

# PILLAR TWO AWARD SYLLABUS 2026

**ADIT**



# CONTENTS

INTRODUCTION .....	3
SYLLABUS.....	4
RECOMMENDED READING LIST .....	6

# INTRODUCTION

In order to achieve the Pillar Two Award qualification, candidates will need to possess a broad knowledge of the Pillar Two rules and their real-world application.

This document contains the detailed syllabus for the Pillar Two Award exam, together with a recommended reading list. Permitted texts for the exam are indicated in the recommended reading list, and can be found on our website at [www.tax.org.uk/pillar-two/permitted-books](http://www.tax.org.uk/pillar-two/permitted-books).

Questions **will not** be set which require knowledge of any law, regulation or legal provision announced less than six months before the date of an exam, or on any tax or legal court case reported less than six months before the exam date. Nonetheless, all Pillar Two Award exam candidates are expected to maintain a general understanding of recent, significant legislative changes relevant to the subject.

The syllabus contains a list of topics included, together with an indication of the level of knowledge that a candidate may be required to demonstrate.

The levels specified are:

## Level 1

Candidates will be expected to have a broad understanding and awareness of the topic, but will not be required to provide answers in detail on these topics.

## Level 2

Candidates will be expected to have a detailed knowledge of the topic and be able to apply this knowledge in both written and computational situations (where appropriate), showing an understanding of the issues involved.

## Level 3

Candidates may be required to demonstrate an advanced knowledge, involving interpretive exposition and analysis, with the ability to comment upon problems arising and to suggest possible solutions in novel situations.

Candidates are expected to have an awareness of current accounting issues relevant to the application of the Pillar Two rules.

# SYLLABUS

<b>I</b>	<b>Scope of the Global Anti-Base Erosion (GloBE) Rules</b>	<b>10%</b>
<b>II</b>	<b>Charging provisions, including the Income Inclusion Rule (IIR) and Top-Up Taxes</b>	<b>15%</b>
<b>III</b>	<b>Computation of GloBE Income or Loss</b>	<b>15%</b>
<b>IV</b>	<b>Computation of Adjusted Covered Taxes</b>	<b>15%</b>
<b>V</b>	<b>Computation of Effective Tax Rate and Top-up Tax</b>	<b>15%</b>
<b>VI</b>	<b>Corporate restructurings and holding structures, tax neutrality and distribution regimes, administration and transition rules</b>	<b>15%</b>
<b>VII</b>	<b>The Subject to Tax Rule (STTR)</b>	<b>10%</b>
<b>VIII</b>	<b>The policies of the Inclusive Framework on Pillar Two</b>	<b>5%</b>

## **I Scope of the Global Anti-Base Erosion (GloBE) Rules**

A	Article 1.1. Scope of the GloBE Rules	3
B	Article 1.2. MNE Group and Group	3
C	Article 1.3. Constituent Entity	3
D	Article 1.4. Ultimate Parent Entity	3
E	Article 1.5. Excluded Entity	3

## **II Charging provisions, including the Income Inclusion Rule (IIR) and Top-Up Taxes**

A	Article 2.1. Application of the IIR	3
B	Article 2.2. Allocation of Top-Up Tax under the IIR	3
C	Article 2.3. IIR Offset Mechanism	3
D	Article 2.4. Application of the Undertaxed Profits Rule (UTPR)	3
E	Article 2.5. UTPR Top-up Tax Amount	3
F	Article 2.6. Allocation of Top-Up Tax for the UTPR	3
G	Scope of the charging provisions, and ordering rules	3
H	The goals of Article 2 of the GloBE Rules	3

## **III Computation of GloBE Income or Loss**

A	Article 3.1. Financial Accounts	3
B	Article 3.2. Adjustments to determine GloBE Income or Loss	3
C	Article 3.3. International Shipping Income exclusion	2
D	Article 3.4. Allocation of Income or Loss between a Main Entity and a Permanent Establishment	3
E	Article 3.5. Allocation of Income or Loss from a Flow-through Entity	2
F	The goals of Article 3 of the GloBE Rules	3

## **IV Computation of Adjusted Covered Taxes**

A	Article 4.1. Adjusted Covered Taxes	3
B	Article 4.2. Definition of Covered Taxes	3
C	Article 4.3. Allocation of Covered Taxes from one Constituent Entity to another Constituent Entity	3
D	Article 4.4. Mechanism to address temporary differences	2
E	Article 4.5. The GloBE Loss Election	3
F	Article 4.6. Post-filing Adjustments and Tax Rate Changes	2
G	The goals of Article 4 of the GloBE Rules	3

## **V Computation of Effective Tax Rate and Top-Up Tax**

A	Article 5.1. Determination of Effective Tax Rate	3
B	Article 5.2. Top-Up Tax (including Qualified Domestic Minimum Top-Up Tax)	3
C	Article 5.3. Substance-Based Income Exclusion	3
D	Article 5.4. Additional Current Top-up Tax	3
E	Article 5.5. De minimis exclusion	3
F	Article 5.6. Minority-Owned Constituent Entities	3
G	The goals of Article 5 of the GloBE Rules	3

## **VI Corporate restructurings and holding structures, tax neutrality and distribution regimes, administration and transition rules**

A	Article 6 Corporate restructurings and holding structures	
	1. Article 6.1. Application of Consolidated Revenue Threshold to Group Mergers and Demergers	2
	2. Article 6.2. Constituent Entities joining and leaving an MNE Group	2
	3. Article 6.3. Transfer of Assets and Liabilities	2
	4. Article 6.4. Joint Ventures	2
	5. Article 6.5. Multi-Parented MNE Groups	2
B	Article 7 Tax neutrality and distribution regimes	
	1. Article 7.1. Ultimate Parent Entity that is a Flow-through Entity	2
	2. Article 7.2. Ultimate Parent Entity subject to Deductible Dividend Regime	2
	3. Article 7.3. Eligible Distribution Tax Systems	2
	4. Article 7.4. Effective Tax Rate Computation for Investment Entities	2
	5. Article 7.5. Investment Entity Tax Transparency Election	2
	6. Article 7.6. Taxable Distribution Method Election	2
C	Article 8 Administration	
	1. Article 8.1. Filing obligation	2
	2. Article 8.2. Safe Harbours	2
	3. Article 8.3. Administrative Guidance	2
D	Transitional and administrative procedures	
	1. Transitional safe harbours, including simplified Effective Tax Rate (ETR) tests based on Country-by-Country Reporting (CbCR) data	3
	2. Deferred tax adjustments to align accounting and tax timing	3
	3. Filing and information exchange obligations (GloBE Information Return)	3
E	Article 9 Transition rules	
	1. Article 9.1 Tax Attributes Upon Transition	2
	2. Article 9.2. Transitional relief for the Substance-based Income Exclusion	2
	3. Article 9.3. Exclusion from the UTPR of MNE Groups in the initial phase of their international activity	2
	4. Article 9.4. Transitional relief for filing obligations	2
F	The goals of Articles 6-9 of the GloBE Rules	2

## **VII The Subject to Tax Rule (STTR)**

A	The design and key features of the STTR	2
B	The goals of the STTR (including elimination of double taxation)	2

## **VIII The policies of the Inclusive Framework on Pillar Two**

A	The design and key features of the Inclusive Framework	
	1. Formal membership and governance mechanisms	2
	2. Operational rules	2
	3. GloBE Information Return (GIR)	2
	4. Qualified Domestic Minimum Top-up Tax (QMDTT)	2
	5. Safe harbours, adjustments and guidance for domestic alignment	2

# RECOMMENDED READING LIST

## Permitted Texts

Candidates may take a copy of the following texts only into the examination:

OECD. *Multilateral Convention to Facilitate the Implementation of the Pillar Two Subject to Tax Rule* (Paris: OECD, 2023)

Available from the OECD:

[www.oecd.org/en/topics/sub-issues/subject-to-tax-rule/multilateral-convention-to-facilitate-the-implementation-of-the-pillar-two-subject-to-tax-rule.html](http://www.oecd.org/en/topics/sub-issues/subject-to-tax-rule/multilateral-convention-to-facilitate-the-implementation-of-the-pillar-two-subject-to-tax-rule.html)

OECD. *Tax Challenges Arising from Digitalisation of the Economy. Global Anti-Base Erosion Model Rules (Pillar Two)* (Paris: OECD, 2021)

Available from the OECD:

[www.oecd.org/en/publications/tax-challenges-arising-from-digitalisation-of-the-economy-global-anti-base-erosion-model-rules-pillar-two\\_782bac33-en.html](http://www.oecd.org/en/publications/tax-challenges-arising-from-digitalisation-of-the-economy-global-anti-base-erosion-model-rules-pillar-two_782bac33-en.html)

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Consolidated Commentary to the Global Anti-Base Erosion Model Rules (2026)* (Paris: OECD, 2026)

Available from the OECD:

[www.oecd.org/content/dam/oecd/en/publications/reports/2026/05/tax-challenges-arising-from-the-digitalisation-of-the-economy-consolidated-commentary-to-the-global-anti-base-erosion-model-rules-2026\\_24289ddf/4377e89f-en.pdf](http://www.oecd.org/content/dam/oecd/en/publications/reports/2026/05/tax-challenges-arising-from-the-digitalisation-of-the-economy-consolidated-commentary-to-the-global-anti-base-erosion-model-rules-2026_24289ddf/4377e89f-en.pdf)

No other texts may be taken into the examination.

## Essential Reading

The permitted exam texts listed above are considered key reading for the Pillar Two Award.

The following items are also considered key reading:

### Administrative guidance

1st Administrative Guidance (February 2023):

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Administrative Guidance on the Global Anti-Base Erosion Model Rules (Pillar Two)* (Paris: OECD, 2023)

2nd Administrative Guidance (July 2023):

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Administrative Guidance on the Global Anti-Base Erosion Model Rules (Pillar Two), July 2023* (Paris: OECD, 2023)

3rd Administrative Guidance (December 2023):

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Administrative Guidance on the Global Anti-Base Erosion Model Rules (Pillar Two), December 2023* (Paris: OECD, 2023)

4th Administrative Guidance (June 2024):

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Administrative Guidance on the Global Anti-Base Erosion Model Rules (Pillar Two), June 2024* (Paris: OECD, 2024)

5th Administrative Guidance (January 2025):

- OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Administrative Guidance on Article 8.1.4 and 8.1.5 of the Global Anti-Base Erosion Model Rules* (Paris: OECD, 2025)
- OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Administrative Guidance on Article 9.1 of the Global Anti-Base Erosion Model Rules* (Paris: OECD, 2025)

6th Administrative Guidance (January 2026):

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Global Anti-Base Erosion Model Rules (Pillar Two), Side-by-Side Package* (Paris: OECD, 2026)

7th Administrative Guidance (May 2026):

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Administrative Guidance on the Application of the Transitional UTPR Safe Harbour to MNE Groups with 52-53-Week Fiscal Years* (Paris: OECD, 2026)

All available from the OECD:

[www.oecd.org/en/topics/sub-issues/global-minimum-tax/global-anti-base-erosion-model-rules-pillar-two.html](http://www.oecd.org/en/topics/sub-issues/global-minimum-tax/global-anti-base-erosion-model-rules-pillar-two.html)

### **GloBE information return**

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. GloBE Information Return* (Paris: OECD, 2025)

Available from the OECD:

[www.oecd.org/en/publications/2025/01/tax-challenges-arising-from-the-digitalisation-of-the-economy-globe-information-return-january-2025\\_b03274ed.html](http://www.oecd.org/en/publications/2025/01/tax-challenges-arising-from-the-digitalisation-of-the-economy-globe-information-return-january-2025_b03274ed.html)

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. GloBE Information Return (Pillar Two)* (Paris: OECD, 2023)

Available from the OECD:

[www.oecd.org/en/publications/2023/07/tax-challenges-arising-from-the-digitalisation-of-the-economy-globe-information-return-pillar-two\\_10977da1.html](http://www.oecd.org/en/publications/2023/07/tax-challenges-arising-from-the-digitalisation-of-the-economy-globe-information-return-pillar-two_10977da1.html)

### **Safe harbours and penalty relief**

OECD. *Safe Harbours and Penalty Relief. Global Anti-Base Erosion Rules (Pillar Two)* (Paris: OECD, 2022)

Available from the OECD:

[www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/global-minimum-tax/safe-harbours-and-penalty-relief-global-anti-base-erosion-rules-pillar-two.pdf](http://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/global-minimum-tax/safe-harbours-and-penalty-relief-global-anti-base-erosion-rules-pillar-two.pdf)

### **Subject to Tax Rule**

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Subject to Tax Rule (Pillar Two)* (Paris: OECD, 2023)

Available from the OECD:

[www.oecd.org/en/publications/2023/07/tax-challenges-arising-from-the-digitalisation-of-the-economy-subject-to-tax-rule-pillar-two\\_ce8257ba.html](http://www.oecd.org/en/publications/2023/07/tax-challenges-arising-from-the-digitalisation-of-the-economy-subject-to-tax-rule-pillar-two_ce8257ba.html)

### **Illustrative examples**

OECD. *Tax Challenges Arising from the Digitalisation of the Economy. Global Anti-Base Erosion Model Rules (Pillar Two) Examples* (Paris: OECD, 2025)

Available from the OECD:

[www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/global-minimum-tax/tax-challenges-arising-from-the-digitalisation-of-the-economy-global-anti-erosion-model-rules-pillar-two-examples.pdf](http://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/global-minimum-tax/tax-challenges-arising-from-the-digitalisation-of-the-economy-global-anti-erosion-model-rules-pillar-two-examples.pdf)

### **Statement on the Two-Pillar solution**

OECD. *Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy. 8 October 2021* (Paris: OECD, 2021)

Available from the OECD:

[www.oecd.org/en/about/news/announcements/2021/10/statement-on-a-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-october-2021.html](http://www.oecd.org/en/about/news/announcements/2021/10/statement-on-a-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-october-2021.html)

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## **Essential Books**

Unfortunately, there is no single textbook or casebook for the entire syllabus. There are books which cover parts of the syllabus, but these need to be supplemented by references to articles in periodicals.

Candidates should read the following books during their studies:

Garbarino, C. *Pillar Two of the Inclusive Framework on BEPS: A Problem-solving Approach* (Edward Elgar, 2024) [ISBN: 9781035312375]

Available from Edward Elgar:

[www.e-elgar.com](http://www.e-elgar.com)

Haslehner, W. et al. *The 'Pillar Two' Global Minimum Tax* (Edward Elgar, 2024) [ISBN: 9781035308736]

Available from Edward Elgar:

[www.e-elgar.com](http://www.e-elgar.com)

Webber, D. and Gilli, S. *Annotations on the OECD Global Anti-Base Erosion Model Rules (Pillar 2)* (Wolters Kluwer, 2024) [ISBN: 9789403543161]

Available from Wolters Kluwer:

<https://law-store.wolterskluwer.com>

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## **Additional Reading**

Bendlinger, V. *The OECD's Global Minimum Tax and its Implementation in the EU: A Legal Analysis of Pillar Two in the Light of Tax Treaty and EU Law* (Wolters Kluwer, 2023) [ISBN: 9789403532875]

Available from Wolters Kluwer:

<https://law-store.wolterskluwer.com>

Bendlinger, V. and Schoueri, P. *The Global Minimum Tax: Selected Issues on Pillar Two* (Linde, 2024) [ISBN: 9783714303971]  
Available at Linde:  
<https://linda.lindeverlag.at/Dokument/539069>

Galendi, R.A. *The Justification and Structure of the GloBE Model Rules* (IBFD, 2025) [ISBN: 9789087229443]  
Available at IBFD:  
[www.ibfd.org/shop/book](http://www.ibfd.org/shop/book)

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## Periodicals

Because Pillar Two is a rapidly developing subject, and because of the lack of a single textbook, candidates will have to follow much of the course through articles in periodicals. Several periodicals are devoted to the subject of international taxation.

A number of the journals are available electronically from various websites.

The principal periodicals are:

*British Tax Review* (London: Sweet & Maxwell) [ISSN: 00071870]  
Also known as *BTR*.  
Available from Sweet & Maxwell:  
[www.sweetandmaxwell.co.uk](http://www.sweetandmaxwell.co.uk)

*Bulletin for International Taxation* (Amsterdam: IBFD) [ISSN: 00074624]  
Available from IBFD: [www.ibfd.org](http://www.ibfd.org)

*Cahiers de Droit Fiscal International (Studies on International Fiscal Law)* (Deventer: Wolters Kluwer)  
Also known as *Cahiers DFI*.  
Available from IFA: [www.ifa.nl/ifa-cahiers](http://www.ifa.nl/ifa-cahiers)

*EC Tax Review* (New York: Wolters Kluwer) [ISBN: 9789880007408]  
Available from Wolters Kluwer:  
[www.kluwerlawonline.com](http://www.kluwerlawonline.com)

*European Taxation* (Amsterdam: IBFD) [ISSN: 00143138]  
Available from IBFD: [www.ibfd.org](http://www.ibfd.org)

*Intertax* (Deventer: Wolters Kluwer)  
Available from Wolters Kluwer:  
[www.kluwerlawonline.com](http://www.kluwerlawonline.com)

*Tax Notes International* (Tax Analysts) [ISSN: 10483306]  
Available from LexisNexis: [www.lexisnexis.co.uk](http://www.lexisnexis.co.uk)  
Also available from Tax Analysts: [www.taxnotes.com](http://www.taxnotes.com)

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## Case Law

The syllabus does not examine the rules of any one state. Decisions of the courts of many countries are therefore relevant to this subject. Leading cases are drawn from as far afield as New Zealand, South Africa, Canada, France and Germany.

Cases from the non-English speaking world are generally from the Bundesfinanzhof (German Federal Tax Court), the Conseil d'Etat (French Supreme Administrative Court) or the Hoge Raad (Netherlands Supreme Court). The more important cases are summarised in *European Taxation* or the *Bulletin for International Taxation*.

*International Tax Law Reports*, also known as *ITLR*, contains the texts of important international tax cases (including English translations of some cases).  
Available from LexisNexis: [www.lexisnexis.co.uk](http://www.lexisnexis.co.uk)

These law reports are available online as part of the LexisNexis online service. CCH's *British Tax Cases* are also useful.

The IBFD also offers a useful Tax Treaty Database:  
[www.ibfd.org/IBFD-Products/Tax-Treaties-Database](http://www.ibfd.org/IBFD-Products/Tax-Treaties-Database)

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## Other Materials

As official items explaining aspects of GloBE, policy papers may be useful reference materials.

The European Commission materials on the EU Directive implementing Minimum Corporate Taxation  
Available at:  
[https://taxation-customs.ec.europa.eu/taxation/business-taxation/minimum-corporate-taxation\\_en](https://taxation-customs.ec.europa.eu/taxation/business-taxation/minimum-corporate-taxation_en)

HMRC Pillar Two policy paper

Available at:

[www.gov.uk/government/publications/pillar-2-multinational-top-up-tax-and-domestic-top-up-tax-amendments](https://www.gov.uk/government/publications/pillar-2-multinational-top-up-tax-and-domestic-top-up-tax-amendments)

Australia Taxation Office website and materials on the implementation of a global minimum tax and a domestic minimum tax

Available at:

[www.ato.gov.au/about-ato/new-legislation/in-detail/international/implementation-of-a-global-minimum-tax-and-a-domestic-minimum-tax](https://www.ato.gov.au/about-ato/new-legislation/in-detail/international/implementation-of-a-global-minimum-tax-and-a-domestic-minimum-tax)

[www.tax.org.uk/pillar-two](http://www.tax.org.uk/pillar-two)

For further information, or if you have a question you would like to discuss, please contact us:

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[www.tax.org.uk/pillar-two](http://www.tax.org.uk/pillar-two)

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