

Buzzacott

Pillar Two

Pragmatic solutions tailored to your group



UK Pillar Two compliance

The implementation of Pillar Two will mean significant compliance and data gathering requirements for groups and UK companies of multinational groups.

What is Pillar Two?

The OECD Pillar 2 framework establishes a global minimum tax regime. The rules aim to ensure income is taxed at a global minimum tax rate of 15%.

The UK adoption of the rules introduces two new taxes: multinational top-up tax (MTT) and domestic top-up tax (DTT).

Who does Pillar Two apply to?

Multinational groups with consolidated revenue exceeding €750 million in at least two of the four preceding accounting periods.

Registration

If a group is within the scope of the new taxes, a group member must register with HMRC within 6 months of the end of the accounting period in which they become qualifying.

Registration is required with HMRC even if you do not have to pay any top-up tax.

Reporting

The UK filing company will be required to submit a Pillar Two self-assessment return to HMRC for each qualifying period.

The UK entity will either need to submit a GloBE Information Return (GIR), or an Overseas Return Notification (ORN) if the GIR has been submitted in another jurisdiction.

Our approach

We take a tailored approach, investing time to understand your business and its cross-border relationships.

Why work with us?

We have a deep knowledge of the UK Pillar Two regime and experience supporting UK-headed inbound groups across a range of sectors.

We offer flexible support tailored to your needs and internal capabilities - from targeted compliance support to full outsourcing. We provide practical, proportionate advice with a focus on risk and materiality to meet HMRC's expectations.

Our aim is to help you comply with Pillar Two efficiently, confidently and with minimal disruption, whilst ensuring positions are robust and defensible.

We work closely with finance and in house tax teams to ensure Pillar Two is integrated into existing reporting processes to avoid duplication and unnecessary complexity.

Option 1 – Pillar Two filings support (UK and overseas)

Best suited where calculations are prepared internally or by overseas advisers.

For groups where internal teams or advisers have completed the calculations, but local UK expertise is needed to ensure filings are completed and submitted accurately.

We can support with:

- UK Pillar Two registration.
- Preparation and submission of UK Pillar Two returns.
- Preparation or coordination of overseas local filings, including working with your local advisers where required.
- Completion of the overseas return notification.
- Practical support with deadlines, notifications and compliance logistics.

Option 2 – Full Pillar Two analysis and compliance

Best suited for groups that need end-to-end support.

For groups seeking a more comprehensive solution, we can provide end-to-end Pillar Two support:

- Initial scoping and impact assessment.
- Safe harbour analysis (including transitional CbCR safe harbours).
- Detailed Pillar Two calculations, including:
 - GloBE income and covered taxes.
 - Deferred tax adjustments.
 - Substance-based income exclusion.
 - Top-up tax and Qualified Domestic Minimum Top-Up Tax (QDMTT) computations.
- Preparation of UK and overseas filings, including GIR coordination.
- Ongoing technical support and advice, as the rules evolve.

Large company reporting requirements

We can also support with the other UK reporting requirements necessary for large companies and groups.

We aim to work alongside you as a partner to enable you to meet your strategic aims and provide the structure, oversight, and technical expertise to enable large UK groups to meet HMRC expectations with confidence.

We provide specialist support in the following areas:

1

Corporate Interest Restriction (CIR): Group registrations/appointments, interest restriction modelling, allocation statements, full/abbreviated returns.

2

Transfer pricing: Policy review, intercompany agreements, local and master file documentation, corporate tax return disclosures.

3

Senior Accounting Officer (SAO): Tax accounting arrangements, establishing and monitoring processes, timely submissions and certification with HMRC.

4

Country-by-Country-Reporting (CbCR): Notification to HMRC of reporting entity, submission of annual reports.

5

Hybrid mismatch rules: Assessment of impact, support with ongoing compliance considerations.

6

Tax strategy: Preparation of strategy document for publication, analysis of approach to risk, review of disclosures.

www.buzzacott.co.uk
enquiries@buzzacott.co.uk

+44 (0)20 7556 1200
Buzzacott LLP
130 Wood Street
London EC2V 6DL