

# Tax alert

## Singapore BEPS 2.0 Pillar Two update: Safe harbours and GIR exchange

### Executive summary

The Inland Revenue Authority of Singapore (IRAS) has updated its website<sup>1</sup> to state that Singapore will implement the Side-by-Side (SbS) package in accordance with the agreement reached by the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework (IF) on base erosion and profit shifting (BEPS) on 5 January 2026.

On 8 June 2026, the Ministry of Finance (MOF) launched a public consultation on the proposed Finance (Income Taxes) Bill 2026 (Draft Bill). The Draft Bill includes amendments to the Multinational Enterprise (Minimum Tax) Act 2024 (MMTA) relating to the implementation of the SbS Safe Harbour and the Global Anti-Base Erosion (GloBE) Information Return (GIR) exchange framework. The consultation is open until 1 July 2026.

<sup>1</sup> "Global Anti-Base Erosion (GloBE) Rules and Domestic Top-up Tax (DTT)", *The IRAS website*, <https://www.iras.gov.sg/taxes/pillar-2-top-up-taxes/global-anti-base-erosion-globe-rules-and-domestic-top-up-tax-dtt>, accessed 12 June 2026.



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## SbS package

The IRAS has indicated on its website that Singapore will implement the following elements of the SbS package:

Safe harbours	Effective date
Simplified Effective Tax Rate Safe Harbour	Financial years beginning on or after 31 December 2026
Transitional Country-by-Country Reporting Safe Harbour	Extension to financial years beginning on or before 31 December 2027 but not including a financial year that ends after 30 June 2029
Substance-based Tax Incentive (SBTI) Safe Harbour	Financial years beginning on or after 1 January 2026
SbS Safe Harbour	Financial years beginning on or after 1 January 2026

Further, for Singapore's domestic top-up tax purposes, multinational enterprise (MNE) groups may elect to use either (i) Singapore's local financial accounting standards or (ii) an Acceptable Financial Accounting Standard (as defined in the GloBE Model Rules) that is used in the preparation of the consolidated financial statements, subject to relevant conditions.

The IRAS has indicated that the MMTA and the Multinational Enterprise (Minimum Tax) Regulations 2024 will be amended by end 2026, subject to parliamentary approval, to implement the above. In addition, further details in respect of the SBTI Safe Harbour are expected to be released in the second half of 2026.

As Singapore has not implemented the Undertaxed Profits Rule, the IRAS has stated that Singapore does not need to adopt the Ultimate Parent Entity (UPE) Safe Harbour at this stage.

The proposed MMTA amendments in the Draft Bill do not contain details on the above but rather appear to be focused on enabling the implementation of the SbS Safe Harbour, with further operative details expected to be prescribed in subsidiary legislation.

## GIR exchange framework

Under the GIR exchange framework, an MNE group may file the GIR with a single tax administration, such as that of its UPE or a designated filing entity (DFE), and the relevant GIR information may then be exchanged with other tax administrations under the applicable multilateral agreement.

Singapore signed the Multilateral Competent Authority Agreement on the exchange of GloBE information (MCAA) on 14 April 2026. This enables Singapore to participate in central filing of the GIR and should help reduce the number of jurisdictions in which Singapore-headquartered MNE groups would otherwise need to make GIR filings.

The proposed MMTA amendments in the Draft Bill provide the legislative basis for Singapore to exchange and receive relevant GloBE information with other tax administrations under the MCAA framework, and to apply existing penalty provisions in cases of non-compliance or inaccurate filings.

### What businesses should do now

MNE groups with Singapore operations should review these developments in the context of their existing BEPS 2.0 Pillar Two compliance approach.

In particular, groups should assess whether the proposed safe harbour measures may apply, whether existing BEPS 2.0 Pillar Two modelling assumptions remain appropriate for financial years from 2026 onwards, and whether their GIR filing strategy should be updated in light of Singapore's participation in the GIR exchange framework.

Groups should also consider whether to provide feedback before the consultation closes on 1 Jul 2026, and monitor developments in respect of the subsidiary legislation, which is expected to provide further operative details.

If you would like to know more about the issues discussed or EY services, please contact one of the following or your usual EY contact:

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