

**International Co-operation and Tax Administration Division
OECD/CTPA**

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Pillar II– Public consultations on GloBE Information Return and Tax Certainty

We appreciate the opportunity to share our comments with regard to the public consultation documents on *GLOBE Information Return* as well as on *Tax Certainty for the GloBE Rules*.

EPRA, the European Public Real Estate Association, is the voice of the publicly traded European real estate sector. With more than 280 members, covering the whole spectrum of the listed real estate industry (companies, investors and their suppliers), EPRA represents over EUR 790 billion of real estate assets and 94% of the market capitalisation of the FTSE EPRA Nareit Europe Index.

EPRA's mission is to promote, develop and represent the European public real estate sector. We achieve this through the provision of better information to investors and stakeholders, active involvement in the public and political debate, promotion of best practices and the cohesion and strengthening of the industry.

1. GloBE Information Return (GIR)

Balanced and effective compliance is a key success factor for Pillar 2. In particular, the level of disclosures in the return must be proportionate to the policy intent and the top up amounts at stake. This is in the interest of both MNEs and national tax auditing teams, so that resources remain focused on the targeted countries and structures. However, the proposed format of the return raises concerns in this regard.

Furthermore, we are concerned by the data privacy with respect to sensitive granular business information being shared across many countries, which may be misused for other purposes than GloBE.

1.1 Permanent Jurisdiction Safe Harbours (Section 3.2.1)

We understand that where a transitional Safe Harbour applies for a jurisdiction, there would be no need to provide a detailed GloBE computation in the GIR for that country.

We ask for transitional Safe harbours based on the CBCR profit/loss to be applied permanently: there is no risk of revenue loss, taken into account that very few countries should generate the triggering of a top up tax (Safeguards could be developed regarding the reliability of CBCR data).

1.2 Level of disclosures in the GloBE Information return (Section 3.4)

We are concerned by Section 3.4 of the consultation document. Indeed, the intention here is to request MNEs to provide a breakdown of the GloBE income and adjustments on a Constituent Entity (“CE”) by Constituent Entity basis, in all countries where the MNE is established. **Many MNEs have hundreds of entities and requesting that level of disclosure is neither reasonable nor useful, since the GloBE ETR is measured at jurisdictional level.**

Many groups do not have consolidation reporting systems that allow an entity-by-entity basis view at the UPE level. This is because the information used to publish financial statement is already aggregated at lower levels, based on business unit or regional packages. It is unlikely that this will change after implementation of GloBE. The amount of investments and resources which would be required to fundamentally redesign the reporting processes for all countries would not be consistent with the amount of top up tax at stake, and the very limited amount of targeted countries. The risk there is also that a massive amount of data would need to be produced for no sound reason, which would entail excessive resources for both MNE and tax authorities receiving the data.

Therefore, we urge the Inclusive Framework and the OECD to limit the information to be provided at a country level for jurisdictions where there is no top up tax at stake.

1.3 Data privacy

Protecting sensitive business data is a key concern for MNEs. It is also important that shared data is not used for other purposes than reviewing GloBE calculations. We understand that no decision has been made yet as to the level of information which would be shared among the countries where an MNE has Constituent Entities.

We therefore ask that only general information is to be shared with countries which are not in a position to collect top up tax. In no circumstance should a country have access to detailed CE-by-CE information for other countries if the former is not in a position to collect top up tax based on GloBE rules.

2. Tax certainty consultation document

We support a thorough and effective certainty process for P2. GloBE rules require coordination and consistency. This is not just necessary to avoid double taxation and disputes, but also to avoid the extreme complexity of having to deal with multiple inconsistent regulations all over the world.

We note that the introductory remarks of the document stress the fact that there is currently no consensus within the Inclusive Framework on any of the proposals described. This is concerning, given the importance of tax certainty as part of a balanced and targeted Pillar 2 implementation.

We support clear guidelines and processes to make sure that the rules are implemented in a consistent manner everywhere. A particular point of concern is the notion of “Qualified Domestic Minimum Top up Tax” (“QDMTT”). Most of the countries implementing P2 have announced that they will also introduce a QDMTT.

We request that the QDMTT accurately reflects the mechanism of the GloBE rules and incorporates any GloBE and Safe Harbour simplification on a mandatory basis (QDMTT must be computed under the same rules than the top up tax, with no exception). Otherwise, P2 would lead to a level of complexity that could undermine its acceptability to business. The introduction of a QDMTT must not jeopardize any safeguards or reporting simplification.