



Updated guidance: global and domestic minimum tax

Guidance is now available on Pillar Two interactions with Australia's tax consolidation regime and more.

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We've published new guidance covering how the [Pillar Two rules apply to tax consolidated groups \(/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/pillar-two-interactions-with-consolidation\)](#), and to [specific issues \(/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/specific-issues-for-pillar-two\)](#) relevant to their Pillar Two obligations.

This guidance will help these groups understand how the rules interact with Australia's tax consolidation regime and clarify key compliance obligations. It also supports reporting under the global and domestic minimum tax framework.

What's in the new guidance?

The new guidance outlines how the Pillar Two rules apply to tax consolidated groups, including:

- [lodgment obligations \(/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/pillar-two-interactions-with-consolidation/tax-consolidated-group-lodgments-for-pillar-two\)](#)
- [reporting simplification \(/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/pillar-two-interactions-with-consolidation/tax-consolidated-group-reporting-for-pillar-two\)](#)

- [how to calculate and allocate top-up tax \(/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/pillar-two-interactions-with-consolidation/top-up-tax-for-tax-consolidated-groups\)](#).

It also addresses specific issues such as misaligned fiscal years and prior period adjustments. These are particularly relevant to multinational enterprise (MNE) groups that have:

- constituent entities with financial accounts based on a different accounting period than the ultimate parent entity
- changes to covered tax liabilities for previous fiscal years and are required to make prior period adjustments.

We may update this guidance as new issues arise.

Updates to existing guidance

We've also made the following updates to our existing guidance:

- Joint arrangements – we've expanded guidance on how Australian global and domestic minimum tax rules may apply to joint operations and joint ventures.
- Designated local entity (DLE) – we've added information on nominating a DLE when lodging Pillar Two forms, including nomination rules and processes.
- Quick reference guides – we've developed guides for general compliance obligations and transitional country-by-country (CBC) reporting safe harbours.

For more information, visit:

- [Global and domestic minimum tax \(/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/transitional-cbc-reporting-safe-harbour/transitional-cbc-reporting-safe-harbour-data\)](#)
- [When and how the Pillar Two rules apply \(/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/when-and-how-the-pillar-two-rules-apply\)](#)

- [Lodging, paying and other obligations for Pillar Two \(/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/lodging-paying-and-other-obligations-for-pillar-two\)](#)
- [Transitional CBC reporting safe harbour \(/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/transitional-cbc-reporting-safe-harbour/transitional-cbc-reporting-safe-harbour-data\)](#)

Upcoming updates

We're expecting the final legislative instrument LI 2025/D17 *Taxation Administration (Exemptions from Requirement to Lodge Australian IIR/UTPR tax return and Australian DMT tax return) Determination 2025* and an explanatory statement to be available soon.

The determination provides relief from certain lodgment obligations for in-scope MNE groups in situations where top-up tax amounts will always be nil. This doesn't exempt GloBE Information Return and foreign lodgment notifications.

You can stay updated via the [Legal database what's new \(https://www.ato.gov.au/law/view/whatsnew.htm?fid=whatsnew\)](#) page.

Engage with us

For technical support or questions, email us at [Pillar 2 Project \(mailto:Pillar2Project@ato.gov.au\)](mailto:Pillar2Project@ato.gov.au).

For all the latest updates on Pillar Two, visit [ato.gov.au/Pillar2 \(/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/lodging-paying-and-other-obligations-for-pillar-two\)](#).

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