



GloBE Bulletin

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Dhruva publications are designed to assist readers to keep abreast with latest news, developments and tax issues that concern businesses. It is our endeavour to put forward painstaking research which equips you with the knowledge necessary to navigate the complex world of taxation effectively. At Dhruva, our international tax team is a frontrunner in analysing all latest developments with respect to the OECD IF's proposed two-pillar solution. We hope that you will find this publication to be a valuable resource and we look forward to hearing your comments and suggestions.

Investment Entities are pivotal structures in global finance, pooling resources from a diverse range of investors to stimulate economic growth, innovation, and infrastructure development. With an increasing focus on achieving tax neutrality, many jurisdictions provide distinct frameworks to facilitate this goal, leveraging incentives and exemptions that align with economic substance requirements and regulatory oversight.

The OECD's GloBE framework mandates a minimum effective tax rate (ETR) for multinational entities (MNEs), including investment funds. While these Rules aim to ensure a level playing field globally, Investment Entities — historically structured to be tax-neutral — face potential challenges as they adapt to these standards. This bulletin explores key provisions under Articles 7.4, 7.5, and 7.6 of the GloBE Rules, which outline special tax transparency elections for qualifying entities. By unpacking these provisions and examining case studies, this edition aims to equip readers with insights into the evolving tax compliance landscape for Investment Entities.

This is the sixteenth edition of our monthly alert series on the GloBE Rules. This essential resource aims to serve as a compass in navigating the evolving landscape of GloBE Rules, enabling one to anticipate and effectively respond to the challenges and opportunities presented by the imminent implementation of these rules.



A. Knowledge Bytes:

I. Introduction:

Investment entities are specialized vehicles designed to pool capital from various investors to acquire, manage, and grow a diversified portfolio of assets. These entities are pivotal to financial markets as they channel individual and institutional investments into businesses, real estate, infrastructure, and other sectors, driving economic growth and innovation.

Under Article 10 of the GloBE Model Rules, Investment Entities¹, Investment Funds, and REITs (Real Estate Investment Vehicles) are defined with specific characteristics that cater to their functions in pooling, managing, and safeguarding investor assets under regulated frameworks.

An **Investment Entity** is:

- primarily an Investment Fund or Real Estate Investment Vehicle; or
- an entity at least 95% owned (directly or indirectly) by Investment Funds or Real Estate Investment Vehicles that holds or manages assets for these funds; or
- an entity where 85% of its value is owned by Investment Funds, provided most of its income is dividend-based or arises from equity gains/losses excluded from GloBE computations

Investment Funds are defined entities that meet seven specific criteria under Article 10, focusing on pooling assets from multiple investors and reducing risk and transaction costs. Investment Funds:

- Pool both financial and non-financial assets from various investors.
- Operate under a defined investment policy.
- Help investors spread risks and reduce transaction and research costs.

- Are primarily aimed at generating income or gains.
- Allow investors to receive returns based on their contributions.
- Are subject to regulatory oversight, ensuring compliance with anti-money laundering and investor protection requirements; and
- Are professionally managed.

Real Estate Investment Vehicles are specified as entities structured to achieve a single level of taxation and are predominantly invested in immovable property assets. These vehicles are typically widely held and structured to avoid double taxation on distributions to investors, making them tax-efficient vehicles for real estate investment.

An **Insurance Investment Entity** is an entity that shares the characteristics of either an Investment Fund or a Real Estate Investment Vehicle. However, it is uniquely established to support liabilities associated with insurance or annuity contracts. To qualify as an Insurance Investment Entity, it must also be wholly owned by an entity that is regulated as an insurance company within its jurisdiction.

II. General taxation aspects of Investment Entities globally –

Investment entities, often structured as funds or special purpose vehicles, play a key role in international capital flows, yet they encounter complex and varied tax obligations across jurisdictions. Generally, investment entities are subject to diverse tax frameworks depending on the country's incentives, treaties, and policies designed to attract foreign capital while safeguarding local revenue.

- **Corporate Income Tax (CIT) and Investment Incentives:** Many jurisdictions

¹ The meanings of the terms explained in this Bulletin do not represent verbatim reproduction of the definitions.



reduce corporate income taxes or offer tax holidays to encourage investment through funds and other pooled entities, for attracting investments. However, jurisdictions often impose minimum standards or substance requirements to ensure only qualifying entities benefit from these reductions, encouraging real economic activities.

- **Withholding Taxes and Reclaims:** Income distributed to foreign investors — whether dividends, interest, or royalties — can be subject to withholding taxes, which vary widely by jurisdiction. Procedures for reclaiming withheld taxes vary in complexity; some countries have fast-tracked processes, while others require extensive documentation. These taxes can impact the net returns to investors and influence their choice of investment jurisdiction
- **Tax Transparency and Fund Models:** Investment entities frequently opt for structures that pass tax obligations directly to investors (tax-transparent models), such as limited partnerships or trusts. This setup allows entities to avoid direct corporate tax, as income flows to investors who then report it in their home jurisdictions.

III. Financial Hubs – Singapore and UAE

Singapore and UAE have emerged as pivotal financial hubs, demonstrating remarkable growth in recent years as they attract capital, talent, and businesses from around the world. Singapore's financial sector benefits from its robust regulatory framework, strategic location in Asia, and favourable tax incentives, making it a premier destination for asset management and investment funds. The city-state has positioned itself as a leader in wealth

management and financial technology, with significant investments in infrastructure and innovation to support these sectors.

Similarly, UAE has transformed itself into a financial powerhouse in the Middle East, leveraging its strategic location, pro-business environment, and diversified economy. With the establishment of vibrant financial hubs like the Dubai International Financial Centre (DIFC) and the Abu Dhabi Global Market (ADGM), UAE has created an ecosystem that supports various financial activities, including banking, capital markets, and Islamic finance. Both hubs are renowned for their attractive regulatory regimes, low tax environments, and focus on fostering a vibrant financial sector, positioning them as competitive global players in the financial services industry.

Singapore

In Singapore, the taxation of investment funds emphasizes tax neutrality through structured incentive schemes rather than direct exemptions. Singapore's approach ensures that investment fund income is minimally affected by taxes, preserving the net returns for investors while encouraging fund activities within the country.

Key tax incentives for Investment Funds in Singapore:

1. **Income Tax Exemptions:** Singapore provides tax neutrality primarily through incentives such as:
 - Singapore Resident Fund Scheme (13O Scheme): Targets resident funds that are managed by Singapore-based fund managers and meet specific economic substance requirements such as minimum asset under management conditions, local



spending requirement, investment professionals requirement, etc.

- Enhanced Tier Fund Scheme (“13U Scheme”): Applies to both onshore and offshore funds that are managed by the Singapore-based fund managers and provides tax exemptions on ‘specified income’ from ‘designated investments’ if they meet economic substance requirements as mentioned above in Singapore Resident Fund Scheme.
- Offshore Fund Scheme (“13D Scheme”): Extends tax exemption to non-resident funds managed by Singapore-based fund managers, fostering cross-border investment flows. It is a self-administered scheme and the specific approval from the authorities is not required.

2. Concessionary Tax Rates for Fund Management: Fund managers in Singapore can benefit from the Financial Sector Incentive – Fund Management (FSI-FM) scheme, which offers a reduced tax rate of 10% on income earned from fund management activities vis-à-vis a prevailing corporate tax rate of 17% in Singapore, provided specific licensing and employment conditions are met.

3. Withholding Tax Exemptions: Where the fund is incentivised under 13U / 13O / 13D Scheme, Singapore allows exemption on withholding tax on interest and interest-related payments made to non-residents without a Singapore permanent establishment. This exemption covers income that would otherwise be taxed at source, enhancing the tax efficiency of fund income distributions.

4. GST Remission: Where the fund is incentivised under 13U / 13O / 13D Scheme, investment funds enjoy a remission on Goods and Services Tax (GST) for certain expenses. This remission applies at a fixed annual recovery rate, allowing funds to claim back majority of the GST incurred on business expenses related to managing the fund’s operations, even without GST registration.

Singapore’s tax incentive schemes are conditioned on economic substance requirements to prevent abuse and align with global anti-tax avoidance standards. Funds must meet minimum asset thresholds, employ a set number of local investment professionals, and be managed by licensed or exempt fund managers based in Singapore. These criteria ensure that the tax-neutral status promotes real economic contributions.

UAE

1. Corporate tax exemption for Qualifying Investment Funds (QIFs) - A QIF can apply for a corporate tax exemption under the UAE’s Corporate Tax Law subject to meeting certain conditions. Basic conditions to be met are as follows:

- The fund or its managers is subject to regulatory oversight of a competent authority in UAE or foreign jurisdiction;
- Interest in the investment fund are traded on a recognized stock exchange or are marketed and made available sufficiently widely to investors; and
- Main purpose of the fund is not to avoid UAE corporate tax.

In addition to above basic conditions, a QIF (other than REIT) must primarily conduct investment activities, with any other activities being ancillary or incidental not



exceeding 5% of total revenue in the financial year. This status ensures tax neutrality, allowing the fund's profits to flow through to investors without additional tax at the fund level.

For a fund to qualify as QIF, ownership must be diversified:

- No single investor should hold more than 30% of the ownership if there are fewer than ten investors.
- For funds with ten or more investors, no investor may own more than 50%.

These thresholds are designed to prevent concentrated control and ensure that QIFs remain genuine pooled investment vehicles.

The fund must be managed or advised by an investment manager based in the UAE, with a minimum of three qualified investment professionals. Day-to-day management must be handled independently by the investment manager, keeping investors' influence to a minimum.

2. **Exemptions for Real Estate Investment Trusts (REITs)** - REITs also qualify for corporate tax exemption if they meet specific conditions:

- The REIT must manage assets valued above AED 100 million, primarily in real estate (at least 70% of assets).
- At least 20% of the REIT's share capital must be listed on a recognized exchange or held by two or more institutional investors.

These conditions ensure tax neutrality for real estate investments, aligning REITs with international standards while providing transparency and compliance oversight

3. **Withholding Tax Benefits** - UAE imposes 0% withholding tax on income distributed

by investment funds, enhancing tax efficiency and ensuring higher returns for foreign investors

These incentives position UAE as a globally competitive hub for investment funds by offering tax-neutral structures that attract foreign capital while meeting stringent regulatory requirements.

IV. Investment Entities and the GloBE Rules:

Given that the Investment Entities often enjoy favourable tax regimes to attract investments, GloBE Rules contain special rules pertaining to such entities. Investment Entities that are the Ultimate Parent Entity (UPE) of a Group, are excluded from the operation of the GloBE Rules because they are not Constituent Entities of any MNE Group [vide Art. 1.5.1(e)]. However, the income of a controlled Investment Entity is consolidated with the MNE Group and brought within the GloBE Rules. Articles 7.4, 7.5 and 7.6 of the Model Rules provide special rules applicable to controlled Investment Entities.

ETR and Top-up Tax (TUT) computation of Investment Entities are governed primarily by Art. 7.4. Art. 7.4 only applies to Investment Entities and Insurance Investment Entities that are not Tax Transparent Entities as per local tax regulations. In addition, Art. 7.4 does not apply to the portion of an Investment Entity's or an Insurance Investment Entity's income that is subject to an election under Art. 7.5 or Art. 7.6. In case of Investment Entity, the ETR is calculated separately from any other Constituent Entities in the same jurisdiction. However, if the MNE Group owns interests in multiple Investment Entities or Insurance Investment Entities located in the same jurisdiction, a single ETR is computed for all such Entities in the jurisdiction. The ETR is the Entity's Adjusted Covered Taxes (defined in Art. 7.4.3) divided by the MNE Group's



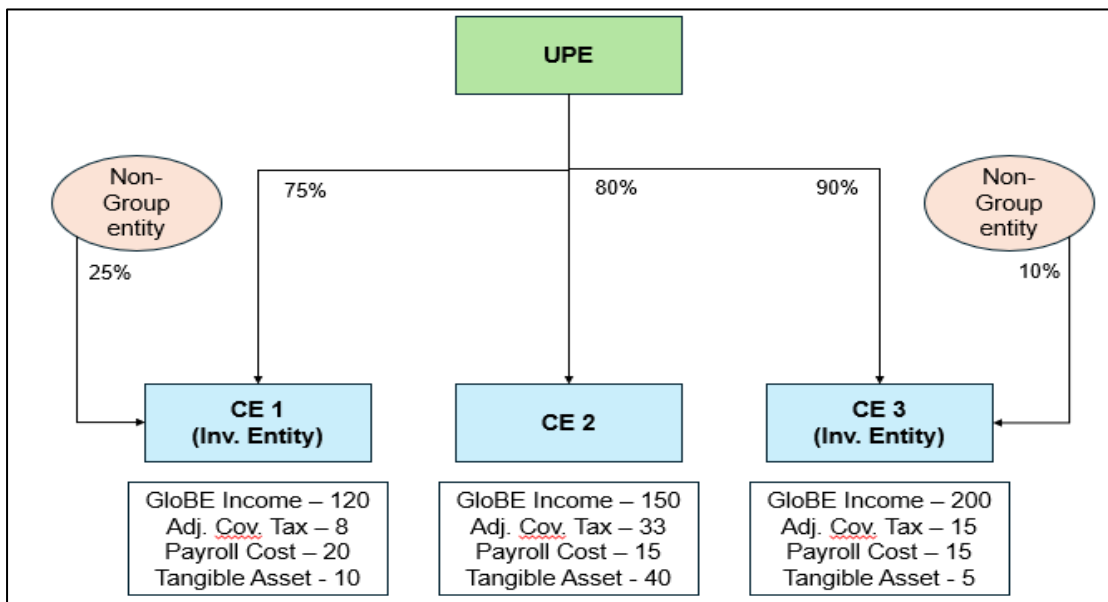
Allocable Share of the Entity's GloBE Income determined under Chapter 3. Art. 7.4.3 to 7.4.6 of the GloBE Model Rules outline that Investment Entities' ETR reflect actual tax burdens, excluding tax-transparent ownership interests to avoid double-counting.

- Article 7.4.3: Specifies that an Investment Entity's Adjusted Covered Taxes are calculated based on taxes attributable to the MNE Group's share of the Entity's GloBE Income.
- Article 7.4.4: Defines the MNE Group's allocable share of an Investment Entity's GloBE income, excluding any interests

subject to transparency elections under Articles 7.5 or 7.6.

- Article 7.4.5: Outlines the calculation of top-up tax for Investment Entities, focusing on the MNE Group's share of income and considering any applicable substance-based exclusions.
- Article 7.4.6: Allows Investment Entities to use substance-based income exclusions for eligible tangible assets and payroll costs, proportionate to the MNE Group's share of the entity's income.

Illustration 1 –



In the above case, two ETR computations are required - one for CE2 and other for CE1 and CE3 (being Investment Entities)

ETR for CE 2 – $33 / 150 = 22\%$ → No TUT liability arises

ETR for Investment Entities –

Particulars	CE 1	CE 3	Total
GloBE Income (WN 1)	90.00	180.00	270.00
Adj. Cov. Tax (WN2)	6.00	13.50	19.50
ETR (WN 3)			7.22%
TUT %			7.78%
Payroll carve-out (WN 4)	15.00	13.50	28.50
Asset carve-out (WN 5)	7.50	4.50	12.00
SBIE (WN 6)			40.50



Particulars	CE 1	CE 3	Total
Excess profits			229.50
TUT liability			17.86

Working Notes -

1. Computation of MNE Group's Allocable Share of each Entity's GloBE Income:
2. Computation of each Entity's Adj. Cov. Tax:
 $CE\ 1 - 8 \times 75\% = 6$
 $CE\ 3 - 15 \times 90\% = 13.50$
3. Computation of jurisdictional ETR:
 $GloBE\ Income = 90 + 180 = 270$
 $Adj.\ Cov.\ Tax = 6 + 13.50 = 19.50$
 $ETR = 19.50 / 270 = 7.22\%$
 $TUT\ \% = 7.78\%$
4. Computation of payroll carve-out:
 $CE\ 1 - 20 \times 75\% = 15$
 $CE\ 3 - 15 \times 90\% = 13.50$
5. Computation of asset carve-out:
 $CE\ 1 - 10 \times 75\% = 7.50$
 $CE\ 3 - 5 \times 90\% = 4.50$
6. Computation of SBIE:
 $CE\ 1 - 15 + 7.50 = 22.50$
 $CE\ 3 - 13.50 + 4.50 = 18$
 $Total = 40.50$

It can be noted that the GloBE Rules mandate a separate ETR calculation for Investment Entities, ensuring that any top-up tax liability is discharged independently. While this approach aims to align with global minimum tax objectives, it could inadvertently discourage and undermine the investment fund ecosystem, where tax neutrality at the fund level is crucial for attracting and retaining investors. Recognizing this, the GloBE framework offers two key elections — Art. 7.5's Tax Transparency Election and Art. 7.6's Taxable Distribution Method Election. These elections, available under specific conditions, enable funds to avoid tax obligations at the entity level, passing income and taxes directly to

$$CE\ 1 - 120 \times 75\% = 90$$

$$CE\ 3 - 200 \times 90\% = 180$$

investors instead. By preserving tax neutrality, these elections balance the GloBE's minimum tax objectives with the operational needs of investment funds, sustaining an environment conducive to investment.

V. Models for tax neutrality for Investment Entities:

Globally, three major models are followed to ensure tax neutrality for Investment Entities –

- **Tax Transparent Model:** In this model, the investment fund is treated as fully transparent for tax purposes. Income and losses pass through directly to investors, who are taxed as if they earned the income directly, regardless of distribution status. This model is prevalent in jurisdictions where funds operate as partnerships or trusts.
- **Distribution/Deduction Model:** Here, the fund is a taxable entity but achieves tax neutrality by deducting distributions to investors from its taxable income. This setup often requires the fund to distribute a substantial portion of its earnings (e.g., U.S. Real Estate Investment Trusts), ensuring that income is taxed primarily at the investor level.
- **Tax Exemption Model:** Under this approach, the investment fund is recognized as a separate taxable entity but is fully exempt from corporate tax if it meets specific criteria, often related to asset type or investor structure.



In order to introduce flexibility within the GloBE Rules to accommodate diverse accounting and taxation practices for investment funds across different jurisdictions, the Model Rules introduce two kinds of elections.

VI. Investment Entity Tax Transparency Election:

Art. 7.5 of the GloBE Model Rules provides the Investment Entity Tax Transparency Election, allowing certain Investment and Insurance Investment Entities to pass income and taxes to owners, thereby avoiding GloBE top-up taxes at the entity level. This election is available to entities taxed under fair value changes in ownership, typically through mark-to-market regimes, provided these meet the GloBE Minimum Tax rate (i.e., 15%). By shifting tax obligations to the owners, the election respects the flow-through structure of many investment funds, where profits are intended to be taxed at the investor level.

Once made, this election is binding for five years, and any revocation requires calculating gains or losses based on the fair value of assets at the revocation year's start. With the election in place, the Entity bypasses standalone ETR calculations, with income and taxes instead considered at the owner level, where GloBE tax principles are applied. It also permits substance-based income exclusions for assets and payroll costs at the owner level, ensuring alignment with economic substance principles. Overall, Art. 7.5 upholds tax transparency within the GloBE framework, ensuring investment entities maintain their tax-neutral status while aligning with global minimum tax objectives.

VII. Taxable Distribution Method Election:

Art. 7.6 of the GloBE Model Rules introduces the Taxable Distribution Method Election, which allows a Constituent Entity-owner of an Investment Entity to include only distributed

income in its GloBE income, deferring GloBE taxation on any undistributed income. This election applies if the Constituent Entity-owner is taxed on distributions at or above the Minimum Rate (i.e., 15%). Under this method, actual and deemed distributions of the Investment Entity's GloBE income are included in the owner's GloBE income calculation, and the owner's share of undistributed income is subject to top-up tax only if not distributed within a four-year period. This method allows the GloBE tax application to align with distribution timing, providing flexibility for investment entities with distributions linked to local tax timing. Similar to the election under Art. 7.5, this election is binding for five years.

VIII. The Road Ahead:

As the GloBE Rules take centre stage in international tax reform, Investment Entities must navigate a shifting landscape where traditional tax neutrality structures are increasingly scrutinized. Jurisdictions like Singapore and Dubai demonstrate varied approaches to achieving tax neutrality through exemptions, deductions, and transparency elections, each aligning with local regulatory priorities. However, with the OECD's Minimum Tax threshold, Investment Entities worldwide must prepare for heightened compliance demands and the possibility of top-up taxes.

Looking ahead, the tax policy landscape will likely continue to shift as jurisdictions refine their frameworks to balance competitiveness with the global minimum tax objectives. Investment fund managers and advisors must remain agile, anticipating policy adjustments and new regulatory requirements. Collaborating closely with regulatory authorities and international counterparts will be essential to ensuring that tax neutrality principles are preserved without contravening global tax standards.



B. Country Updates:

Portugal: On 18 October 2024, the Portuguese Parliament approved legislation to implement the Global Minimum Tax for in-scope MNEs by introducing an Income Inclusion Rule (IIR) and a Qualified Domestic Minimum Top-up Tax (QDMTT) which shall apply to financial years beginning on or after 1 January 2024 while the UTPR will apply to financial years beginning on or after 1 January 2025. This approval follows the European Commission's recent referral of Portugal to the European Court of Justice over delayed implementation of the Pillar Two GloBE Rules. The approved legislation awaits the President's signature.

Germany: On 17 October 2024, Germany introduced a 'minimum tax group' concept as part of its Pillar Two Directive implementation, requiring each MNE group with German resident entities to appoint a 'group leader' by 31 December 2024. The group leader is to be determined following a sequential order i.e. (a) the ultimate parent company, if situated within Germany; (b) the common domestic parent of all other domestic entities; (c) an entity designated by the ultimate parent company; or, absent such designation, (d) the most substantial domestic entity economically. The group leader must electronically notify the Federal Tax Office of its status by 28 February 2025. In Germany, the group leader will handle the minimum tax filing and payment obligations for the group, with the right to seek reimbursement from other group members for their tax portions. Notifications to the tax office should include specific information, such as names, addresses, tax numbers of the group leader and the UPE and contact details. Electronic filing begins on 2 January 2025 with deadlines set as 28 February 2025.

Sweden: On 15 October 2024, the Swedish Government submitted proposed amendments to its Global Minimum Tax legislation. These updates, pending Parliamentary approval, introduce additional rules for handling artificial

arrangements under temporary simplifications, managing deferred tax receivables and liabilities and Transitional Safe Harbours for simplified tax calculations in low-risk jurisdictions. If passed, these provisions are expected to take effect from 1 January 2025 with the possibility for in-scope groups to apply them retroactively.

Belgium: On 18 October 2024, The Belgian Ministry of Finance made an announcement inviting public feedback on the annual return form for the QDMTT that is required to be submitted by in-scope MNE groups and large domestic groups for annual domestic tax return. The consultation is open till 8 November 2024.

European Union: On 28 October 2024, the European Commission proposed a further amendment to the Directive on Administrative Cooperation (DAC) to streamline the filing and exchange of Pillar Two-related information within the EU. This latest amendment, known as DAC9, transposes the GloBE Information Return (GIR) into EU law as the Top-up Tax Information Return (TTIR), aligning with provisions already set out in the Pillar Two Directive. The proposal would permit MNEs to submit their information returns centrally through either the UPE or a designated filing entity, rather than filing locally in each jurisdiction where they have a Constituent Entity. Under this proposal, MNEs would be required to include details about their Constituent Entities, corporate structure, and all relevant data needed to calculate each entity's effective tax rate, the top-up tax, and related allocations in their information return. Additionally, it establishes an EU framework to enable the exchange of TTIRs among Member States. If approved by the Council, DAC9 would require implementation into national legislation by 31 December 2025.

Jersey: On 23 October 2024, Jersey's State Assembly unanimously passed legislation to implement Global Minimum Tax for in-scope MNEs, applying to accounting periods beginning



on or after 1 January 2025. Additionally, Jersey will apply a top-up tax (TUT) on low-taxed profits earned outside the island, in line with the global tax framework's IIR but will not implement the UTPR for now.

Isle of Man: On 15 October 2024, the Government of Isle of Man announced it will soon submit draft legislation to implement the Pillar Two GloBE Rules for in-scope MNEs. This legislation will establish QDMTT and IIR. These taxes take effect from financial years beginning on or after 1 January 2025, with further legislation expected next year. The draft legislation will be presented to the Parliament, ahead of its November session.

UK: On 30 October 2024, the Chancellor of the Exchequer announced the formal adoption of UTPR in the UK for in-scope MNE groups from financial years beginning on or after 31 December 2024. The HMRC has published a policy paper on the amendments to the MTT to give effect to the UTPR.

Malaysia: On 18 October 2024, the Malaysian Government announced the creation of a task force aimed at developing a new tax incentive framework that aligns with the OECD's Global Minimum Tax regulations. The Government plans to streamline existing incentives, develop new non-tax incentives, and evaluate the feasibility of a strategic investment tax credit. Malaysia has already adopted the Global Minimum Tax legislation, which is in line with GloBE Rules' IIR and QDMTT and will take effect from financial years beginning on or after 1 January 2025.

Singapore: On 15 October 2024, the Singaporean Parliament passed the Multinational Enterprise (Minimum Tax) Bill and the Income Tax (Amendment) Bill to introduce the Multinational Enterprise Top-Up Tax (MTT) and the Domestic Top-up Tax (DTT) in line with the Pillar Two GloBE Rules' IIR and QDMTT respectively for in-scope MNEs. The legislation applies to financial years beginning on or after 1

January 2025. It includes a refundable investment credit scheme that allows qualifying companies to claim credits on certain categories of expenditures.

Bahamas: On 16 October 2024, the Deputy Prime Minister of Bahamas officially introduced the DMTT Bill to the House of Assembly, aiming to implement a DMTT in line with the Pillar Two GloBE Rules. This initiative follows extensive public consultations and incorporates feedback from stakeholders and international organizations like the OECD. The proposed legislation specifically targets in-scope MNEs. The draft legislation includes a QDMTT safe harbour, exempting eligible MNE groups from additional tax obligations under other jurisdictions. The Prime Minister had previously announced that the DMTT would not take effect until the 2025-2026 fiscal year.

Hong Kong: On 30 October 2024, the Legislative Council Panel on Financial Affairs of Hong Kong published a document about the outcomes on consultation that was previously released with proposals to implement the IIR and a Hong Kong Minimum Top-up-Tax (HKMTT) for in-scope MNEs from financial years beginning on or after 1 January 2025. It addresses the key responses it received, noting inter alia, that it will delay the implementation of the UTPR, clarify entity definitions for TUT purposes, preserve tax neutrality for investment entities, and allow the designation of one or more entities for payment of top-up taxes. The Hong Kong Government is completing amendments to the ordinance to include provisions for the IIR and the HKMTT and will present a bill to the Legislative Council by January 2025.

South Africa: On 31 October 2024, South Africa's Finance Minister introduced the Global Minimum Tax Bill in its Medium-Term Budget which, if legislated, will apply to in-scope MNEs from financial years beginning on or after 1 January 2024. The Bill introduces the



implementation of IIR and DMTT in South Africa and is yet to receive the President's assent.

Kenya: On 4 November 2024, the Government of Kenya revived its proposal for Global Minimum Tax that was previously introduced in May 2024. The Bill aims to establish a domestic Minimum Top-up-Tax (MTT) for in-scope MNE groups from financial years beginning on or after 1 January 2025.



C. Around the globe:

European Union (27 countries)

Austria	Italy
Belgium	Latvia
Bulgaria	Lithuania
Croatia	Luxembourg
Cyprus	Malta
Czech Republic	Netherlands
Denmark	Poland
Estonia	Portugal
Finland	Romania
France	Slovakia
Germany	Slovenia
Greece	Spain
Hungary	Sweden
Ireland	

Rest of Europe (23 countries)

Albania	Moldova
Andorra	Monaco
Belarus	Montenegro
Bosnia Herzegovina	North Macedonia
Faroe Islands	Norway
Georgia	San Marino
Gibraltar	Serbia
Guernsey	Switzerland
Iceland	Turkey
Isle of Man	Ukraine
Jersey	United Kingdom
Liechtenstein	

Africa (25 countries)

Angola	Mauritania
Benin	Mauritius
Botswana	Morocco
Burkina Faso	Namibia
Cabo Verde	Republic of Congo
Cameroon	Senegal
Congo	Seychelles
Côte d'Ivoire	Sierra Leone
Djibouti	South Africa
Egypt	Togo
Eswatini	Tunisia
Gabon	Zambia
Liberia	

Asia (29 countries)

Armenia	Maldives
Azerbaijan	Mongolia
Bahrain	Oman
Brunei	Papua New Guinea
China	Philippines
Cook Islands	Qatar
Hong Kong	Russia
India	Samoa
Indonesia	Saudi Arabia
Israel	Singapore
Japan	South Korea
Jordan	Thailand
Kazakhstan	UAE
Macau	Vietnam
Malaysia	

North America (24 countries)

Anguilla	Grenada
Antigua	Haiti
Bahamas	Honduras
Barbados	Jamaica
Bermuda	Mexico
British Virgin Islands	Montserrat
Canada	Panama
Cayman Islands	Saint Lucia
Costa Rica	St. Vincent and the Grenadines
Dominica	St. Kitts and Nevis
Dominican Republic	Turks and Caicos Islands
Greenland	USA

South America (11 countries)

Argentina	Curacao
Aruba	Paraguay
Belize	Peru
Brazil	Trinidad and Tobago
Chile	Uruguay
Colombia	

Australasia (3 countries)

Australia	New Zealand
Fiji	

Legend

	Formal adoption of GloBE Rules from 2024 (28 countries)
	Policy framework in place to introduce IIR, QDMTT in 2024 and UTPR in 2025 (5 countries)
	Policy framework in place to introduce IIR, QDMTT and UTPR in 2025 (16 countries)
	Declaration to implement GloBE Rules though timelines are uncertain (8 countries)
	EU member states opting for delayed implementation (4 countries)

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