for 2026, which proposes the implementation of Pillar Two. The Budget introduces a domestic minimum top-up tax but does not currently include provisions for the Income Inclusion Rule (IIR) or the UTPR.

The Budget will now be submitted to the National Assembly for approval, followed by Presidential assent. If enacted, the amendments would take effect for financial years beginning on or after 1 January 2026.

France issues draft Pillar Two amendments to implement June 2024 Administrative Guidance

On 14 October 2025, the French government submitted the draft Finance Bill for 2026 to the National Assembly. The draft legislation proposes revisions to France's Pillar Two legislation, including the incorporation of the OECD Administrative Guidance issued in June 2024, particularly with respect to the treatment of deferred tax liabilities. It also refines certain terms and definitions to address the specificities of banking and insurance groups. Further, it addresses cases in which the QDMTT allocation method based on theoretical entity-level QDMTT does not work and a return to the IIR allocation rule based on positive GloBE income is necessary.

If enacted, the Pillar Two amendments would apply retroactively to financial years starting on or after 1 January 2025, while the DAC9 measures would take effect from 31 December 2025.

Guernsey issues guidance on Pillar Two registration

On 1 October 2025, the Guernsey Revenue Service issued guidance on the Pillar Two registration process. According to this guidance, a qualifying MNE group must appoint a Domestic Filing Entity in Guernsey. This entity will be responsible for registering all members of the Group located in Guernsey, including Joint Ventures.

The registration must be completed by the later of (1) 12 months from the start of the first fiscal year starting on or after 1 January 2025; or (2) six months from the date an entity becomes a member of the MNE group.

The Guernsey Revenue Service has confirmed that the appointment of the Domestic Filing Entity and the registration of the Guernsey constituent entities form part of the same process. An online registration platform is expected to be available during the fourth quarter of 2025.

A single registration will cover the Group's obligations in Guernsey for both the Domestic Minimum Top-up Tax (DTT) and the Multinational Top-up Tax (MTT).

If an entity ceases before the online registration system is available, an interim cessation form may be used to notify the Revenue Service.

Hungary releases amendments to Pillar Two legislation

On 2 October 2025, Hungary released its 2025 Autumn Tax Package. Among other measures, the package introduces amendments to the operation of the Transitional CbCR Safe Harbor (TCSH). The amendments clarify the simplified effective tax rate calculation method, the scope of the simplified covered taxes and align their treatment with the OECD Model Rules. They also provide guidance on when a CbCR report qualifies for TCSH purposes and formally define "Qualified Financial Statements" in line with OECD Administrative Guidance. These changes are intended to reduce uncertainty and ensure consistent application of the TCSH by multinational groups in Hungary.

The package also contains a Bill to transpose into domestic law the EU Directive on Administrative Cooperation (DAC9). The Bill provides for simplified compliance by enabling central filing of the GloBE Information Return, using a standardized form that will be applied consistently across the European Union.

If approved, the Bill will enter into force the day after promulgation.

Italy releases Decree on Pillar Two compliance

On 16 October 2025, the Italian Ministry of Economy and Finance issued a Decree setting out the procedures for filing the GloBE Information Return (GIR). The procedures are consistent with the OECD GloBE Rules and related guidance.

Each Italian constituent entity is required to file the GIR with the tax authorities within 15 months of the end of the fiscal year (18 months for the first year of application). Filing may also be carried out by a designated or locally designated group entity, provided the conditions under a qualifying competent-authority agreement are met.

The Decree transposes into domestic law the provisions of the amended EU DAC9 and establishes administrative penalties for omitted, late or incomplete filings, with amounts of up to €1m per year (penalty reduction of 50% for the first three years of implementations will apply)

Japan releases revised Pillar Two FAQs

On 31 October 2025, Japan released an updated version of its Frequently Asked Questions (FAQ) regarding the Pillar Two legislation.

The FAQ is bifurcated by fiscal year, specifically for those that began between 1 April 2024 and 31 March 2025, and for those starting between 1 April 2025 and 31 March 2026. This bifurcation is intended to emphasize the differences in regulations before and after 1 April 2025, which result from the 2025 tax reform measures related to the IIR.

The revised FAQ reflects recent changes to the Pillar Two legislation, particularly concerning the incorporation of the June 2024 OECD Administrative Guidance. It also provides examples related to the pushdown of deferred and current taxes, as well as the deferred tax recapture rule.

Kenya releases regulations for Pillar Two legislation

On 3 November 2025, Kenya released draft regulations for the implementation of its domestic Pillar Two legislation. These regulations detail the mechanics for the Kenyan QDMTT, which took effect on 1 January 2025. They outline the methodology for calculating GloBE income and covered taxes, recapture of deferred tax liabilities and top-up tax computations while also providing for safe harbors.

Additionally, the draft regulations address QDMTT payments, which will be due within four months following the end of the fiscal year.

The draft is currently open for public consultation until 2 December 2025. If approved, it will apply retroactively to fiscal years beginning on or after 1 January 2025.

Norway proposes amendments to Pillar Two legislation to incorporate OECD Administrative Guidance

On 15 October 2025, the Norwegian Government proposed amendments to the Pillar Two legislation to implement the June 2024 and January 2025 OECD Administrative Guidance, along with technical clarifications. The proposal follows a public consultation launched in June 2025.

If adopted, most amendments are expected to be effective for fiscal years beginning on or after 31 December 2023, but the changes to the UTPR are expected to be effective for fiscal years beginning on or after 31 December 2024.

The proposal will now be presented for parliamentary reading and royal assent before it can be considered enacted. This process is expected to be completed by December 2025.

Singapore proposes amendments to Pillar Two legislation to reflect June 2024 Administrative Guidance

On 14 October 2025, the Finance (Income Taxes) Bill 2025 was introduced in the Singapore Parliament for its first reading. The Bill proposes amendments to the Multinational Enterprise Top-up Tax and DTT provisions, with the objective of incorporating the OECD's Administrative Guidance released in June 2024 into domestic legislation.

The amendments update the definitions of excluded equity gains or losses, flow-through entities and reverse hybrid entities to ensure consistency with the GloBE rules, among other things. They also provide clarifications on the allocation of income and taxes in relation to flow-through entities and on the treatment of DTT imposed on stateless entities.

If enacted, the amendments would apply retroactively to financial years starting on or after 1 January 2025.

South Africa extends Pillar Two compliance deadlines

On 28 October 2025, the South African Revenue Service announced an extension to the deadlines for Pillar Two compliance under the Global Minimum Tax Administration Act, 2024. The update delays the rollout of the GloBE filing and notification process.

For fiscal years starting on or after 1 January 2024 but before 1 January 2025, the deadline to submit the notice identifying the Designated Local Entity, Designated Filing Entity, or Ultimate Parent Entity responsible for filing the GIR has been extended to 30 April 2026. Likewise, the due date for submitting the GIR itself has been extended to 30 June 2026.

Slovakia approves amendments to Pillar Two legislation

On 21 October 2025, the Slovak Parliament approved amendments to the Pillar Two legislation. The amendments incorporate the OECD Administrative Guidance issued in 2024 and 2025 into domestic law and also implement the EU DAC9.

The amendments will enter into force on 31 December 2025. The DAC9 provisions will apply from 1 January 2026, with selected obligations deferred until 1 January 2028. The bill will now be submitted for the President's signature and published in the ***Official Gazette*** before entering into force.

Spain publishes forms for Pillar Two compliance

On 29 October 2025, Spain published in the *Official State Gazette* three official forms to facilitate compliance with its Pillar Two legislation.

Form 240 deals with the appointment of the Designated Filing Entity for the GIR. It enables a group to designate either the Ultimate Parent Entity or another domestic or foreign entity to submit the GIR on behalf of all Spanish constituent entities. As a general rule, this form must be filed no later than three months before the GIR filing deadline (i.e., 30 June 2026). However, as a transition simplification measure, in the case of tax periods ending before 31 March 2025, the notification should be filed two months prior to 30 June 2026 (i.e., from 1 May 2026 through 30 June 2026), regardless of the duration of the first tax period for which the group is in scope.

Form 241 corresponds to the GIR itself, which must be filed within 15 months following the end of the fiscal year, or within 18 months for the transition year. And, Form 242 is the domestic top-up tax return, which must be filed within 25 days after the GIR filing deadline, (i.e., 15 months after the fiscal year-end or 18 months for the transition year). This top-up tax return is an entity level filing – i.e., each Spanish constituent entity in an MNE group must file a separate return with the tax authorities. These returns must be submitted even if the TCSH conditions are met for Spain.

Vietnam releases Pillar Two guidance

On 21 October 2025, Vietnam issued Decision 3563/QD-BTC, which provides guidance on administrative procedures under its domestic Pillar Two legislation. The decision covers registration, notifications and the filing of local IIR and QDMTT tax returns.

It sets out the process for submitting Pillar Two notifications, including identifying constituent entities and the local designated filing entity. It also prescribes the procedure for registering or amending filing entities, with tax registration forms due within 90 days after the fiscal year-end.

The decision further details filing requirements for local returns. QDMTT returns are due within 12 months after the end of the fiscal year, and IIR returns are due within 15 months (18 months for the transition year).

OECD

Montenegro signs Multilateral BEPS Convention

On 12 November 2025, the OECD announced that Montenegro signed the OECD's Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI), becoming the 107th jurisdiction to join. At the time of signature, Montenegro designated 40 tax treaties as covered tax agreements (CTAs) and provided a preliminary list of its MLI positions.

Montenegro also opted to apply the Principal Purpose Test (PPT) (Article 7) and the new preamble language (Article 6). Regarding the methods for eliminating double taxation, Montenegro has chosen not to apply Article 5 with respect to all of its CTAs. Montenegro has also made a reservation regarding the anti-abuse rule for permanent establishments (PEs) situated in third jurisdictions (Article 10), the saving clause (Article 11) and the first sentence of Article 16(1) of the MLI.

The definitive MLI positions for Montenegro will be provided when its respective instrument of ratification, acceptance or approval of the MLI is deposited. Montenegro must now complete domestic ratification procedures before depositing its Instrument of Ratification with the OECD.

OECD holds Tax Certainty Day, presenting MAP and APA statistics and addressing dispute prevention and resolution developments

On 31 October 2025, the OECD held its seventh annual OECD Tax Certainty Day. During the event, the OECD released the 2024 statistics on Mutual Agreement Procedures (MAP) and Advance Pricing Agreements (APAs), followed by a presentation of the 2024 MAP and APA awards.

The latest statistics revealed a continued upward trend in MAP caseloads, alongside a notable increase in positive resolutions for taxpayers. The growing adoption of bilateral APAs emerged as a key theme, underscoring their expanding role in delivering greater predictability and confidence for multinational enterprises.

Guided by its G20 mandate, the OECD reaffirmed its commitment to simplifying tax rules and processes, while emphasizing that simplification must not compromise certainty, predictability or fairness. Discussions also highlighted the importance of digitalization and technology in advancing tax certainty, with stakeholders exploring collaborative approaches and innovative solutions to enhance dispute prevention and resolution.

See EY Global Tax Alert, *OECD holds Tax Certainty Day, presenting MAP and APA statistics and addressing dispute prevention and resolution developments*, dated 4 November 2025.

OECD publishes third batch of updated transfer pricing country profiles with new insights on hard-to-value intangibles and simplified distribution rules

On 22 October 2025, the OECD published an update to its Transfer Pricing (TP) Country Profiles reflecting the current transfer pricing legislation and practices of 25 jurisdictions and including, for the first time, the profiles of Cabo Verde, Guatemala, Thailand, United Arab Emirates and Zambia.

The country profiles include new sections covering how each jurisdiction approaches the simplified and streamlined approach for baseline marketing and distribution activities (Amount B of Pillar Two), as well as the approach on hard-to-value intangibles. The updated profiles show that only a small number of jurisdictions (e.g., the United States) have confirmed domestic implementation of Amount B. Many jurisdictions, including France, Germany and the United Kingdom, have indicated that they will not apply Amount B domestically but will respect outcomes from covered jurisdictions in line with Inclusive Framework commitments. Other jurisdictions, including Hungary, Italy, Switzerland and Thailand, are still assessing or considering the potential adoption of Amount B.

Updates to the TP Country Profiles will be rolled out in batches throughout 2025. With this third batch, following the second update in July, the total number of countries and jurisdictions included has reached 83. The publication of a fourth batch in December will complete the series of updates planned for 2025.

Brazil signs Multilateral BEPS Convention

On 20 October 2025, the OECD announced that Brazil signed the MLI becoming the 106th jurisdiction to join. At the time of signature, Brazil designated 26 tax treaties as CTAs and provided a preliminary list of its MLI positions.

Brazil has made several reservations to limit the application of certain MLI provisions to its CTAs. Regarding the methods for eliminating double taxation, Brazil has chosen to apply option "C" of the MLI, which is based on the ordinary credit method. Additionally, Brazil has accepted the application of the PPT as a general anti-abuse rule. However, where feasible, Brazil aims to preserve the Limitation of Benefits provisions through bilateral negotiations.

Brazil has also made a reservation regarding the first sentence of Article 16(1) of the MLI. As per the reservation, a Brazilian tax resident must submit a request solely to the Brazilian tax authorities when the taxpayer considers that the actions of one or both Contracting Jurisdictions have resulted or will result in taxation not in accordance with the provisions of the applicable CTA.

The definitive MLI positions for Brazil will be provided when its respective instrument of ratification, acceptance or approval of the MLI is deposited. Brazil must now complete domestic ratification procedures, including approval by Congress and presidential sanction, before depositing its Instrument of Ratification with the OECD.

See EY Global Tax Alert, *Brazil signs Multilateral BEPS Convention*, dated 22 October 2025.

United Nations (UN)

UN Intergovernmental Negotiating Committee starts third session and releases draft Framework Convention Template and Concept Note on dispute prevention and resolution

On 24 October 2025, the Intergovernmental Negotiating Committee (INC) released two documents ahead of its third session in Nairobi (10–19 November 2025): the Co-Lead's Draft on the Framework Convention Template (FCT), and the Co-Leads' Concept Note on Ideas for Potential Solutions for Workstream III, which focuses on the second early protocol for the prevention and resolution of tax disputes. Stakeholders are invited to provide feedback on these two drafts by 5 December 2025.

The Co-Lead's Draft FCT is organized into 28 articles. Articles 1 (Objectives) and 2 (Principles) are placeholders to be drawn from paragraphs 7 and 8 of the Terms of Reference (ToR), respectively. Articles 4 to 10 contain the first drafted commitments identified in the ToR. Article 22, on the relationship between the Convention and any protocols, also contains draft text. The remaining articles are noted but not yet drafted, and address matters such as capacity building, relations with other instruments and domestic law, finance, data and information exchange, governance, dispute settlement, amendment, entry into force and withdrawal, among others.

The Co-Lead's Concept Note outlines preliminary approaches and solutions for developing the second early protocol concerning the prevention and resolution of tax disputes. Key topics explored include designing the protocol with optionality for various mechanisms to encourage broad adoption and limiting the scope to cross-border tax disputes rather than domestic issues. Furthermore, the note discusses strengthening dispute prevention through cross-border administrative cooperation and enhancing dispute resolution mechanisms like the MAP, while also exploring optional tools such as arbitration and mediation. Finally, it addresses the challenge of information asymmetries, particularly regarding access to transfer pricing databases, and concludes with a set of questions to guide the Committee's upcoming discussions.

European Union

European Commission issues 2026 Work Programme announcing tax initiatives release and repeal

On 13 November 2025, the European Commission released its 2026 Work Programme, titled "Europe's Independence Moment." The document outlines planned legislative and policy actions for 2026, focusing on competitiveness, strategic autonomy and regulatory simplification.

In the field of taxation, the Work Programme confirms the Commission's focus on simplification and deregulation. The Commission plans to present a legislative proposal introducing a "28th regime" for innovative companies in the first quarter of 2026. This proposal will establish an optional EU-level framework intended to facilitate cross-border business activity. The Work Programme notes that the potential inclusion of tax-related provisions within this framework is still under assessment. An "omnibus on taxation" is scheduled for the second quarter of 2026.

In the Annex to the Work Programme, the Commission has identified several pending tax proposals it intends to withdraw, including the proposals for a Financial Transaction Tax, and the Unshell, DEBRA (debt-equity bias reduction allowance) and Transfer Pricing Directives. Other initiatives, such as the Business in Europe: Framework for Income Taxation (BEFIT) and the Digital Services Tax proposals, remain pending. The Commission indicates that these files will be subject to further analysis and possible revision in light of policy developments and stakeholder feedback.

ESMA proposes methodology to identify Member States with small markets under FASTER

On 16 October 2025, the European Securities and Markets Authority (ESMA) issued its report for the methodology for the calculation of market capitalization and the market capitalization ratio of Member States to support the implementation of exemptions for small markets under the EU's Faster and Safer Relief of Excess Withholding Taxes (FASTER) Directive. The market capitalization ratio under FASTER helps identify Member States with small financial markets, allowing those with a ratio below 1.5% to opt out of certain obligations. According to Article 20 of FASTER, ESMA is mandated to calculate this ratio and publish annual data by 2026.

Under Article 1 of the draft Delegated Regulation, the market capitalization of a Member State is calculated as the total market value of all shares issued by companies based in that Member State and traded on regulated markets as of 31 December, using the average share price from the final trades of the year. Under Article 2, the market capitalization ratio of a Member State is calculated by dividing its total market capitalization by the combined market capitalization of all EU Member States and expressing the result as a percentage.

The European Commission has three months, starting 15 October 2025, to endorse the proposal via a delegated act. In any case, Member States have until the end of 2028 to transpose the Directive into domestic law and until 1 January 2030 to make the rules applicable.

Country developments

Argentina updates income tax regulations affecting transfer pricing compliance obligations

On 28 October 2025, Decree 767/2025 was issued amending the Income Tax Law Regulatory Decree, effective for fiscal years ending on or after 29 October 2025.

With respect to transfer pricing provisions, this decree updates the annual minimum thresholds applicable to transfer pricing returns and introduces certain corrections and relaxations to the existing regulations.

Thresholds that must be met for transactions to comply with the obligation to file annual transfer pricing returns are amended as follows: (1) for transactions with independent parties not located in low-tax or no-tax jurisdictions (LNTJs) or noncooperative jurisdictions, the minimum threshold is increased to an amount equivalent to 500m Argentinian pesos (ARS 500m), and (2) for transactions with related parties and/or parties located in LNTJs or noncooperative jurisdictions, the minimum threshold is increased to an annual transaction total equivalent to ARS150m or ARS15m per individual transaction. In both cases, the tax authority (Revenue and Customs Control Agency – ARCA) is empowered to increase the respective amounts.

Certain adjustments are introduced to the contract registration regime applicable to export transactions involving commodities. The main amendment authorizes ARCA to define the maximum registration period, which shall not exceed 60 days from the shipment date. Furthermore, this period may vary depending on the applicable commercial terms and will be subject to regulations issued by ARCA.

See EY Global Tax Alert, *Argentina updates income tax regulations affecting transfer pricing compliance obligations*, dated 31 October 2025.

Argentina eliminates the mandatory disclosure regime

On 21 October 2025, the ARCA published General Resolution No. 5772/2025 (the Resolution) in the *Official Gazette*. The Resolution repeals General Resolution No. 5306/2022, which had established the informative regime for certain international transactions (RICOI or *Régimen de Información Complementario de Operaciones Internacionales*, in Spanish).

The Resolution entered into force on the date of its publication in the *Official Gazette* and will apply to the submission of information corresponding to fiscal years ending after 1 May 2025.

Publication of the Resolution eliminates the RICOI, which imposed reporting requirements on companies, nonprofit entities, trusts, mutual funds and permanent establishments incorporated or located in Argentina, for the following transactions:

- Transactions performed with legal entities, trusts, permanent establishments or other parties domiciled, incorporated or located abroad, if they were related parties.
- Transactions performed with parties domiciled, incorporated or located in noncooperating jurisdictions or low- or no-tax jurisdictions, even when carried out through their permanent establishments abroad.

See EY Global Tax Alert, *Argentina eliminates the mandatory disclosure regime (MDR)*, dated 23 October 2025.

Australian Taxation Office issues clarification of Public Country-by-Country Reporting Rules

On 31 October 2025, the Australian Taxation Office (ATO) issued draft instructions for the completion of public CbC reports. The reporting requirements are wide in scope and apply to both Australian and foreign-headquartered parent entities who have an Australian sourced, aggregated turnover of AU$10m or more in a particular period, in the absence of an exemption being granted by the ATO. The first Public CbC reports to the ATO are due by 30 June 2026 for the ATO to subsequently publish on data.gov.au.

The draft instructions reaffirm previous communications regarding the scope of these rules and provide step-by-step practical guidance for preparers. Entities must provide disclosures on a per-country or aggregated basis, accompanied by a statement detailing their overall taxation approach. The jurisdictions included in the CbC reporting are specified in Legislative Instrument LI 2024/27 *Taxation Administration (CbC Reporting Jurisdictions) Determination 2024*, encompassing countries such as Singapore and Switzerland, as well as others lacking comprehensive double tax treaties with Australia, including Hong Kong.

The draft guidance, open for consultation until 28 November 2025, outlines several sections for compliance. Section A focuses on entity information, while Section B addresses member entities and their approach to taxation. Section C details reporting requirements for Australia and specified jurisdictions, and Section D covers aggregated information for the rest of the world. Section E provides instructions for submitting the report, and Section F outlines the process for correcting any errors in the report.

Additionally, on 6 October 2025, the ATO made available the final Business Implementation Guide, reporting schema, XML Message Structure Table, and XML examples, which are essential for developing software to facilitate the electronic submission of public CbC reports.

See EY Global Tax Alert, *Australian Tax Office releases draft instructions for completing public country-by-country reporting and preliminary eligibility issues*, dated 13 November 2025.

Belgian Council of Ministers approves draft law implementing DAC8 into domestic law

On 17 October 2025, the Belgian Council of Ministers approved the draft law implementing European Directive 2023/2226, extending automatic information exchange on crypto assets, life insurance income, tax rulings for individuals and digital currencies which amends Directive 2011/16 concerning administrative cooperation in the field of taxation (DAC8).

The preliminary draft aims to include data relating to crypto-assets in the framework of the automatic exchange of information. This translates, among other things, into the introduction of a new reporting obligation for crypto-asset service providers. In addition, the existing framework for administrative assistance is being amended and adjusted in several respects.

The draft law will be submitted for review to the Data Protection Authority and the Council of State. Future steps will likely involve stakeholder consultations and further refinements based on feedback from these advisory bodies.

Bulgaria's Ministry of Finance introduces regulation on Transfer Pricing methods aligning with BEPS standards

On 11 November 2025, the Ministry of Finance announced the adoption of Ordinance No. N-3 which outlines the procedures and methods for determining market prices in the context of transfer pricing. This ordinance replaces Ordinance No. H-9 of 2006 and aims to align Bulgaria's transfer pricing framework with the latest OECD Transfer Pricing Guidelines.

The Ordinance introduces a comprehensive overhaul of the existing framework. Furthermore, it incorporates the OECD's BEPS Actions 8–10 on Transfer Pricing.

Key highlights include:

- Arm's-length principle: Reinforced in line with OECD standards
- Methodology update: Replaces the "hierarchy of methods" with the "most appropriate method" approach
- Expanded guidance: Covers comparability analysis, profit-split, financial transactions and intangibles

The Ordinance will come into effect on 1 January 2026.

Costa Rica's tax administration clarifies transfer pricing return deadlines

On 4 November 2025, the Tax Administration of Costa Rica released clarifications regarding the deadlines for submitting transfer pricing returns for the fiscal years 2024 and 2025. This development follows the introduction of an annual transfer pricing return requirement established by a resolution on 24 July 2025.

For fiscal year 2024, the tax administration confirmed that the deadline for submitting the transfer pricing return is set for 31 March 2026. This date represents an extension from the initially proposed deadline of 30 November 2025, which was adjusted in response to operational considerations related to the implementation of a new virtual platform for submissions. For fiscal year 2025, the deadline is established as 30 June 2026, applicable to all taxpayers regardless of their fiscal year-end.

The resolution, published in the *Official Gazette* on 31 October 2025, took effect immediately.

Dominican Republic and United States formalize CbCR exchange agreement

On 9 September 2025, the Dominican Republic's Tax Authority (DGII) issued Informative Notice No. 18-25, confirming the implementation of an administrative agreement with the United States for the automatic exchange of CbC reports. This bilateral arrangement is grounded in the OECD's BEPS Action 13 CbCR framework.

The agreement establishes a formal mechanism for the systematic exchange of CbCR data between the two jurisdictions. It is based on Article 4(b) of the Dominican Republic's General Rule No. 08-21, which mandates CbCR filings by MNE groups operating in the country under specific conditions. The first exchange under this agreement will cover fiscal years beginning on or after 1 January 2022.

Finland proposes expansion of DAC7 reporting rules to include non-EU sellers via DPI-MCAA

On 9 October 2025, the Finnish government submitted to Parliament legislative proposal HE 140/2025, which seeks to amend the national implementation of Directive (EU) 2021/514 (DAC7). The proposed amendments aim to broaden the scope of reporting obligations for digital platform operators, particularly in cross-border contexts.

The bill introduces an extension of DAC7 rules by requiring platform operators to report transactions involving sellers located in non-EU jurisdictions, provided those jurisdictions participate in the OECD's Multilateral Competent Authority Agreement on the Automatic Exchange of Information on Income Derived Through Digital Platforms (DPI-MCAA). The reporting obligation currently applies to sellers residing in EU Member States and to rental of residential and commercial properties, parking spaces and real estate located within the EU. It is proposed that the obligation would apply to similar information if the seller resides in, or the rented property, parking space and real estate is located in a jurisdiction outside the EU. Thus, the proposed change expands the reporting obligation to include sellers and properties outside the EU, provided there is an information exchange agreement with Finland.

The proposal builds on a draft released for public consultation on 25 June 2025. The proposal is still waiting on approval from the Parliament, and the amendments are scheduled to take effect as of 1 January 2026.

Germany's Lower Parliament approves draft law implementing DAC8 into domestic law

On 11 November 2025, Germany's Lower Parliament approved the draft law implementing DAC8. DAC8 mandates that crypto-asset service providers report detailed annual transaction data to the Federal Central Tax Office. The Federal Central Tax Office will then automatically share this information with tax authorities in other jurisdictions.

The legislation imposes due diligence obligations, record-keeping requirements and penalties for noncompliance, for both providers and users of crypto assets. Furthermore, the draft law proposes amendments to existing legislation, including the EU Administrative Assistance Act and the Financial Account Information Exchange Act.

As EU member states must transpose DAC8 into domestic law by 31 December 2025, the regulations are set to take effect on 1 January 2026. The bill needs to be signed by the Federal President and published in the *Federal Gazette*.

Germany issues draft law amending MLI to increase the number of Covered Tax Agreements

On 24 September 2025, the Federal Republic of Germany issued a draft law aimed at amending legislation related to the MLI. This proposal seeks to expand the list of German tax treaties that are aligned with the BEPS minimum standards, specifically targeting 62 treaties that currently do not comply. Germany ratified the MLI on 18 December 2020.

The legislative process involves two key steps: (1) identification of the 62 treaties for inclusion, and (2) subsequent modifications to the MLI application law to reflect these changes.

The effectiveness of these modifications will depend on reciprocal actions from the other contracting states involved. Following the completion of these procedures, Germany should notify the OECD.

Kenya Revenue Authority issues draft regulations on APAs

On 4 November 2025, the Kenya Revenue Authority (KRA) announced the release of the Income Tax (Advance Pricing Agreement) Regulations 2025 with the aim of aligning Kenya's tax framework with international standards set by the OECD/G20 Inclusive Framework on BEPS. These draft regulations aim to provide a structured mechanism for Kenyan taxpayers to negotiate APAs with the KRA.

The draft Income Tax (Advance Pricing Agreement) Regulations 2025 outline comprehensive procedures for taxpayers seeking to enter into APAs. Key provisions include the facilitation of pre-filing consultations, which allow taxpayers to discuss potential agreements with KRA officials before formal applications are submitted. The regulations specify the process for submitting applications, negotiating terms, executing agreements and reporting compliance annually.

APAs can be unilateral, bilateral or multilateral, depending on the existence of relevant tax treaties, and are valid for a maximum of five years. Applicants are required to pay a nonrefundable fee of 5 million Kenyan Shillings (KES5m) for new applications and (KES2.5m) for renewals. Additionally, the regulations stipulate that taxpayers must file annual compliance reports to demonstrate adherence to the agreed terms.

The draft regulations also address the potential for revisions, cancellations or revocations of APAs in cases of misrepresentation, noncompliance or significant changes in the underlying assumptions. Importantly, the regulations emphasize the confidentiality of taxpayer information throughout the APA process.

The KRA has invited public feedback on these regulations, with comments due by 2 December 2025.

See EY Global Tax Alert, *Kenya Revenue Authority publishes draft regulations on Advance Pricing Agreement Framework*, dated 19 November 2025.

Moldova's Ministry of Finance initiates consultation on transfer pricing rule amendments

On 27 October 2025, the Ministry of Finance of Moldova launched a public consultation regarding proposed amendments to the transfer pricing implementation rules, which were open until 10 November 2025.

The proposed amendments introduce a formal definition of a "group of companies," which includes affiliated entities registered in Moldova as well as those operating across multiple jurisdictions. Key aspects of the amendments require companies to prepare both a Master File and a Local File. The Master File will offer a comprehensive overview of the group's business model and transfer pricing policies, while the Local File will provide an in-depth analysis of controlled transactions at the local-entity level.

The proposed amendments would also provide that tax authorities may perform a thematic tax audit regarding compliance with transfer pricing requirements, rather than conducting a preliminary verification as was established before the introduction of these amendments.

Dutch government clarifies effective date of bill implementing DAC8 into domestic law

On 11 November 2025, the Dutch government released an amending bill that clarifies the effective date of the bill implementing DAC8 into domestic law.

The DAC8 bill is currently under consideration in the Lower House of Parliament and will be integrated into the Law on International Assistance with the Levying of Taxes. The bill stipulates that if the *Government Gazette* publishing this Act is released after 31 December 2025, it will take effect the day after publication, retroactively effective from 1 January 2026. This provision addresses potential delays in the legislative process due to the installation of a new parliament.

Slovenian tax authorities launch website dedicated to DAC8 reporting

On 6 November 2025, the Slovenian Tax Authorities announced the launch of a dedicated website for DAC8 reporting. This initiative follows the Amending Directive to the 2011 Directive on Administrative Cooperation (2023/2226) EYSI: and Crypto-Asset Reporting Framework (CARF) reporting standard, which expands the scope of data exchange to include crypto assets, thereby strengthening efforts against tax evasion and fraud.

The new framework mandates that crypto-asset-reporting service providers, including those licensed under Regulation (EU) 2023/1114, register with the Securities Market Agency, while unlicensed operators must register with the Financial Administration. Key obligations include implementing due diligence procedures starting 1 January 2026 and reporting relevant information from 1 January 2027. The Financial Administration is expected to provide comprehensive guidance on these obligations through the new website.

Slovenia plans to transpose DAC8 into national law through amendments to the Tax Procedure Law, currently under parliamentary review, ensuring compliance with international standards for tax transparency.

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