Explanatory Notes Relating to the Global Minimum Tax Act

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Preface

These explanatory notes describe proposed amendments to the *Global Minimum Tax Act*. These explanatory notes describe these proposed amendments, clause by clause, for the assistance of Members of Parliament, taxpayers and their professional advisors.

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These notes are intended for information purposes only and should not be construed as an official interpretation of the provisions they describe.

Explanatory Notes Relating to the *Global Minimum Tax Act* (the “Act” or “GMTA”)

Clause 1

Definitions – transitional CbCR safe harbour

Global Minimum Tax Act (GMTA)
47(1)

“deduction/non-inclusion arrangement”

The definition "deduction/non-inclusion arrangement" is amended to restructure paragraphs (a) and (b) as new subparagraphs (a)(i) and (ii), and paragraph (c) as new paragraph (b), and to insert an “or” between new subparagraphs (a)(i) and (ii), in accordance with the corresponding definition in paragraph 93 in Annex A, Chapter 1 of the Commentary (as introduced by Section 2.6 of the December 2023 Administrative Guidance).

This amendment applies to fiscal years of a qualifying MNE group that begin on or after December 31, 2023.