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27 March 2026



HIGHLIGHTS

- **Vestas Wind case from India**
 - **Application of non-discrimination article in Denmark / India double tax treaty**
- **Australia and EU sign free trade agreement**
- **Continuation of review of Side-by-Side Package for GloBE rules**
 - **Today: Simplified ETR Safe Harbour (Part 6)**

THIS WEEK'S PODCAST

(For ITB video subscribers, please log in to access the video and documents/reports)

1. Simplified ETR Safe Harbour (Part 6)
2. Asia Pacific
 - Australia, Hong Kong, India, Indonesia, Malaysia, Vietnam
3. Europe
 - Finland, Ireland, Lithuania, Poland, Russia
4. Africa
 - Ethiopia
5. Treaty news

ITB series on Pillar One

- **Report on Amount B in Pillar One (ITB, 23 February 2024)**
- **Consultation document on Amount B in Pillar One (ITB, 28 July 2023)**
- **Draft MLC provisions for commitments on DSTs and other relevant similar measures (ITB, 6 January 2023)**
- **Consultation document on Amount B in Pillar One (ITB, 16 December 2022)**
- **Progress Report on Amount A in Pillar One (ITB, 22 July 2022)**
- **Draft model rules for Amount A in Pillar One:**
 - **Tax certainty (ITB, 10 June 2022)**
 - **Regulated Financial Services exclusion from scope (ITB, 13 May 2022)**
 - **Extractives exclusion from scope (ITB, 22 April 2022)**
 - **Scope (ITB, 8 April 2022)**
 - **Tax base determinations (ITB, 25 February 2022)**
 - **Nexus and revenue sourcing (ITB, 11 February 2022)**
- **Inclusive Framework's final agreement on Pillars One & Two (ITB, 15 October 2021)**

ITB series on Pillar Two

- **GloBE Implementation Framework:**
 - **GloBE Information Return (ITB, 28 July 2023)**
 - **Tax Certainty for the GloBE rules (ITB, 13 January 2023)**
 - **GloBE Information Return (ITB, 13 January 2023)**
 - **Guidance on Safe Harbours and Penalty Relief (ITB, 6 January 2023)**
- **GloBE model rules:**
 - **Simplified ETR Safe Harbour (Part 6) (ITB, 27 March 2026)**
 - **Simplified ETR Safe Harbour (Part 5) (ITB, 20 March 2026)**
 - **Simplified ETR Safe Harbour (Part 4) (ITB, 13 March 2026)**
 - **Simplified ETR Safe Harbour (Part 3) (ITB, 6 March 2026)**
 - **Simplified ETR Safe Harbour (Part 2) (ITB, 27 February 2026)**
 - **Simplified ETR Safe Harbour (Part 1) (ITB, 13 February 2026)**
 - **Substance-based Tax Incentive Safe Harbour (ITB, 30 January 2026)**
 - **UPE Safe Harbour (ITB, 23 January 2026)**
 - **Side-by-Side Safe Harbour (ITB, 16 January 2026)**
 - **Side-by-Side Package: Overview (ITB, 9 January 2026)**
 - **January 2025 Administrative Guidance on GloBE rules: Application of Article 9.1 to deferred tax assets arising from tax benefits provided by General Government (Parts 1 & 2) (ITB, 30 May & 13 June 2025)**
 - **June 2024 Administrative Guidance on GloBE rules: Treatment of Securitisation Vehicles (ITB, 23 May 2025)**
 - **June 2024 Administrative Guidance on GloBE rules: Allocation of profits and taxes in structures including Flow-through Entities (Parts 1 to 5) (ITB, 28 March; 4 & 11 April; 2 & 9 May 2025)**
 - **June 2024 Administrative Guidance on GloBE rules: Allocation of profits and taxes in structures including Flow-through Entities (Parts 1 to 4) (ITB, 28 March; 4 & 11 April; 2 May 2025)**
 - **June 2024 Administrative Guidance on GloBE rules: Allocation of Cross-border Current Taxes (Parts 1 to 5) (ITB, 15 & 22 November; 6, 13 & 20 December 2024)**
 - **June 2024 Administrative Guidance on GloBE rules: Divergences between GloBE and accounting carrying values (Parts 1 to 7) (ITB, 23 & 30 August; 6 & 13 September; 4, 11 & 18 October 2024)**
 - **June 2024 Administrative Guidance on GloBE rules: DTL recapture (Parts 1 to 4) (ITB, 28 June; 5, 12 & 19 July 2024)**
 - **December 2023 Administrative Guidance on GloBE rules: Transitional filing deadlines, and Simplified Calculation Safe Harbour (ITB, 26 April 2024)**
 - **December 2023 Administrative Guidance on GloBE rules: Allocation of blended CFC taxes (Parts 1 & 2) (ITB, 5 & 12 April 2024)**
 - **December 2023 Administrative Guidance on GloBE rules: Additional guidance on application of GloBE rules (ITB, 22 March 2024)**
 - **December 2023 Administrative Guidance on GloBE rules: Transitional CbCR Safe Harbour (Parts 1 to 4) (ITB, 19 January; 16 February; 1 & 8 March 2024)**
 - **GloBE rules commence operation in 2024 (ITB, 12 January 2024)**
 - **December 2023 Administrative Guidance on GloBE rules: overview (ITB, 22 December 2023)**
 - **July 2023 Administrative Guidance on GloBE rules: Transitional UTPR Safe Harbour & Summary of Safe Harbours (ITB, 8 December 2023)**
 - **July 2023 Administrative Guidance on GloBE rules: QDMTT Safe Harbour (Parts 1 & 2) (ITB, 10 & 17 November 2023)**
 - **July 2023 Administrative Guidance on GloBE rules: QDMTTs (Parts 1 to 6) (ITB, 15, 22 & 29 September; 6 & 27 October; 3 November 2023)**
 - **July 2023 Administrative Guidance on GloBE rules: Substance-based Income Exclusion (Parts 1 & 2) (ITB, 18 & 25 August 2023)**
 - **July 2023 Administrative Guidance on GloBE rules: Tax credits (Parts 1 to 3) (ITB, 4, 11 & 18 August 2023)**
 - **July 2023 Administrative Guidance on GloBE rules: overview (ITB, 28 July 2023)**
 - **Administrative Guidance on GloBE rules: Transition (Parts 1 to 3) (ITB, 16 & 23 June; 14 July 2023)**
 - **Administrative Guidance on GloBE rules: Income & taxes (Parts 1 to 8) (ITB, 31 March; 14, 21 & 28 April; 5, 12 May; 2 & 9 June 2023)**
 - **Administrative Guidance on GloBE rules: Scope (Parts 1 to 3) (ITB, 10, 17 & 24 March 2023)**
 - **Administrative Guidance on GloBE rules: Allocation of taxes arising under Blended CFC Tax Regimes (ITB, 3 March 2023)**
 - **Administrative Guidance on GloBE rules: QDMTTs (Parts 1 & 2) (ITB, 10 & 24 February 2023)**
 - **Art. 7.4 on ETR computation for Investment Entities (ITB, 2 December 2022)**
 - **Corporate Restructurings and Holding Structures (Parts 1 to 7) (ITB, 23 & 30 September; 7, 14 & 21 October; 11 & 18 November 2022)**
 - **Scope (Parts 1 & 2) (ITB, 24 June; 1 July 2022)**
 - **Charging Provisions (Parts 1 to 5) (ITB, 6, 13 & 20 May; 10 & 17 June 2022)**
 - **Computation of Effective Tax Rate and Top-up Tax (Parts 1 to 6) (ITB, 18 & 25 March; 1, 8, 22 & 29 April 2022)**
 - **Flow-through Entities and Hybrid Entities (ITB, 4 March 2022)**
 - **Computation of Adjusted Covered Taxes (Parts 1 to 9) (ITB, 11, 18 & 25 February; 29 July; 5,12,19 & 26 August; 16 September 2022)**
 - **Computation of GloBE Income or Loss (Parts 1 to 4) (ITB, 7, 14, 21 & 28 January 2022)**
- **Subject to Tax Rule (STTR):**
 - **STTR (Part 4) (ITB, 15 December 2023)**
 - **STTR (Parts 1 to 3) (ITB, 6 & 20 October; 3 November 2023)**
 - **Subject to Tax Rule (STTR): overview (ITB, 28 July 2023)**

WORTH READING

Mark Bowler-Smith and Thao Le

["Data Localisation as Tax Nexus: Server PEs for AI Providers in Asia"](#)

Asia-Pacific Tax Bulletin, IBFD, 2026 (Vol. 32), No. 1.

Alejandro E. Messineo and Maria Agustina Salatino

["Commodities, Quality Variants and Foreign Exchange Differences: The Tax Court's](#)

[Olam Argentina Ruling on CUP and Export Advance Treatment"](#)

International Transfer Pricing Journal, IBFD, 2026 (Vol. 33), No. 2.

Dan Keller

["Tariffs Post-Learning Resources: A Review of Executive Authority"](#)

Tax Notes Today International, Tax Analysts, 25 March 2026.

INTERNATIONAL TAX QUIZ

THIS WEEK'S NEW QUIZ

An MNE Group is required to apply an IIR with respect to jurisdiction X. The group was eligible for, and elected to apply, the Transitional CbCR Safe Harbour for each of 2024 to 2026. The group elects to apply the Simplified ETR Safe Harbour (SESH) in 2027. However, the group is not eligible to apply SESH in 2028 and 2029. The group elects to apply SESH in 2030.

Based on this limited information, what is the Transitional Year for the group for jurisdiction X?

Answer in next ITB email alert on 10 April 2026!

LAST WEEK'S QUESTION

An MNE Group which is "within scope" of the GloBE rules, has 2 Constituent Entities located in jurisdiction B: BCo 1 and BCo 2. These 2 companies are members of a tax consolidation group in jurisdiction B.

In a Fiscal Year, BCo 1 has (i) Financial Accounting Net Income or Loss (FANIL) of \$3 million; (ii) income tax expense of \$1 million; and (iii) gains of \$750,000 (included in the FANIL) from the sale of portfolio shareholdings.

In the same Fiscal Year, BCo 2 has (i) FANIL of \$5 million; and (ii) income tax expense of \$1.5 million.

Also, in the same Fiscal Year, there are trading transactions between BCo 1 and BCo 2: BCo 1 sells \$2 million of goods to BCo 2. The MNE Group's UPE makes an election under Art. 3.2.8 in respect of these trading transactions.

Based on this limited information, what is the MNE Group's Simplified Income in jurisdiction B for the purposes of the Simplified ETR Safe Harbour?

LAST WEEK'S ANSWER

See sections 3.1 and 3.2 in chapter 2 of the Side-by-Side Package.

What is the impact of the \$2 million intragroup trading transactions and the Art. 3.2.8 election?

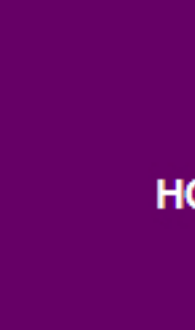
The impact will be to reduce BCo 1's FANIL by \$2 million. However, the impact will also be to increase BCo 2's FANIL only if and to the extent that BCo 2 has sold the goods by year-end. If all the goods are in BCo 2's inventory at year-end, their purchase has not yet been reflected in BCo 2's FANIL. For convenience, I will assume that BCo 2 has sold all the goods by year-end – based on this assumption, BCo 2's FANIL will be increased by \$2 million.

The Jurisdictional Profit (or Loss) before Income Tax (JPBT) in jurisdiction B is: \$3 million - \$2 million + \$1 million + \$5 million + \$2 million + \$1.5 million = \$10.5 million.

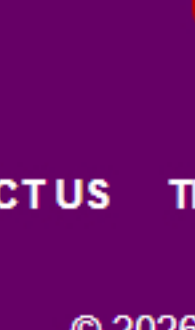
BCo 1's gains of \$750,000 from the sale of portfolio shareholdings are not removed, because they are not within the definition of "Excluded Equity Gain or Loss" (Art. 10.1).

Therefore, Simplified Income = \$10.5 million.

Do you agree?



[Tax Quiz Archives](#)



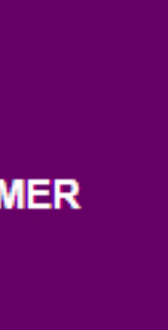
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