General GloBE mechanics – a new look

1. Talk about GloBE Income = GloBE EBT
2. GloBE = Fictional country
3. GloBE tax system = relatively normal:
    1. GloBE Income: Taxes non-deductible, royal participation exemption, no deduction fines.
    2. GloBE Taxes: 15%, worldwide basis
        1. PE income is taxed with a credit for local tax
        2. Special safe harbours when relatively certain that no additional tax will be levied in GloBE
        3. PE losses not deductible, BUT deferred taxes allowed (see hereafter)
        4. Consolidated subsidiaries = PEs, Affiliates = Participation exemption, JVs = bit of both
    3. GloBE Foreign tax credit:
        1. Only for taxes on GloBE Income
        2. Also for local minimum tax top-ups (QDMTTs)
        3. And credits for DefTaxes on foreign GloBE income, if paid in 5 years (4.4.4) (no uncertain taxes)
4. Elections can be made by jurisdiction to make GloBE rules look more like local tax rules to avoid top-up tax (e.g. where no local participation exemption and capital losses on participations deductible.)
5. Special rules for reorgs, tax transparent entities, shipping and deductible dividend regimes
6. Back up provisions (POPEs, UTPRs)