Dear Mr. Thomas, Dear Mr. Saint-Amans,

Following the release of the European Commission's draft Council Directive on a global minimum tax (EC Directive) today, and the OECD's Pillar Two Model Rules on Monday 20 December, I am writing to ask you to ensure that there is the closest possible coordination in the months ahead between the OECD and the Commission.

While the EC Directive very closely follows the Pillar Two Model Rules, the timetable envisaged by the Commission raises an issue in regard to the OECD process. The Commission proposes that the Directive be finalized by the middle of 2022, and transposed into national law in Member States and effective on 1 January 2023. However, the OECD process envisages an explanatory Commentary to be released in January or February of 2022, and detailed implementation guidance to be released in late 2022 or early 2023.

It is critical that there not be a divergence between the EU and OECD standards on Pillar Two. Therefore, we hope that there will continue to be close coordination between the OECD and the Commission as guidance is developed, and that the Directive can make provision for incorporation of these later OECD developments on guidance into the Directive and Member States’ laws.

We would be delighted to offer whatever help in this regard that we can.

Sincerely,

Will Morris, Chair, Business at OECD (BIAC) Committee on Taxation and Fiscal Policy

cc: Mr. Benjamin Angel
    Ms. Grace Perez-Navarro
    Mr. Achim Pross