



Belgian Pillar II implementation – Notification required before 13/07/2024

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Belgian Pillar II legislation entered into force as from the 1st January 2024. On 21 May 2024, the Belgian Tax Authorities provided further practical guidance on their website requiring Belgian constituent entities in scope of the Belgian Pillar II legislation to be registered in the Belgian Crossroad Bank for Enterprises (see <https://financien.belgium.be/nl/actueel/pillar-2-opening-systeem-verplichte-notificatie>).

As such, Belgian constituent entities of multinational groups currently exceeding the € 750m consolidated revenue threshold in two out of the four prior fiscal years, will have to perform a **Pillar II notification before 13 July 2024**.

Below we have included a more detailed overview of the entities that will have to take immediate action, the information that needs to be collected and disclosed, as well as on how the Pillar II notification should be performed.

1. Background

At the end of 2023, Belgium implemented the OECD Pillar II regulations in its domestic legislation (enacted by the Law of 19 December 2023 and recently amended), including a Qualified Domestic Minimum Top-up Tax (QDMTT), an Income Inclusion Rule (IIR) and an Undertaxed Profits Rule (UTPR) (see <https://financien.belgium.be/nl/E-services/pillar-2>). The Belgian Pillar II rules are as such applicable to in-scope taxpayers for their financial year starting as from 1st January 2024. The rules guarantee a global 15% minimum tax for multinational or large-scale domestic group.

On 29 May 2024 the Royal Decree of 15 May 2024 on the process of the Pillar II notification has been published and herewith the possibility to perform the Pillar II notification has been made possible (see <https://financien.belgium.be/nl/actueel/pillar-2-opening-systeem-verplichte-notificatie-mno-groepen-omvangrijke-binnenlandse-groepen> and [Belgisch Staatsblad \(fgov.be\)](https://www.fgov.be)).

2. What ?

Notification to obtain a unique Pillar II identification number

In-scope Belgian constituent entities are required to register at the Belgian Crossroad Bank for Enterprises. Following a valid filing of the notification, and subject to the approval of the Belgian tax administration of the Pillar II notification, a unique Pillar II identification number (P2 TIN) will be issued and communicated to the Belgian taxpayer via email. The P2 TIN should be used to perform IIR or QDMTT advance tax payments (if any) and to complete the required reporting and compliance obligations (i.e. QDMTT return, GLOBE income tax return) (see <https://financien.belgium.be/nl/E-services/pillar-2/aanmelden-inschrijving-kbo>).

A full overview of the datapoints that should be disclosed in the Pillar II notification is included as an annex to this document.

3. Who ?

Belgian constituent entities of multinational groups

Belgian Pillar II legislation applies to all groups of companies with a consolidated turnover exceeding **€ 750m in two out of the four prior fiscal years**. All Belgian constituent entities of such multinational enterprises and large-scale domestic groups are in scope of the Pillar II notification requirement.

Belgian taxpayers that do not fall in-scope of the Belgian Pillar II legislation are not required to take any action.

The Pillar II notification needs to be performed by:

- if there is only one ultimate parent entity (“UPE”) established in Belgium: notification by this UPE;
- if there are more UPE’s located in Belgium: notification by the UPE designated as agent*;
- if there is no UPE and only one group entity established in Belgium: notification by the Belgian group entity;
- if there is no UPE and multiple group entities established in Belgium: notification by the Belgian group entity designated as agent*.

(*) The agent must be designated via a specific mandate form, which must be digitally signed and submitted together with the Pillar II notification. Link to the mandate form can be found here: <https://financien.belgium.be/sites/default/files/downloads/169-pillar-2-model%20lastgeving-notificatie-kbo.docx>

In practice this implies that for an in-scope multinational or large-scale domestic group with multiple Belgian entities, only one Belgian entity needs to perform a Pillar II notification. The Belgian entity filing the notification should also file the digitally signed mandate form together with the Pillar II notification before 13 July 2024.

4. When ?

Belgian constituent entities need to notify before 13 July 2024

Belgian constituent entities subject to the Belgian Pillar II rules as from 1 January 2024 or who are about to start their first reporting year subject to the Pillar II rules, should perform the Pillar II notification within 45 days after the publication of the Royal Decree of 15 May 2024 in the Belgian Official Gazette (Belgisch Staatsblad / Moniteur Belge), which happened on 29 May 2024. In practice this means that **Belgian constituent entities will have to perform the notification before 13 July 2024.**

In other cases, the Pillar II notification must be made no later than 30 days after the start of the fiscal year for which the Belgian taxpayer would become subject to the Belgian Pillar II legislation.

5. How ?

Pillar II XML generating notification tool of the Belgian tax administration

The notification to the Belgian tax administration must be made via a standard form published in the Royal Decree. The Belgian tax administration have made **an online XML-generating tool** available where the information to be notified can be filled out and where the Pillar II notification file can be downloaded in XML format.

Link to the XML-generating tool: <https://aeoixmltools.minfin.fgov.be/pillar2>

The tool is only available in English, however a visual pdf-form with additional guidance in Dutch (see <https://financien.belgium.be/sites/default/files/downloads/169-pillar-2-visueel-formulier-notificatie-groepsnummer.pdf>) and French (see <https://finances.belgium.be/sites/default/files/downloads/169-pilier-2-formulaire-notification%20numero-bce-groupe.pdf>) has been made available online by the Belgian tax administration.

The filing of the XML-file needs to be done **electronically on the governmental platform MyMinFin**, where the XML file needs to be uploaded by the (designated) Belgian filing entity, together with the mandate form (if applicable), as well as with a confirmation of the start- and end-date of the reporting period and whether the company wishes to perform Pillar II related advance tax payments (this confirmation is not binding).

The XML-generating tool consists of four parts, each requiring specific information about the group. The required information includes especially:

1. Part I: MNE Group or large-scale domestic group
Unique name of the group (i.e., must be different from the one of the UPE); fiscal year; address of UPE; contact details of UPE.
2. Part II: Consolidated Financial Statements (CFS)
Type of CFS according to GloBE definition, applied accounting standard, currency, and publication.
3. Part III: Ownership structure
List of all UPE(s), Intermediate Parent Entities, and Partially Owned Parent Entities. If a Parent Entity is in Belgium, also a list of all Belgian and foreign entities held by this Parent Entity. The ownership structure must be presented as it existed on the first day of the fiscal year when the group first came into scope of GloBE (e.g., 1 January 2024 if the fiscal year is the calendar year).
Additionally, for each listed entity, the GloBE status must also be indicated and the sub-group. This classification for GloBE purposes is aligned with that proposed by the OECD for the GloBE Information Return.
4. Part IV: Contact details
Contact details of the entity that bears the burden of registration. If this is based on appointment, the completed proxy template(s) must also be provided as proof.

In practice this implies that for an in-scope multinational or large-scale domestic group with a Belgian constituent entity, part IV of the Pillar II notification is the minimum amount of information that should be disclosed and which should be readily available at Belgian level. Other information that might need to be disclosed need to be gathered with the UPE.

6. Implications for businesses

It is clear that the required information to complete the Pillar II notification requires a good understanding of the Pillar II scope of the multinational enterprise or large-scale domestic group, including the Pillar II qualification of each entity. Additionally, for Belgian constituent entities the required information to be disclosed is likely not available at Belgian level and should be gathered with the UPE.

Taxpayers should therefore take immediate action to gather and review the required information to complete the Pillar II notification within the short window of time provided. It is currently still unclear what the consequences will be if this timing is not respected by the Belgian constituent entities. The yet-to-be published Royal Decree might provide further guidance on this.

7. How can we help you?

Notification requirement

The deadline to comply with the Pillar II registration requirement is very soon. We advise all in-scope groups with Belgian constituent Entities to take immediate action to gather the relevant information and make the necessary arrangements for timely registration.

In this respect Forvis Mazars is available to assist you with the preparation of the notification form, as well as the actual filing (incl. XML-file generation).

In order to be able to perform the actual filing of the XML file, Forvis Mazars should be granted access to the Pillar II section on MyMinFin by you / the company / the designated agent, requiring fulfillment of a specific mandate procedure.

Other Pillar II requirements / filings obligations

Additionally, Forvis Mazars has built extensive Pillar II knowledge and is also able to assist you on:he Pillar II scoping assessment;

- The Pillar II scoping assessment
- Taking into account the central role of CbCR data in applying the transitional safe harbours, we can also assist in getting your CbCR data ready for Pillar II;
- Forvis Mazars developed a powerful tool that we can use to:
 - Perform the required analyses (ETR and safe harbour);
 - Keep an audit trail of the analyses performed;
 - Easily prepare a Pillar II report (e.g. to support the disclosures in the financial statements); and
 - Prepare the required tax returns (to be added in the future).

We can tailor our assistance in getting Pillar II compliant to your specific needs.

Happy to further assist you herewith.

8. Annex – Information that should be disclosed

Part I – Information related to the multinational enterprise or large-scale domestic group

- I.1. Name of the multinational enterprise group or large-scale domestic group
- I.2. Start date of the reporting year (dd/mm/yy), with the earliest possible date being 31/12/2023)
- I.3. End date of the reporting year (dd/mm/yy)
- I.4. Address of the UPE establishing the Consolidated Financial Statements (CFS) for Pillar Two purposes, including street, number, postal code, municipality, and country (ISO code)
- I.5. Phone number (optional)
- I.6. Fax number (optional)
- I.7. E-mail address (optional)
- I.8. Hyperlink to corporate website (optional)
- I.9. Type of entity (legal entity is automatically mentioned)
- I.10. Legal entity form, being either an "organization without legal personality" (this option is to be chosen if the UPE preparing the CFS for Pillar Two purposes is located in Belgium) or a "foreign entity" (if the UPE preparing the CFS for Pillar Two is located abroad)
- I.11. Details of the individual representing the UPE, including first name, last name, Belgian National Register number or the so-called BIS-number which is a unique identification number for (foreign) individuals not registered with the Belgian National Register
- I.12. Capacity of the multinational enterprise group/large-scale domestic group (pre-populated field)
- I.13. Nature of the group, being either a multinational enterprise group or large-scale domestic group
- I.14. Confirmation whether or not the group constitutes of only a sole legal entity

Part II – Information related to the CFS of the multinational enterprise or large-scale domestic group

- II.1. Type of CFS of the UPE (as defined under Article 10 of the Organisation for Economic Co-operation and Development (OECD) Model Rules or as implemented in domestic law by Article 3, 6° of the Law of 19 December 2023)
- II.2. Accounting standard used for the CFS the UPE, including the corresponding ISO code
- II.3. ISO code of the currency used for the CFS of the UPE
- II.4. Information related to the publication of the CFS of the UPE online (hyperlink)
- II.5. If II.4. does not apply, confirmation that the CFS are not published online

Part III — Information related to the ownership structure of the multinational enterprise or large-scale domestic group

The purpose of this section of the form is basically to map the relevant legal entity ownership structure of the multinational enterprise or large-scale domestic group and corresponding Pillar Two qualification of each entity.

For subparts III.1 through III.4, the following information should be provided (as known for the first day of the reporting year):

- Name
- Jurisdiction (ISO code)
- TIN (in line with the OECD tax identification number structure, similar to the TIN needed in preparing a Country-by-Country report following the Belgian standard in this respect)
- Global Anti Base Erosion (GloBE) status, which includes the following (note that multiple options are possible): constituent entity, flow-through entity (tax transparent or reverse hybrid), hybrid entity, permanent establishment, main entity, minority-owned parent entity, minority-owned subsidiary, minority-owned constituent entity, investment entity, joint-venture, joint venture subsidiary, non-material constituent entity, excluded entity, ultimate parent entity, partially owned parent entity, intermediate parent entity
- Type of excluded entity (if applicable): governmental entity, international organization, nonprofit organization, pension fund, investment fund that is a UPE, real estate investment vehicle that is a UPE, entity owned by an excluded entity
- Sub-group (if applicable): constituent entity, minority-owned subgroup (specify which minority-owned subgroup), standalone minority-owned constituent entity, investment entities, joint venture group (specify which joint venture group), stateless constituent entity
- TIN of the entity on top of shareholding structure of the sub-group (if applicable)
- Consolidating entity for Pillar Two purposes

III.1.A. Information in relation to the UPE or UPEs (Belgian or foreign)

III.1.B. If the UPE is Belgian, the above information should be provided in this subpart for all Belgian and foreign entities under the UPE

III.2.A. Information related to the Intermediary Parent Entity or Entities (Belgian or foreign)

III.2.B. If the Intermediary Parent Entity is Belgian, the above information should be provided in this subpart for all the Belgian and foreign entities of each Belgian Intermediary Parent Entity

III.3.A. Information related to Partially Owned Parent Entity or Entities (POPE) (Belgian or foreign)

III.3.B. If a POPE is Belgian, the above information should be provided in this subpart for all the Belgian and foreign entities for each Belgian POPE

III.4. Information related to any other entity established in Belgium

Part IV – Information related to the point of contact

IV.1. Name of the enterprise that acts as point of contact of the group in relation to the creation of the Belgian P2 TIN (this should be the Belgian entity filing the P2 Notification Form)

IV.2. TIN of the enterprise

IV.3. Jurisdiction of the enterprise (always Belgium or BE as ISO code)

IV.4. Address of the enterprise (street, number, postal code, municipality)

IV.5. Name of the contact person within the enterprise

IV.6. E-mail address and phone number of the contact person within the enterprise

9. Contact



Joeri De Ceuleneire
Partner
Head of Corporate income tax Services
joeri.deceuleneire@forvismazars.be



Mathieu Bosschaert
Manager
Corporate income tax services
Mathieu.bosschaert@forvismazars.be



Vincent Kersschot
Manager
Corporate income tax services
Vincent.kersschot@forvismazars.be