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Global Tax Alert

The Latest on BEPS and Beyond

March 2026

EY Tax News Update

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Highlights

The European Union (EU) has long positioned itself as a frontrunner in implementing the recommendations developed in the Organisation for Economic Co-operation and Development (OECD)/G20 Base Erosion and Profit Shifting (BEPS) project. After adopting key elements of the 2015 BEPS package – such as Actions 2-4 through the Anti-Tax Avoidance Directives (ATAD) and the Mandatory Disclosure Rules of Action 12 via DAC6, among others – the EU is now entering a new phase. In light of the European Commission's broader ambition to simplify EU tax rules, several [consultations](#) are underway in preparation for what is expected to be a substantial legislative package expected in June.

Although no concrete legislative drafts have yet been released, the consultation documents and recent statements from Commission officials offer first indications of what might be included. Initial ideas suggesting an extension of the [DAC6](#) hallmarks to incorporate "[principles and concepts](#)" of the [Unshell proposal](#) now appear to have been set aside. Instead, Commission officials have signaled that a reduction of the hallmarks for mandatory disclosure may be proposed, aligning with the EU's wider "decluttering" agenda. Another significant area under review concerns overlaps between ATAD measures and the implementation of Pillar Two, particularly where dual regimes create uncertainty or duplicative compliance obligations for businesses.



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The proposals expected in June will require unanimous agreement from the 27 Member States to be adopted. Though elements that simplify existing rules in a purely technical way may be adopted relatively quickly, officials of some Member States have already noted that more ambitious policy elements could face some resistance. Potentially, one such element is the idea, suggested by Commission officials, to abolish withholding taxes on intra-EU payments while introducing a harmonized EU-level withholding tax for outbound payments to beneficial owners in third countries. This potential shift could support a deepening of the EU's capital market.

For Member States, however, this concept raises both fiscal and institutional questions. Abolition of withholding taxes may entail short-term revenue losses and would transfer certain competencies to the EU level, with the EU impacting aspects of Member States' tax treaties with third countries.

Despite the push for simplification of EU tax rules, the Commission and several Member States regard the complex Minimum Tax Directive as the new cornerstone of the EU tax framework. Officials of other Member States continue to push for a reconsideration of the Pillar Two rules from a competitiveness and simplification perspective.

In this context, it is particularly notable that the Commission plans to lead a separate EU-specific stocktake of Pillar Two before the OECD/G20 Inclusive Framework undertakes its own stocktake to be concluded by 2029. This EU stocktake will focus on the impact of the Pillar Two framework on the EU specifically. According to Commission officials, this assessment will not be completed earlier than the end of 2027, as it is intended to rely on ex-post data from the first years of practical implementation rather than on theoretical modeling.

As the EU prepares this substantial legislative review, the coming months represent an important window for businesses and investors to share their experiences with the cumulative effects of BEPS-related rules – both in terms of the resulting administrative burden and the rules' impact on investment decisions. As these discussions progress, *The Latest on BEPS and Beyond* will continue to monitor developments closely and provide timely updates to help businesses navigate the evolving landscape.

BEPS 2.0

OECD

OECD updates list of MCAA GIR new signatories

On 3 March 2026, the OECD released an [updated list](#) of jurisdictions that have signed the Multilateral Competent Authority Agreement on the Exchange of Global Anti-Base Erosion (GloBE) Information Returns (GIR MCAA). The GIR MCAA provides the legal framework for the automatic exchange of GloBE Information Returns (GIRs).

According to the update, Canada and Croatia recently signed the agreement, bringing the total number of signatories to 28.

OECD releases Pillar One Amount B Pricing FAQs and 2026 version of the Pricing Automation Tool

On 17 February 2026, the OECD released a document containing [Amount B Pricing Frequently Asked Questions \(FAQs\)](#) and an updated version of the [Amount B Pricing Automation Tool](#).

The Amount B Pricing FAQs provide some clarifications on technical questions that stakeholders have raised with respect to the pricing mechanism of Amount B, including definition of net revenue, industry groupings and relevance of intercompany debtors and creditors to the calculation of working capital.

The Pricing Automation Tool is designed to automatically compute the Amount B return for an in-scope tested party. It is intended to be updated annually to reflect any changes to the pricing matrix and other datapoints relevant to application of Amount B adjustment features. The latest version reflects updates to the information required for the application of Amount B in 2026, in particular sovereign credit ratings data.

See EY Global Tax Alert, [OECD releases Pillar One Amount B Pricing FAQs and 2026 version of the Pricing Automation Tool](#), dated 27 February 2026.

Country developments

Australia releases draft amendments to Pillar Two legislation

On 16 February 2026, Australia released [draft amendments](#) to its Pillar Two legislation. The proposed changes are intended to support the effective operation of the Australian Domestic Minimum Top-up Tax (DMTT) and to align domestic rules with the OECD's administrative guidance issued in January 2025.

The draft legislation addresses several key areas, including rules for converting into the local currency Top-up Tax amounts denominated in a foreign currency, as well as the applicability of the DMTT to stateless entities, stateless joint ventures (JVs) and JV subsidiaries.

If enacted, these amendments would apply retroactively to fiscal years beginning on or after 1 January 2024.

Bahamas announces Pillar Two registration requirement

On 3 February 2026, the Bahamas Department of Inland Revenue (DIR) [announced](#) a new registration requirement pursuant to the domestic Pillar Two legislative framework.

All entities within the scope of the *Domestic Minimum Top-Up Tax Act, 2024* (DMTT Act) for fiscal years commencing in 2024 are required to complete registration no later than 31 March 2026.

Registration must be submitted electronically using [Form DMTT 24](#).

Finland submits proposal to implement the side-by-side package

On 12 February 2026, Finland submitted proposed [amendments](#) to its Pillar Two legislation to Parliament.

The proposed changes aim to incorporate the OECD's administrative guidance issued on 5 January 2026 into domestic law. Key elements include the introduction of a side-by-side system, an extension of the Transitional Country-by-Country (CbCR) Safe Harbor (TCSH), and the adoption of a Substance Based Tax Incentive Safe Harbor.

If enacted, the amendments would apply retroactively from 1 January 2026.

Japan announces implementation of the side-by-side package

On 20 February 2026, Japan submitted the [2026 Tax Reform Package](#) to Parliament, proposing amendments to its domestic Pillar Two legislation. The amendments aim to incorporate the OECD's Administrative Guidance on the side-by-side package into domestic law.

The proposal introduces a Side-by-Side Safe Harbor for fiscal years starting on or after 1 January 2026. It also includes a one-year extension of TCSH and the introduction of the Ultimate Parent Entity (UPE) Safe Harbor.

The proposal does not include references to the Simplified Effective Tax Rate Safe Harbor or the Substance-Based Tax Incentive Safe Harbor.

See EY Global Tax Alert, [Japan | 2026 Tax Reform – highlights for Inbound businesses](#), dated 19 February 2026.

Malta amends Pillar Two compliance obligations

On 20 February 2026, Malta introduced [amendments](#) to its domestic Pillar Two legislation.

Under these amendments, Constituent Entities (CEs) located in Malta are exempt from filing a Top-up Tax Information Return (TTIR) with the local authorities. In addition, the amendments exempt Maltese CEs from submitting a notification in Malta identifying the CE responsible for filing the TTIR and its jurisdiction.

These changes apply retroactively to fiscal years beginning on or after 31 December 2023.

Poland releases draft amendments to incorporate OECD Administrative Guidance

On 13 February 2026, Poland published [draft amendments](#) to its Pillar Two legislation. These amendments aim to incorporate into the domestic law the OECD's Administrative Guidance issued in June 2024 and January 2025.

The amendments also address some administrative procedures, the accounting standard to be used for QDMTT purposes and Safe Harbor provisions.

Qatar releases Pillar Two regulations

On 12 February 2026, Qatar published the [Resolution of the Council of Ministers No. 2 of 2026](#), which outlines the rules for applying the Global and Domestic Minimum Taxes introduced through Law No. 22 of 2024.

The resolution outlines a requirement for all Qatar CEs to register with the General Tax Authority through the designated electronic platform. Further, Multinational Enterprise Groups should appoint a Designated Local Entity (to fulfill registration, GIR notification, DMTT and Income Inclusion Rule (IIR) return submissions, and payment obligations.

The GIR must be filed within 15 months of the last day of the reporting fiscal year, although an additional three months are provided for the transition year. If a GIR is filed centrally in another location, a GIR notification is required. The DMTT and IIR returns must also be filed by the same deadline required for the GIR.

The resolution also specified that DMTT computations shall be made using the Financial Accounting Net Income or Loss and presentation currency in the Consolidated Financial Statements of the UPE.

See EY Global Tax Alert, [Qatar issues resolution on rules to apply global and domestic minimum taxes](#), dated 16 February 2026.

Other developments

OECD

OECD releases update on peer reviews under BEPS Action 5 on harmful tax practices

On 12 February 2026, the OECD [released](#) an update on the results of peer reviews on preferential tax regimes and no, or only nominal, tax jurisdictions under Action 5 (harmful tax practices) of the OECD/G20 BEPS Project. The Forum on Harmful Tax Practices (FHTP) provided updated conclusions for four preferential tax regimes and concluded its fifth annual monitoring. The FHTP examined three newly introduced regimes and confirmed the status of one regime that had previously been under review. Of the three newly introduced regimes, two were assessed as not harmful: Ireland and Peru. The third newly introduced regime was found to have been abolished. In addition, the FHTP confirmed that a previously reviewed regime in Fiji has been abolished.

The FHTP's fifth annual monitoring of substantial activities requirements indicates that the majority of no or only nominal tax jurisdictions are fully compliant with the BEPS Action 5 minimum standard. Focused monitoring will be undertaken for Anguilla and the Turks and Caicos Islands, where substantial improvements are required in specific areas.

United Nations

UN releases submissions from consultation on updated Draft Framework Convention Template, Workstream II Options Paper and Workstream III Concept Note

On 10 March 2026, the Intergovernmental Negotiating Committee (INC) on the United Nations (UN) Framework Convention on International Tax Cooperation published the submissions received in its public consultation, which ran until 27 February for Workstreams II and III and until 6 March for Workstream I. The consultation solicited views on the updated Co-Leads' Draft Framework Convention Template ([Workstream I](#)), the Draft Options Paper on the taxation of services ([Workstream II](#)), and the updated Co-Leads' Concept Note on the prevention and resolution of tax disputes ([Workstream III](#)). All submissions have been published and are available on the [INC website](#).

The Secretariat received more than 130 submissions from Member States, international and regional organizations, civil societies, academia and business. Of these, 60 submissions addressed the Framework Convention Template (including 31 from Member States), 41 addressed the Workstream II Concept Note (including 22 from Member States), and 34 addressed the Workstream III Concept Note (including 17 from Member States).

These inputs will be taken into account during the intersessional period as the INC transitions in 2026 from scoping to focused technical drafting and solution exploration across its workstreams. The submissions will inform the preparation of zero drafts (i.e., initial, nonbinding documents to guide discussions/negotiations) expected to be made available ahead of the INC's [Fifth Session](#) in New York, scheduled for 3-13 August 2026.

Platform for Collaboration on Tax

Platform for Collaboration on Tax holds conference in Tokyo

On 2-3 March 2026, the Platform for Collaboration on Tax (PCT) held its Tax and Development Conference in Tokyo, marking the PCT's tenth anniversary. More than 200 senior officials and experts representing approximately 100 countries and various international and regional organizations attended. The PCT, launched in April 2016, is a joint initiative by the International Monetary Fund, OECD, UN and World Bank Group, that supports countries' efforts to strengthen Domestic Revenue Mobilization.

Following the conference, the PCT issued a [Concluding Statement](#) summarizing the outcomes. Participants noted persistent challenges in many countries in achieving tax revenues equivalent to 15% of gross domestic product (a threshold highlighted in the 2025 PCT Report to the G20 and considered important for supporting growth, macroeconomic stability and key public services). Delegates emphasized that strengthening tax systems is an immediate priority in the context of declining aid and a challenging international environment. They reaffirmed that reforms are most effective when they are country-led, demand-driven, well-coordinated in support of country-owned strategies and sustained over the medium term.

Priority areas identified for progress included expanding digital tax tools, improving compliance management, using data more effectively to shape policy, broadening tax bases by evaluating and rationalizing tax expenditures, and strengthening regional collaboration to support even the smallest and most capacity-constrained tax administrations. Delegates also stressed the need to build domestic capacity on international taxation in line with national priorities, which requires stepped-up and better-coordinated international support to fully reap the benefits of existing tools.

The conference underscored the important role that multilateral institutions have in supporting the strengthening of public finance systems and expressed appreciation for the PCT's coordinated, integrated approach. The PCT partner organizations reaffirmed their collective commitment to deepen collaboration with regional tax bodies, regional development banks and other actors, while maintaining country-specific tailoring, leveraging synergies and strengthening global coordination. Participants also highlighted the need for more customized and sustained assistance for fragile states and countries with limited capacity, including Small Island Developing States.

European Union

CJEU rules that Belgium breached ATAD by failing to implement mandatory CFC tax relief

On 26 February 2026, the Court of Justice of the European Union (CJEU) delivered its judgment in [Case C524/23, Commission v. Belgium](#), holding that Belgium failed to comply with the EU AntiTax Avoidance Directive (ATAD) by not transposing Article 8(7).

The case concerned Belgium's controlled-foreign-company (CFC) regime and its refusal to grant the Article 8(7) deduction for tax paid by a CFC or permanent establishment when the income is included in the parent company's tax base. The CJEU held that Article 8(7) ATAD is mandatory and applies whenever CFC income is included, regardless of whether a Member State applies the general CFC model under Article 7(2)(a) or the nongenuine arrangements model under Article 7(2)(b).

In light of the above, the CJEU rejected Belgium's argument that the minimum-harmonization character under Article 3 of ATAD allowed it to omit the deduction mechanism. The CJEU held that failure to grant relief would undermine the Directive's internalmarket objectives and result in economic double taxation, departing from Advocate General's Opinion of 22 May 2025, which had argued that Article 8(7) need not be transposed if Article 7(2)(b) applies and that stronger antiabuse measures could justify denying the deduction.

The judgment applies as of its issuance and requires Belgium to comply with Article 8(7) ATAD; regardless, Belgium had already amended its CFC rules in 2023 by moving to Model A and introducing the required deduction mechanism (see EY Global Tax Alert, [Belgium adopts entity-approach CFC rules](#), dated 22 January 2024).

EU issues revised list of noncooperative jurisdictions for tax purposes

On 17 February 2026, EU Finance Ministers approved the report of the Code of Conduct on Business Taxation Group and adopted [revisions](#) to both the EU List of noncooperative jurisdictions for tax purposes (Annex I) and the state-of-play overview (Annex II). The next formal update is expected in October 2026.

The February 2026 update to Annex I includes two additions – Vietnam and the Turks and Caicos Islands – and the removals of Fiji, Samoa and Trinidad and Tobago. The number of jurisdictions on Annex I is now 10. The Council also updated entries for American Samoa, Guam and the US Virgin Islands.

Annex II has been revised to remove Antigua and Barbuda and Seychelles, and Brunei Darussalam has been granted a six-month extension to complete its foreign-source income exemption (FSIE) reform (retroactive to 1 January 2026). Annex II now lists nine jurisdictions with ongoing commitments or pending reviews.

Businesses with activities in jurisdictions listed as noncooperative should understand the implications of a jurisdiction's being included in Annex I.

See EY Global Tax Alert, [EU issues revised list of noncooperative jurisdictions for tax purposes](#), dated 19 February 2026.

European Commission launches call for evidence on a Taxation Omnibus

On 16 February 2026, the European Commission launched a [call for evidence](#) on an “Omnibus on taxation” aiming to simplify the EU framework for corporate taxation. The initiative is part of the Commission Work Programme 2026 and the broader EU tax simplification and competitiveness agenda.

The call seeks input on the functioning of key EU corporate tax directives, namely the ParentSubsidiary Directive (2011/96/EU), Interest and Royalties Directive (2003/49/EC), Merger Directive (2009/133/EC), the AntiTax Avoidance Directive (EU) 2016/1164 (ATAD) and the Tax Dispute Resolution Mechanisms Directive (EU) 2017/1852.

The Commission aims to assess options to reduce unnecessary reporting and compliance burdens, remove outdated or overlapping provisions, simplify and clarify existing rules, and improve the consistency and efficiency of their application, including addressing overlaps with newer initiatives such as the OECD/G20 global minimum tax under Pillar Two.

The call for evidence is open for feedback until 30 March 2026. The input received is expected to inform the preparation of a proposed Directive, which the Commission plans to publish in the second quarter of 2026. The proposal will then follow the special legislative procedure, requiring unanimous approval by all 27 Member States in the Council, while the European Parliament will be invited to issue a nonbinding opinion.

Country developments

Belgium approves DAC8 transposition bill on cryptoassets

On 12 March 2026, the Belgian Parliament approved the bill transposing Amending Directive (EU) 2023/2226 to the Directive on Administrative Cooperation (DAC8). The bill implements EUwide rules on the reporting and automatic exchange of taxrelated information concerning cryptoassets and electronic money. Once published in the *Official Gazette*, the law will enter into force.

Germany's Ministry of Finance publishes DAC8/ CARF reporting data set

On 14 January 2026, the German Federal Ministry of Finance published a notice setting out the official data set and technical reporting channels to be used by cryptoasset service providers for tax reporting purposes.

The notice confirms the prescribed data set and designated interfaces cryptoasset service providers are required to submit electronically. Reporting may be carried out either through an automated interface for bulk data transmission or via manual XML upload through the tax authority's online portal. The publication adopts CARFXML Schema version 1.5, provides explanations on data elements and value lists, and specifies requirements as to the information covering the identification of reporting providers, reportable users and controlling persons, as well as the reporting of relevant cryptoasset transactions. Further technical guidance is supposed to be made available through dedicated communication manuals.

The prescribed reporting format applies to information collected for the first reporting period from 1 January to 31 December 2026, with reports to be submitted by 31 July 2027. The notice has been published on the websites of the Ministry of Finance and the national tax authority and will also be published in the *Official Gazette*.

Polish President signs law implementing DAC8

On 9 March 2026, the President of Poland [signed](#) into law amendments to the *Act on the Exchange of Tax Information with Other Countries*, implementing Council Directive (EU) 2023/2226 (DAC8) into Polish domestic legislation. The amendments transpose EU rules extending administrative cooperation in the field of taxation to crypto assets, broadly aligned with the OECD Crypto Asset Reporting Framework (CARF). The legislative process followed a public consultation launched by the Ministry of Finance in August 2025 and parliamentary approval in February 2026.

The Act introduces mandatory reporting and automatic exchange of information on cryptoasset transactions. The reporting obligations apply to cryptoasset service providers acting as intermediaries in the execution of the transactions.

These entities will be required to collect and report information on reportable users and relevant transactions to the Polish tax authorities, with the information subsequently subject to automatic exchange between the tax administrations of the relevant jurisdictions.

The Act will enter into force on the day following its publication in the *Official Gazette*. Notwithstanding the formal entry into force, to ensure compliance with DAC8 requirements, cryptoasset service providers will be required to report transactions carried out as from 1 January 2026, i.e. prior to the effective date of the new provisions.

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