



## ICC comments in response to OECD public consultation document on the Implementation Framework of the global minimum tax under Pillar Two

The International Chamber of Commerce (ICC), as the world business organization speaking with authority on behalf of enterprises from all sectors in every part of the world, appreciates the opportunity to provide input on the OECD [public consultation document](#) on the Global Anti-Base Erosion Model Rules (GloBE) Implementation Framework of Pillar Two. ICC advocates for a consistent global tax system, founded on the premise that stability, certainty and consistency in global tax principles are essential for business and will foster cross-border trade and investment. ICC is also an established arbitral institution through its International Court of Arbitration and provides other dispute resolution mechanisms through its International Centre for Alternative Dispute Resolution.

### General comments

ICC recognises that the release of the [Commentary on the GloBE Rules](#), will be useful in providing MNEs and governments with detailed and comprehensive technical guidance on the operation and intended outcomes under the rules, and appreciates that the GloBE Implementation Framework will facilitate the co-ordinated implementation and administration of the GloBE Rules.

To this end, ICC provides the following general comments:

- ICC emphasises the importance of business engagement in designing the implementing structure of the GloBE rules in order to ensure that complexity in the rules is reduced wherever possible to help both administration by tax authorities and compliance by taxpayers.
- ICC further notes that it is important that those jurisdictions that choose to adopt a minimum tax, do so in a consistent and coordinated manner. For a successful implementation for tax authorities and taxpayers alike, it is essential that the implementing legislation and guidance be clear, unambiguous, administrable and consistently applied.
- ICC members are concerned that already at this stage there seems to be a lack of coordination regarding the effective date from which countries will adopt these rules (e.g., EU, UK, Switzerland). ICC believes that an uncoordinated implementation date will give rise to double taxation and legal uncertainty and not result in a smooth adoption of what is a fundamental change in the international tax landscape.
- It is also unclear what dispute resolution mechanisms would be in place for MNEs that have operations where some countries have started implementing the rules, as well as in other countries that may implement at a later date (e.g., where some of their subsidiaries are in 2023 implementing countries, and others are in 2024 implementing countries).
- ICC believes that the proposed concept of having a peer review mechanism to secure consistent application of Pillar Two across implementing countries is inadequate – taxpayers who are negatively impacted by a cross-border dispute on the application of the GloBE rules will have no apparent mechanism to resolve the dispute other than a peer review by their home tax authority.

- The Inclusive Framework has issued model rules, the associated commentary and is now considering the Implementation Framework, including administrative guidance. The OECD Secretariat has issued a series of examples. ICC notes that jurisdictions will legislate the model rules but may not give legal effect to the commentary, examples or administrative guidance. The legal standing of each of these elements, which together comprise the Pillar Two regime, needs to be carefully considered as part of the Implementation Framework.
- In order to achieve tax certainty, ICC believes that there needs to be a clear and transparent process, set out in the Implementation Framework, to determine whether a regime is a qualified IIR and whether a tax is a Qualified Domestic Minimum Top-up Tax (QDMTT).
- The nature of the QDMTT and top-up tax paid under the UTPR need to be clarified to confirm that they are corporate income taxes and to provide certainty of treatment under tax treaties and foreign tax credit regimes. The guidance needs to confirm that the QDMTT is a corporate income tax and provide clarity as to how such tax is collected and charged and, therefore, that such tax will be viewed as a covered tax under tax treaties.
- ICC welcomes the approach that MNEs will be subject to one central and standardised filing requirement for their Pillar Two return globally, in the Ultimate Parent Entity's (UPE) jurisdiction, in cases where that jurisdiction has a bilateral or multilateral agreement or arrangement in effect to automatically exchange on a confidential basis the GloBE Information Return with the jurisdiction of the Constituent Entity.
- ICC notes that the inclusion of broad, simple, safe harbours, is vital to the administrability of the GloBE rules and to the ability of MNEs to manage the overwhelming complexity and additional compliance posed by the rules.
- The Pillar Two rules will require significant changes to tax and financial reporting systems. These changes will need to be in place shortly after the commencement date as businesses will need to reflect the impact of the new rules in their quarterly financial reports. Such system changes are costly to implement and take significant time to put in place. This is especially true as there are many uncertainties yet to be clarified in the rules, and without those clarifications, it is not possible to commence work on designing the necessary modifications to business IT systems. The effective date of January 2023 could undermine successful implementation by tax authorities and companies alike.
- Furthermore, in order to minimise tax disputes and double taxation, it is vital that there are strong and binding dispute prevention and resolution mechanisms adopted as part of the Implementation Framework. Without timely resolution of disputes which could arise from different approaches to implementation, or various interpretations adopted by jurisdictions, tax uncertainty will arise. Tax uncertainty puts at risk investment and job creation.
- The Pillar Two rules do not contain specific guidance on binding dispute prevention/resolution, which is in stark contrast to Pillar One, where this has been central. Tax administrations may assume that dispute resolution is not needed due to the coordinated nature of the Model Rules, however, the business community strongly reiterates the need for robust dispute prevention/resolution mechanisms, particularly given the administrative complexity of the current rules and potential differences in interpretation.

- In this regard, the Implementation Framework should specify a robust dispute resolution framework in which there is a process that i) includes input from subject matter experts with sufficient expertise in a jurisdiction's rules/regulations, and ii) produces a result that is accepted by all jurisdictions. In particular, local countries should not be permitted to initiate standalone local audits.
- Pillars One and Two have been adopted by the Inclusive Framework as a political package. It is unclear how interdependencies with Pillar One will be managed if countries adopt Pillar two first. Accordingly, the guidance needs to clearly set out how Pillar One interacts with Pillar Two and the impact on the determination of the minimum effective tax rate.
- ICC members believe that the examples provided are inadequate and have been caveated as not being part of the Commentary. It is, however, imperative to have agreed examples of how the rules will apply in practice.
- The risk of double taxation is increased significantly with the current approach, as double tax treaties are not considered to apply to the IIR, so it is therefore unclear if there is any access to multilateral dispute resolution via the treaty frameworks.
- The option to apply a domestic minimum top-up tax, combined with the priority given to the STTR over the IIR, means that large MNE groups will face a proliferation of disputes (as GloBE taxes are applied to their operations globally, rather than just at the level of the ultimate parent entity). This new feature of the rules creates a greater risk of increased disputes.
- The Implementation Framework should be relatively easy to understand, particularly taking into consideration subsequent translation into different languages for local application.

### **Co-existence with third country regimes**

- ICC believes that guidance is needed regarding existing minimum tax regimes (e.g., the US Global Intangible Low Taxed Income regime (GILTI)) and how they co-exist with Pillar Two.
  - The Implementation Framework should specify a uniform process for assessing whether a regime is a qualifying IIR or UTPR. There should be clear guidance as to what constitutes a qualified IIR or UTPR, as well as a tracking mechanism for IIRs and UTPRs determined to be qualified. Such an approach would provide more certainty to governments and taxpayers, avoid lengthy disputes and potential double taxation.
  - A peer review system could be adopted to determine which jurisdictions should be regarded as having a qualified IIR or UTPR. This will ensure a consistent approach amongst adopting countries (rather than each country making its own determination) and could help manage complexity and reduce administrative burden for businesses.
- Coexistence with the GILTI regime
  - If the US does not enact changes to the existing GILTI regime (increase the rate to 15% and apply on a country-by-country basis), then the current US GILTI cash tax liability should be treated as a CFC tax incurred by a low-taxed constituent entity before the application of the QDMTT, IIR, UTPR, etc.
  - For US GAAP, companies were allowed to choose between two options to account for GILTI: a current period expense or the deferred method. Companies that elect to treat GILTI as a period expense, record only the current GILTI tax expense in the year

a GILTI tax liability is incurred, while companies that elect the deferred method, record the GILTI deferred tax expense or benefit on temporary differences each year (in addition to the current GILTI tax expense). Accordingly, the accounting treatment depends on how companies elected with respect to provision of deferred tax. To achieve uniform treatment among all filing entities, the guidance should confirm that only the current GILTI tax expense should be included as covered tax.

- Similarly, clarification is required on how the GloBE rules will co-exist and interact with other domestic laws such as CFC rules.

### Specific comments:

#### **1. Do you see a need for further administrative guidance as part of the Implementation Framework? If so, please specify the issues that require attention and include any suggestions for the type of administrative guidance needed.**

- ICC members believe that the Implementation Framework indeed needs further guidance due to the complexity of the GloBE Rules.
- There is a need to significantly reduce the complexity of these rules. Administrative guidance could be used to outline jurisdictions in which the tax rates are above the minimum rate for which it is clear that the minimum ETR is achieved.
- Further consultation with business as the administrative guidance is being developed, would be welcome.
- A phased release of finished chapters or sections would be beneficial.
- It would also be helpful if the OECD Secretariat could work together with the International Accounting Standards Board to clarify the accounting treatment of top-up taxes under the Model Rules.
- As noted above, administrative guidance is required with respect to coexistence with GILTI. If GILTI is not a qualified IIR, it should be clearly stated that GILTI is a CFC tax and allocated to jurisdictions with effective rates less than 15%.
- Further detailed guidance is needed as to how the QDMTT would work in practice (e.g., how it is charged, collected and administered by jurisdictions) and how this is recognised by parent jurisdictions. It is also unclear how the QDMTT applied in a jurisdiction will interact with a 'qualified refundable tax credit' granted by the parent jurisdiction (e.g., tax credits for R&D investments), and whether such credits will lead to an increase of the QDMTT applied. It is particularly important that innovation incentives are not rendered ineffective as they are used by governments to encourage innovation and economic growth.
- Similarly, the original purpose of the Undertaxed Payment Rule (UTPR) was to act as a backstop to the IIR. It appears that the scope of this rule has been expanded to apply to profits which may have an ETR below 15% simply as a result of domestic incentive regimes (e.g., R&D, low-income housing credits etc). Further guidance relating to the application of the UTPR in such cases is required.
- If a company is considered low-taxed solely as a result of benefitting from an incentive regime that conforms with BEPS Action 5, then this should not result in a top-up tax, in order not to undermine innovation and growth.
- Specific issues:
  - Where there are adjustments arising in the consolidation process that relate to a Constituent Entity (CE)'s results for the period but that are only posted to the CE's

accounts subsequently as part of the statutory process for that CE, how should adjustments between CFSs and final GloBE calculations be prepared?

ICC members suggest that where an MNE group's local statutory accounts are prepared using the same accounting standard as the group accounts, and this accounting standard is an acceptable accounting standard for purposes of the Model Rules, these would be a valid starting point for any GloBE calculation (based on discussions with certain Inclusive Framework jurisdictions).

- The Commentary lists a few examples of “covered taxes”.

ICC members suggest that a full list of taxes imposed by Inclusive Framework member jurisdictions that would be considered “covered taxes” under the Model Rules, similar to Article 2.3 of double tax treaties, would help reduce uncertainty as to what is a “covered tax”.

- Clarification is required as to the accounting standard applied to deferred tax calculations, i.e., that this is the same basis as for calculating GloBE income (the group accounting standard applied to local entity) and not, as would appear from the Implementation Framework, Local GAAP.
- Compatibility of the UTPR with tax treaties.

ICC members suggest addressing the issue of how the UTPR interacts with tax treaties.

- The Model Rules and Commentary address confidentiality of GloBE information returns but do not cover the use of information contained in the GloBE information returns.

ICC members suggest that explicit confirmation be provided that tax administrations can use information in the GloBE information return only for purposes of administering the GloBE rules.

- Under the Model Rules, tax administrations can challenge a taxpayer's election to apply a GloBE Safe Harbour “where specific facts and circumstances may have materially affected the eligibility of the MNE Group for the relevant GloBE Safe Harbour” (Article 8.2.2). The Commentary to Article 8.2.2(a) makes it clear that neither the tax administration nor the taxpayer is required to compute the ETR of the jurisdiction to test whether the ETR is below the minimum rate.

ICC notes that, apart from the areas identified in the Commentary, guidance is needed, amongst others, around: the meaning of “materially affected”; how a taxpayer would be expected to clarify the effect of the facts and circumstances identified by the tax administration without doing the ETR calculation; who makes the final determination (a panel of – selected? – jurisdictions that would otherwise be allocated a top-up tax?).

- Tax systems differ between countries and regions. In this respect, two aspects should therefore be considered:
  - i. Firstly, concordance with local regimes should be considered. The switch-Over Rule (SOR) is implemented with respect to the Exemption Method; however, further guidance is still required regarding the Credit Method. There is also a lack of clarity as to how the CFC Rules would work under the framework of GloBE Rules. There are many

similarities between CFC rules and IIR, therefore after transposing the GLoBE Rules into the domestic law, various challenges/questions may arise. For example, will the two rules co-exist, or will the GloBE Rules replace the CFC Rules as a new domestic law? Further guidance will be needed in this respect.

- ii. Secondly, further clarification is needed regarding how countries or regions would adjust their tax preferential regimes. Preferential regimes are recognised as an important method to attract FDI, particularly for developing countries. Some economic activities can be excluded according to economic substance, however further details should be provided in this context.
- Substance-based income exclusion – tangible assets - Article 5.3.4 – point 38 of the commentary

With regard to the tangible asset carve-out, it is required that the tangible assets should be located in the same jurisdiction as the Constituent Entity that owns them or, in the situation where the tangible asset is leased, in the same jurisdiction as the Constituent Entity that leases the asset.

However, this solution is non-applicable to some businesses where a mobile asset can move from jurisdiction to jurisdiction at different times during the same fiscal year (e.g., iso-containers for industrial gases or aeroplanes). In this case, the condition that the asset be located in the same jurisdiction as the user may not be achievable.

For these specific cases, it is understood that two alternative options are being considered by the Inclusive Framework:

- Either allowing the Constituent Entity owning the assets to include the latter in the substance-based carve out of its jurisdiction;
- OR
- Allocate the value of these assets in each country where the assets are located and used for the purpose of calculating the substance-based carve out in these countries.

The Commentary acknowledges that further work is required on this matter as part of the Implementation Framework.

ICC members would like to stress upon the fact that the second option may prove impossible to apply in many instances and would therefore recommend providing the option to allocate the value of these assets in the jurisdiction of the owner for the purpose of applying the substance-based carve out, provided that the business is conducted in that country and the owner assumes the risks and functions required to operate the assets. This option would align with the substance of the operations and would be easily auditable.

- It would be helpful if there was clarification in relation to how consolidation adjustments could be reliably and consistently traced (Commentary on Article 3.1.2). For example, where pushdown accounting has been applied to historical business acquisitions.
- Further clarity (with respect to 5-year recaptures) over the level of detail expected in relation to deferred tax accounting in general would be welcome as many jurisdictions do not currently require this, for instance where accelerated tax amortizations apply to a collective of tangible and intangible property assets.

**2. Do you have any comments relating to filing, information collection including reporting systems and record keeping? In particular do you have any views on how the design of the information collection, filing obligations and record keeping requirements under GloBE could be designed to maximise efficiency, accuracy and verifiability of information reporting while taking into account compliance costs?**

- ICC members welcome the inclusion in the Model Rules (Article 8.1.2) of a compliance system in which MNEs will be subject to one central filing requirement for their Pillar Two return globally, in the UPE's jurisdiction, in cases in which that jurisdiction has a bilateral or multilateral agreement or arrangement in effect to automatically exchange the GloBE Information Return with the jurisdiction of the Constituent Entity
- However, ICC believes that the Implementation Framework must provide that:
  - The central return will only be subject to one audit process administered by the UPE jurisdiction
  - MNEs are not expected to provide any information directly to any tax authority other than the UPE jurisdiction. Rather governments and tax authorities should be required to make an exchange of information request under existing bi-lateral arrangements and ensure confidentiality is maintained for any information provided
  - There should be clear rules limiting the type of information that may be requested, in line with the limitations that currently apply to information exchange. Requests for privileged information, confidential business data, contracts, and third-party information (subject to notification) should be limited according to the laws of the lead tax authority's jurisdiction.
- It is essential that the deadlines for preparing GloBE returns and the making of payments in relation to any GloBE liabilities are aligned, so that liabilities are not payable until GloBE returns are completed.
- Article 8.1.3 requires a Constituent Entity (either directly or through a Designated Local Entity) to notify its local tax administration of the identity and location of the UPE or the Designated Filing Entity that will be filing the GloBE Information Return. As seen with a similar requirement under CbCR, in practice this notification requirement will impose a significant administration burden upon taxpayers.
- Given the unprecedented complexity and uniqueness of the systems/processes that will need to be put in place to ensure GloBE compliance, there should be a sufficiently long 'soft-landing' period (i.e., no penalties and no late payment interest) for businesses to develop, test and implement such systems. This will take significant time and resources.
- The Commentary indicates that the standard template of the GloBE Information Return is expected to contain all required information to verify compliance with the GloBE rules but that this does not prevent a local tax administration from requesting further necessary supporting information to verify compliance in accordance with its domestic law (Commentary to Article 8.1.4, paragraph 13). To prevent fishing expeditions, there should be clear guidance (and boundaries) as to what information can reasonably be requested by a local tax administration over and above the information contained in the template and under what circumstances.
- ICC members would welcome further guidance on the type of information required to complete the GloBE information return in accordance with the standard template described in Article 8.1.4 of the GloBE model rules.

### 3. Do you have any suggestions on measures to reduce compliance costs for MNEs including through simplifications and the use of safe harbours?

- Simplifications:

ICC members believe that abandoning the requirement to recast deferred tax at 15% would simplify compliance.

ICC members support suggestions to include an election to exclude deferred tax (both DTLs and DTAs) from the definition of covered taxes as a simplification measure. This election could be optional to make but could be irrevocable for a period longer than one year to prevent businesses opting in and out depending on their deferred tax position in a particular period.

Whilst ICC members support the above election, the GloBE rules introduce a number of elections for multinational groups to consider which could add a further compliance burden. ICC members suggest that these elections are evaluated with a view for simplification to minimise such compliance burden, for example, to allow a choice of treatment without requiring a formal election, or to minimise detail / frequency of elections.

- Safe harbour options:

- ICC notes that development of broad, simple and administrable safe harbours is vital to the administrability of the GloBE rules and to the ability of MNEs to manage the overwhelming complexity and additional compliance posed by the rules. The delay in releasing the safe harbours may significantly impede the ability of MNEs to implement the systems and process changes necessary to meet the aggressive implementation and compliance timeline.
- ICC members believe that safe harbours are crucial to reducing compliance costs. Multiple safe harbours at the election of the taxpayer are more likely to achieve this.
- ICC members suggest that a CbCR safe harbour may have significant merit. One approach supported by ICC members could be a tiered approach, with a simplified safe harbour process for MNEs with a CbCR ETR based on cash tax above a minimum rate to be defined higher than 15% (e.g., 20%), such that any GloBE adjustments from CbCR would be unlikely to bring it below the 15% rate. One approach supported by ICC members could be a tiered approach, with a simplified safe harbour process for MNEs with a CbCR ETR above the 15% minimum rate, such that any adjustments to the CbCR data that would be required to arrive at the GloBE tax base would be unlikely to bring it below that rate. A more detailed calculation, taking into account key adjustments between CbCR and GloBE, could be required where the CbCR ETR is below the 15% rate. A further CbCR safe harbour could apply where a group can demonstrate that the average CbCR rate over the preceding five years is equal to or greater than 15%.

An additional available option, complementary and alternative to the above-mentioned ETR methods could be to calculate the following ratio as per the CbCR: sum of [8% of net tangible assets + 10% of payroll costs - the rates would decline at the same pace as those of the substance-based income exclusion]. If that amount exceeds 110% of the CbCR profit before tax, the GloBE calculation would not apply. The purpose would be to demonstrate that there is no excess profit within the understanding of the GloBE rules



and therefore no top up tax would be at stake. In this respect, the 10% represents a cushion to recognise the simplified approach.

- Article 9.1.3 provides a limitation on intragroup asset transfers before applicability of the GloBE Rules. If an asset is transferred between entities after 30 November 2021 and before the Transition Year of a MNE Group, such asset must be recorded at its historic carrying value for GloBE purposes to limit the ability to step-up the basis in such assets without including the resulting gain in the computation of GloBE Income or Loss. This provision applies whether or not tax is paid on the intra-group asset transfer, as for example, could be the case in integrating newly acquired assets. ICC believes that consideration should be given to including a safe harbour that would disapply this restriction in cases when assets are transferred, and tax is paid on the gain arising on the transfer.
- Other safe harbours which could be helpful include:
  - The suggestion in the Commentary of a safe harbour which would apply where no Top-up Tax would be due in respect of a jurisdiction where the relevant MNE Group is subject to a Qualified Domestic Minimum Top-up Tax
  - The simplification measure mentioned in the October 2020 Blueprint to have a single jurisdictional ETR calculation to cover several years. The Blueprint mentions that a key disadvantage of this simplification measure is that MNEs would be required to establish all the necessary processes and systems in every jurisdiction in order to compute the base year ETR, and that once the MNE has established all the necessary processes and systems, it may not be significantly more work to compute the jurisdictional ETR every year. The Blueprint notes that this simplification measure may not offer meaningful simplification because an MNE would still need to establish all the necessary processes and systems in every jurisdiction in order to compute the base year ETR. While this is true, the main benefit of this option would be to potentially reduce the risk of challenge of an MNE's jurisdictional ETR. That would naturally depend on the extent to which tax administrations are able to challenge the use of safe harbours (see below).
  - Whilst ICC members note the political sensitivity around the Blueprint's tax administrative guidance ("white list") option, ICC members are still supportive of this option.
- Tax authorities' ability to challenge safe harbour elections
  - For safe harbours to be truly effective, clear boundaries must be set to tax authorities' ability (discretion) to challenge safe harbour elections and the timeframe within which they can do so. Important clarifications are needed in that regard. Tax authorities' discretion and the proposed timeframe could undermine the benefit of simplification and the stated goal of improving tax certainty.
  - For consideration: If multiple safe harbours apply, could the bar be set higher for tax authorities to be able to challenge a safe harbour election; set the bar lower or higher depending on the safe harbour?

#### 4. Do you have views on mechanisms to maximise rule co-ordination, increase tax certainty and avoid the risk of double taxation?

- In a number of areas, the model rules and commentary present the possibility of inconsistent interpretation and application of the GloBE rules by jurisdictions. Accordingly, it is likely that countries will adopt inconsistent interpretations under their domestic laws or on audit of taxpayers. In addition, the interaction of these rules with existing CFC and minimum tax regimes of countries not adopting or fully implementing Pillar Two will likely give rise to double taxation. Accordingly, strong binding dispute prevention and resolution mechanisms are an essential part of the Pillar Two implementation framework.
- A multi-lateral process to facilitate dispute resolution could be considered, to resolve double tax disputes arising quickly and efficiently from application of the Pillar Two rules.
- ICC members support a multilateral convention solidifying jurisdictions' political commitment regarding the common approach. Such a multilateral convention could also contain a mechanism for multilateral dispute resolution.
- ICC believes that Implementing Inclusive Framework jurisdictions should give adequate recognition to the Commentary, any Administrative Guidance and the Examples in the Secretariat's Examples document, which in some countries may mean parliamentary acceptance, as recognised in the Commentary to Article 8.3.1, paragraph 40 with respect to the Agreed Administrative Guidance. The examples in the Examples document should be approved by the Inclusive Framework.
- Peer review process:
  - Ideally, there would be an ex-ante certification process to determine whether jurisdictions' domestic implementation of the IIR, the UTPR and/or the domestic minimum tax is GloBE-compliant. ICC holds that an ex-post certification process would bring tax uncertainty, potential double / multiple taxation and disputes over a prolonged period of time.
  - ICC recognises that jurisdictions may be under pressure to start collecting top-up taxes before the peer review process has been completed. ICC suggests that a "fast track" initial review against agreed key design features could perhaps be contemplated as part of the peer review process which MNEs could rely on until the more detailed review (examining jurisdictions' legal and regulatory GloBE framework and implementation of the framework in practice) further down the line. Alternatively, could MNEs rely on an assertion by a jurisdiction that a rule is a qualified IIR, UTPR or domestic minimum tax, as suggested by some of our peers?
  - In both cases (and more broadly, in the context of any ex-post peer review process), consideration should be given to how jurisdictions will deal with tax that has been collected under a rule that is ultimately considered not to be a qualified IIR, UTPR, or domestic minimum tax.
  - ICC believes that it would be useful to consider a peer review mechanism that whitelists IIRs as qualifying IIRs, as well as UTPRs and domestic minimum taxes, as this will be a significant barrier to certainty which cannot be achieved unilaterally, or regionally (e.g., through the EU Council).
- Whilst significant effort has been made to avoid double taxation in the Model Rules, ICC believes that there is still much work to be done with respect to rule coordination and tax certainty. As mentioned earlier, further guidance is needed with respect to CFC Rules, Credit method and tax preferential regimes, as well as co-existence with third party regimes, such as GILTI.
- ICC further notes that the definition of low taxed jurisdictions is not sufficiently clear with respect to UTPR and economic substance, which could also increase uncertainty.

- This workstream for the GloBE rules, together with the framework for Pillar One, should also be considered as part of the ongoing work in relation to BEPS Action 14 to ensure there is consistency in the approach to dispute resolution.
- We would welcome guidance on how a dispute resolution process should operate in practice. This should include details on information required on a consistent basis, clearly defined timelines for each phase of the process and how tax administrations should adopt a cooperative and collaborative approach. Where there is an ongoing case, there should be a suspension of the collection of tax until the case has been resolved. Use of other dispute prevention programmes such as ICAP and joint audits could also be considered.

ICC remains committed to providing knowledge and expertise on behalf of the global business community.

#### ABOUT THE INTERNATIONAL CHAMBER OF COMMERCE (ICC)

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 100 countries. ICC's core mission is to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions and standard setting, we promote international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Our members include many of the world's leading companies, SMEs, business associations and local chambers of commerce.