


Pillar Two Readiness Checklist

	<p>For many multinational entities⁽¹⁾, OECD Pillar Two will impact quarterly reporting, annual audit cycles, and more. Corporate accounting and tax professionals will need to team up to address the new requirements. Use this checklist as a guide.</p>
	<p>Calculate and properly identify whether your consolidated entity meets the requirements to qualify for OECD Pillar Two and which jurisdictions within your entity are relevant to the analysis</p>
	<p>Evaluate whether any safe harbor provisions are relevant on a jurisdictional basis and provide sufficient documentation to support your conclusion</p>
	<p>Understand if your current enterprise technology can be used to prepare a standalone financial statement on a jurisdictional basis using the GloBE Model Rules reporting basis ⁽²⁾</p>
	<p>Create and document processes to calculate jurisdictional GloBE income, which includes evaluating each of the approx. 30 allowable adjustments to net income</p>
	<p>Assess the current processes for identifying covered taxes attributable to each jurisdiction, and form a strategy for updating the process to be able to calculate covered taxes under the OECD requirements</p>
	<p>Identify all M&A activity that occurred during the transition period (Dec. 1, 2021 through Jan. 1, 2024), and ensure adjustments are recorded to be in compliance with the Pillar Two carrying values for these transactions</p>
	<p>Perform an assessment of your current state IT environment (including tax technologies and IT application controls) to understand whether it sufficiently supports the OECD global minimum tax requirements</p>
	<p>Assess your current internal control environment to identify gaps in controls related to the OECD Pillar Two processes</p>
<p>(1) When do OECD Pillar Two requirements apply? If a company's GAAP/IFRS consolidated revenue is greater than 750 million euros in any two of the past four years and has operations in more than one country, then the company's corporate accounting team may need to produce new separate legal entity trial balances by January 2024 for every jurisdiction with less than a 15% effective tax rate, and the company will need to report its global top-up tax on the Q1 2024 financial statements.</p> <p>(2) GloBE = Global Anti-Base Erosion</p>	

Visit riveron.com/insights or [contact us](#) to learn more about preparing for Pillar Two, including [Riveron's related guide](#) to calculating your global minimum tax liability.