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[Subscribe](#)**20 March 2026****HIGHLIGHTS**

- **OECD identifies upcoming guidance on GloBE rules**
- **2 international tax cases**
  - **From France and Canada**
- **Continuation of review of the Side-by-Side Package on GloBE Rules**
  - **Today: Simplified ETR Safe Harbour (Part 5)**

**THIS WEEK'S PODCAST**

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

1. Tariff wars
2. GloBE rules
3. Simplified ETR Safe Harbour (Part 5)
4. Asia Pacific
  - Australia, Korea
5. Europe
  - Cyprus, Meta, EU, France, Italy, Netherlands, UK
6. Africa
  - South Africa
7. Middle East & Central Asia
  - Bahrain, Qatar, UAE
8. Americas
  - Brazil, Canada, Chile, Colombia, US

**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 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 2023)**
  - **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**

Daniele Frescurato and Giulio Tombesi

**"Fixed Based or Moving Target? Navigating Cross-Border Independent Services"**

Tax Notes Today International, Tax Analysts, 18 March 2026.

Rudiger Urbahns

**"Which Version of the OECD Model Commentary Clarifies Interpretation of German Tax Treaties?"**

Tax Notes Today International, Tax Analysts, 17 March 2026.

Michael Plowgian, Alistair Pepper, Prita Subramanian, and Michael Timmerman

**"No Need to Reboot: GenAI Fits the Tax Stack"**

Tax Notes Today International, Tax Analysts, 19 March 2026.

**INTERNATIONAL TAX QUIZ****THIS WEEK'S NEW QUIZ**

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 \$1,000,000; 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?

**Answer in next ITB email alert!**

**LAST WEEK'S QUESTION**

An MNE Group which is "within scope" of the GloBE rules, has 2 Constituent Entities located in jurisdiction A: ACo 1 and ACo 2.

In a Fiscal Year, ACo 1 has (i) Financial Accounting Net Income or Loss (FANIL) of \$2 million; (ii) income tax expense of \$500,000; and (iii) dividends (included in FANIL) from long-term shareholdings in public companies of \$200,000.

In the same Fiscal Year, ACo 2 has (i) FANIL of \$3 million; and (ii) income tax expense of \$1 million.

Also, in the same Fiscal Year, there are trading transactions between ACo 1 and ACo 2: ACo 1 sells \$1 million of goods to ACo 2.

Based on this limited information, what is the MNE Group's Simplified Income 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.

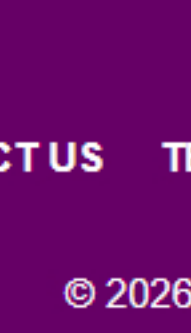
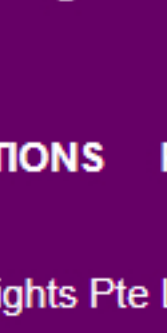
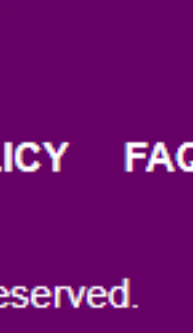
The Jurisdictional Profit (or Loss) before Income Tax (JPBT) in jurisdiction A is: \$2 million + \$0.5 million + \$3 million + \$1 million = \$6.5 million.

No adjustment is made for the trading transactions between ACo 1 and ACo 2.

ACo 1's dividends of \$0.2 million from long-term shareholdings in public companies qualify as "Excluded Dividends" (Art. 10.1.1 definition). Thus, these dividends are removed in computing Simplified Income.

Therefore, Simplified Income = \$6.5 million – \$0.2 million = \$6.3 million.

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