

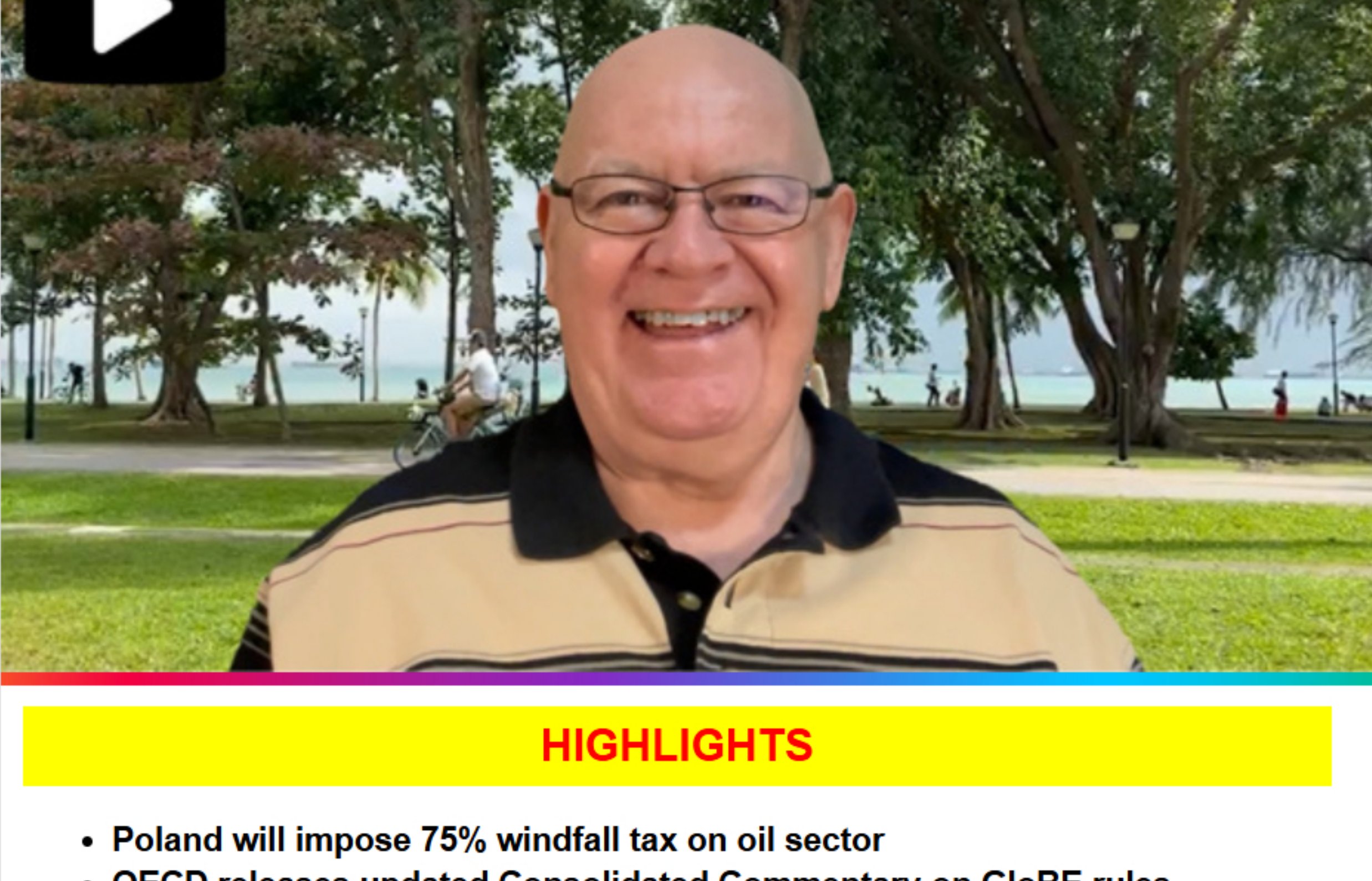
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29 May 2026



### HIGHLIGHTS

- Poland will impose 75% windfall tax on oil sector
- OECD releases updated Consolidated Commentary on GloBE rules
- AG Kokott issues important opinion on anti-abuse rule in EU's Parent-Subsidiary Directive

### THIS WEEK'S PODCAST

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

1. GloBE news
2. Extension of Transitional CbCR Safe Harbour
3. Asia Pacific
  - Australia, Hong Kong, Indonesia, Korea, Malaysia, New Zealand
4. Europe
  - ECJ, EU, Germany, Ireland, Poland, Sweden, UK
5. Africa
  - South Africa
6. Americas
  - Bermuda, Panama, US
7. 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:
  - Extension of Transitional CbCR Safe Harbour (ITB, 29 May 2026)
  - Simplified ETR Safe Harbour (Parts 1 to 10) (ITB, 13 & 27 February; 6, 13, 20 & 27 March; 17 & 24 April; 15 & 22 May 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

Benjamin Beer  
["The GloBE Side-by-Side System and Its Legal Implementation in the EU"](#)  
 EC Tax Review, Kluwer, 2026 (Vol. 35), Issue 4.

Annik van Elzelingen and Amedeo Rizzo  
["From Aiken to AI: Evolution and Innovation in Combatting Treaty Shopping and Tax Avoidance in International Tax Law"](#)  
 International Tax Studies, IBFD, 2026 (Vol. 9), No. 4.

Reuven S. Avi-Yonah  
["Liberty Global and the Revival of Economic Substance"](#)  
 Tax Notes Today International, Tax Analysts, 19 May 2026.

### INTERNATIONAL TAX QUIZ

### LAST WEEK'S QUESTION

XCo 1 and XCo 2 are companies located in jurisdiction X, and they are also Constituent Entities in an MNE Group.

XCo 1 incurs administrative expenses of 250, of which 100 is re-charged to XCo 2. XCo 1 records an expense of 250 and offsets it with 100 of income received from XCo 2. XCo 2 records an expense of 100. Please assume that the 100 satisfies the arm's length principle.

Based on this limited information, is the MNE Group permitted to apply the Simplified ETR Safe Harbour in jurisdiction X?

### LAST WEEK'S ANSWER

The issue in this question is whether the "single expense and loss principle", which is within the integrity rules for the Simplified ETR Safe Harbour, is satisfied. The "single expense and loss principle" is that "expenses and losses are only deducted once and in a single Tested Jurisdiction" (section 7.3 in chapter 2 of the Side-by-Side Package).

Based on the facts, it could be argued that this principle is breached, because 100 of administrative expenses are deducted twice: once by XCo 1 (as part of the 250), and once by XCo 2.

However, the Package expressly rejects this view in a situation (such as in the present question) of intra-group recharging agreements: see para. 193.

Therefore, final answer: the MNE Group is permitted to apply the Simplified ETR Safe Harbour in jurisdiction X.

Do you agree?



[Tax Quiz Archives](#)



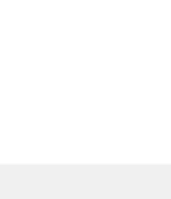
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