

Are You Really Ready For Pillar Two?

Malaysia Self-Assessment

Malaysia Global Minimum Tax (GMT) - At a Glance

Scope:

- ▶ Applies to **Multinational Enterprise (MNE) Groups**.*
- ▶ Annual consolidated revenue of EUR 750 million or more (in at least 2 of the 4 preceding financial years)

Effective Tax Rate (ETR):

- ▶ Minimum of 15% per jurisdiction

Mechanism:

- ▶ Domestic Top-up Tax (DTT); and
- ▶ Multinational Top-up Tax (MTT)

Effective Date:

- ▶ Financial year (FY) beginning on or after 1 January 2025

Key Dates to Remember

- ▶ **First reporting year:** FY beginning on or after 1 January 2025 (exp: FY ended 31 December 2025)
- ▶ **First filing deadline [Group Information Return (GIR) & Top-up Tax Return (TTR)]:** 30 June 2027 (18-month transition period)

* MNE Group is defined as any group of companies with at least one entity or permanent establishment that is not located in the jurisdiction of the Ultimate Parent Entity.

Self-Assessment Checklist



Scoping & Entity Mapping

- ▶ Have you confirmed the group meets the EUR 750 million revenue threshold?
- ▶ Have you identified all Malaysian constituent entities (CEs) within scope?



Governance & Ownership

- ▶ Is there a Pillar Two project owner?
- ▶ Are roles and responsibilities defined across Tax, Finance, IT and HQ?



Data Readiness

- ▶ Can you access GloBE-ready data?
- ▶ Do you have deferred tax and other key-data?



Safe Harbour Assessment

- ▶ Have you tested Transitional Country-by-Country Reporting (CbCR) Safe Harbour eligibility for FY 2025?
- ▶ Have you identified jurisdictions that do NOT qualify and require full GloBE calculations?
- ▶ Have you assessed whether other permanent safe harbour rules may apply?



Impact Modelling & Calculations

- ▶ Have you performed GloBE ETR and top-up tax calculations for FYE 2025?
- ▶ Have you validated safe harbour results and full calculation fallback positions?



Systems & Tooling

- ▶ Are you using appropriate tools or models (with scalability and audit trail)?
- ▶ Does the solution ensure consistent and repeatable outputs?



Systems Integration

- ▶ Has the Pillar Two impact been embedded into ongoing financial and tax reporting processes?
- ▶ Have data collection and calculation workflows been standardised?



Compliance Readiness (Malaysia)


- ▶ Are you ready for the GIR?
- ▶ Are you ready for the TTR (CEs in Malaysia)





Documentation & Audit Defence


- ▶ Do you have documentation for key assumptions and safe harbour positions?
- ▶ Are data, calculations and outcomes well-supported and defensible?


Key Next Steps


- 01**  **Mobilise a Pillar Two Programme**
 - ▶ Assign clear ownership in Malaysia and at Group level


- 02**  **Perform Data Gap Assessment**
 - ▶ Identify available vs missing data


- 03**  **Run Calculations & Validate Outcomes**
 - ▶ Validate safe harbour positions and jurisdictions requiring full calculations
 - ▶ Finalise GloBE ETR calculations for FY 2025

- 04**  **Decide on Technology Approach**
 - ▶ Evaluate in-house, external or outsourced solutions
 - ▶ Ensure scalability, audit trail and repeatability

- 05**  **Align with Group**
 - ▶ Confirm who files the GIR
 - ▶ Agree on data submission timelines and formats to HQ

- 06**  **Embed into Business Processes**
 - ▶ Build ongoing data collection and review process

- 07**  **Prepare for Compliance**
 - ▶ Understand Malaysia-specific entity-level filing requirements, including registration or notification requirements

- 08**  **Monitor Developments**
 - ▶ Track guidance from the Inland Revenue Board of Malaysia (IRBM) and the Organisation for Economic Co-operation and Development (OECD) updates

“Pillar Two readiness lies in translating complex rules into reliable and consistent outcomes.”

Midori Aso
Executive Director,
Tax & Transfer Pricing



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