Pillar Two Readiness

Prepare your multinational group for OECD Pillar Two global minimum tax (15%). Impact assessment, compliance planning, and restructuring advisory for Bahrain-based MNEs.

PILLAR TWO READINESS

Is your multinational group prepared for the 15% global minimum tax? We help you assess, plan, and comply.

WHAT IS PILLAR TWO?

The OECD's Pillar Two framework (GloBE Rules) establishes a global minimum effective tax rate of 15% for multinational enterprise (MNE) groups with consolidated revenue of EUR 750 million or more.

For Bahrain-based entities that are part of qualifying MNE groups, this means the 0% corporate tax environment may be supplemented by a top-up tax in either Bahrain (via a domestic minimum tax — QDMTT) or in the parent jurisdiction (via IIR/UTPR).

Bahrain is expected to introduce a Domestic Minimum Top-up Tax (DMTT) to retain taxing rights rather than cede them to other jurisdictions.

Global Minimum Rate

Revenue Threshold

Countries Agreed

Expected GCC Implementation

WHAT DOES THIS MEAN FOR YOU?

TOP-UP TAX RISK

If your Bahraini entities have an effective tax rate below 15%, a top-up tax may be imposed either in Bahrain (DMTT) or by the parent jurisdiction.

SUBSTANCE CARVE-OUTS

Entities with real substance (payroll + tangible assets) can reduce their top-up tax through the substance-based income exclusion (SBIE).

RESTRUCTURING OPPORTUNITIES

Some holding, IP, and treasury structures may need redesigning. This creates planning opportunities alongside compliance requirements.

PILLAR TWO READINESS SERVICES

SCOPING & IMPACT ASSESSMENT

Determine if your group meets the EUR 750M threshold and model the potential top-up tax for each jurisdiction.

ETR CALCULATION & GAP ANALYSIS

Calculate effective tax rates under GloBE rules, identify timing differences, and apply SBIE carve-outs.

STRUCTURE OPTIMIZATION

Redesign holding, treasury, and IP structures to maximize SBIE and minimize top-up tax exposure.

COMPLIANCE & REPORTING

Prepare GloBE Information Returns, establish data collection processes, and ensure ongoing compliance readiness.

IS YOUR GROUP IN SCOPE?

Don't wait for implementation. Start your Pillar Two impact assessment today.

Bahrain's trusted tax advisory partner.

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Yasmi Co Advisory Practice

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