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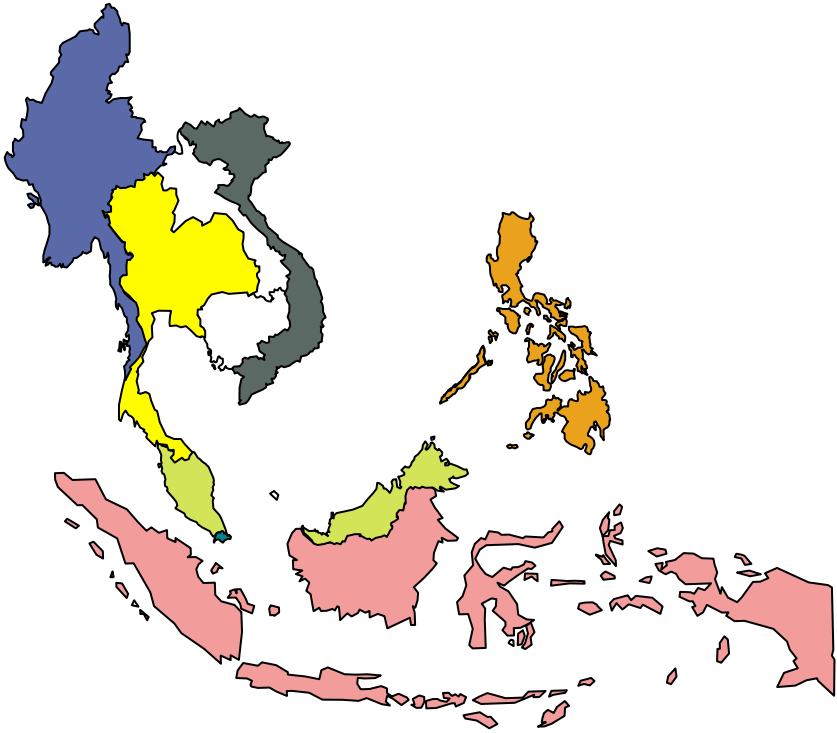
SHARPENING PERSPECTIVES

GMT OVERVIEW ASEAN AS OF 31 JULY 2025

Quick Guide on the Enforcement of Global Minimum Tax in the
ASEAN Region



The Region



Indonesia

Status of Enactment		Enacted	Regulation No. 136 of 2024 (PMK-136) issued by Indonesia's Ministry of Finance (MoF) on 31 December 2024 implements a global minimum tax (GMT) in the country for fiscal years starting on or after 1 January 2025.
Specific Pillar 2 Components:			
1	Income Inclusion Rule (IIR)	Effective financial years beginning on or after 1 January 2025	Indonesian entities, identified as the Ultimate Parent Entity (UPE), intermediate parent entity or partially owned parent entity, are required to pay a top-up tax if they directly or indirectly control entities in foreign jurisdictions, where an effective tax rate (ETR) in certain jurisdictions is below 15 %.
2	Undertaxed Profits Rule (UTPR)	Effective financial years beginning on or after 1 January 2026	Constituent Entities (CEs) in Indonesia must pay an allocated top-up tax when the top-up tax liability in low-tax foreign jurisdictions remains unpaid, either due to the absence or insufficiency of the Domestic Minimum Top-Up Tax (DMTT) or IIR in those jurisdictions.
3	Qualified Domestic Minimum Top-Up Tax (QDMTT)	Effective financial years beginning on or after 1 January 2025	All CEs in Indonesia are obliged to pay a top-up tax if the ETR in Indonesia is below the global minimum threshold of 15 %.
Transitional CbCR Safe Harbor			<p>Between fiscal years starting on or before 31 December 2026 until fiscal year ending 30 June 2028, top-up tax shall be deemed zero if it fulfills either one of the following tests:</p> <ul style="list-style-type: none"> a) de minimis; b) routine profits; or c) simplified ETR. <p>A Qualified CbC report is the main document an MNE Group must use under the Transitional CbCR Safe Harbour. A Qualified CbC report refers to a CbC report prepared using Qualified Financial Statements.</p>
Transitional UTPR Safe Harbor			Between fiscal years starting on or before 31 December 2025 until fiscal year ending 31 December 2026, top-up tax under UTPR shall be deemed zero if in the UPE's jurisdiction, the applicable corporate tax rate is at least 20 % or above.

Permanent Safe Harbor		<p>Top-up tax shall be deemed zero if during one fiscal year it fulfills either one of the following tests:</p> <ul style="list-style-type: none"> a) de minimis; b) routine profits; or c) ETR. <p>Indonesian tax authority is entitled to test the compliance of both transitional and permanent safe harbor application by sending a letter requesting for clarification within 36 months after the reporting period. A respond shall be made within 6 months since the receipt date of such clarification requestion.</p> <p>The safe harbor will be denied if the letter is not responded or if the response is provided later than 6 months.</p>
Transitional Penalty Relief		<p>Between fiscal years starting on or before 31 December 2026 until fiscal year ending 30 June 2028, no administrative penalty is charged for late reporting and additional top-up tax payment.</p>
Qualified Refundable and Marketable Transferable Tax Credits		<p>PMK-136 has adopted provisions with regards to the Qualified Refundable Tax Credits (QRTC) which generally are in line with the OECD BEPS Pillar Two Model Rules. However, the regulation does not explicitly make any reference to Marketable Transferrable Tax Credits (MTTC).</p>

Compliance
Obligations

(1) Local registration: No specific registration is stipulated under PMK-136 for global minimum tax; general tax administration rules apply (e.g., having Tax ID number and other Director General of Taxes administrative requirements).

(2) Filing obligation: Indonesian CEs must file GloBE, DMTT, and UTPR Annual Income Tax Returns. GIR is also required if the UPE is not domestic entity and the Indonesian CE is the appointed reporting entity or no Qualified Competent Authority Agreement (QCAA) exists. Filing deadline: 18 months after fiscal year-end for the first reporting year; 15 months thereafter.

(3) Notification: Required for all Indonesian CEs, except those filing a GIR. Filing deadline: 18 months after fiscal year-end for the first reporting year; 15 months thereafter.

Malaysia

Status of Enactment		Enacted	Malaysia has enacted legislation to implement the Global Minimum Tax (GMT) as part of the OECD's Pillar Two framework. With the enactment of the Finance (No. 2) Bill 2023 on 29 December 2023, the Global Anti-Base Erosion (GloBE) Rules have been incorporated into Malaysian tax law. The Malaysian Pillar Two Rules introduced under the Finance Act are closely aligned with the OECD Pillar Two Model Rules and is effective for financial years beginning on or after 1 January 2025.
Specific Pillar 2 Components:			
1	Income Inclusion Rule (IIR)	Effective financial years beginning on or after 1 January 2025	The Multinational Top-up Tax ("MTT") as per Section 160 of the Income Tax Act is in line with the IIR under Pillar Two Model Rules. MTT will be charged on the Malaysian Ultimate Parent Entity (UPE) for its low-taxed CEs located in other jurisdictions with an effective tax rate (ETR) that is less than 15 %.
2	Undertaxed Profits Rule (UTPR)	Has not been adopted	The UTPR under the OECD Pillar Two Model Rules has not been adopted in the Finance Act.
3	Qualified Domestic Minimum Top-Up Tax (QDMTT)	Effective financial years beginning on or after 1 January 2025	Where parent entities of a Malaysian CE are located in jurisdictions that are not subject to an IIR, the top-up tax of a low-taxed Malaysian CE would have been collected by Malaysia through a Domestic Top-up Tax ("DTT"). The methodology for calculating the Effective Tax Rate and Top-up Taxes is described under Chapter 7 Part XI of the ITA, which is in line with Article 5 of the OECD Pillar Two Model Rules.
Transitional CbCR Safe Harbor			<p>A Qualified CbC report is the main document an MNE Group must use under the Transitional CbCR Safe Harbor. A Qualified CbC report refers to a CbC report prepared using Qualified Financial Statements.</p> <p>MNE Groups that are in scope of the GloBE Rules but not required to file CbC Reports are still eligible for the Transitional CbCR Safe Harbor if they complete section 2.1.3(a) of the GIR using the data from Qualified Financial Statements that would have been reported as Total Revenue and Profit (Loss) before Income Tax in a Qualified CbC Report if the MNE Group were required to file a CbC Report.</p>

Transitional CbCR Safe Harbor		<p>The Top-up Tax in the Tested Jurisdiction for a financial year shall be deemed to be zero if it qualifies for the Transitional CbCR Safe Harbour by fulfilling either one of the following tests:</p> <ul style="list-style-type: none"> a) de minimis test; b) simplified Effective Tax Rate test; or c) routine profits test.
Transitional UTPR Safe Harbor		No information
Permanent Safe Harbor		<p>When Malaysia as a Tested Jurisdiction meets the requirements of any one of these tests, the MNE Group will be treated as having zero or no top-up tax liability arising in Malaysia</p> <ul style="list-style-type: none"> a) The Routine Profits Test; b) Simplified Effective Tax Rate test; c) Routine profit test.
Transitional Penalty Relief		<p>During a Transition Period, no fines or penalties will be imposed if DGIR considers that the Constituent Entity has taken “reasonable measures” to ensure the correct application of the GMT legislation. Transition Period refers to any Financial Years beginning on or before 31 December 2026 but does not include Financial Year that ends after 30 June 2028.</p>
Qualified Refundable and Marketable Transferable Tax Credits		<p>The ITA has adopted provisions with regards to the Qualified Refundable Tax Credits and Marketable Transferable Tax Credits which are in line with the OECD BEPS Pillar Two Model Rules.</p>
Compliance Obligations		<ul style="list-style-type: none"> a) <u>Local registration</u> (detailed requirements to be announced) b) <u>Filing</u> <p>GloBE Information Return ("GIR") GIR should be filled by the UPE or designated filing entity in the jurisdiction of the UPE</p> <p>The Top-up Tax return (MTT and DTT*) This should be filed by Constituent Entity in Malaysia</p>

Compliance Obligations	<p><u>Deadline for transitional year</u> is no later than 18 months after the last day of the Reporting Financial Year for the first filing transition year. Transition period refers to any financial years beginning on or before 31 December 2026 but does not include financial year that ends after 30 June 2028.</p> <p><u>Deadline for standard rule</u> is 15 months of the last day of the reporting financial year in the jurisdiction of the UPE.</p>
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Philippines

Status of Enactment		Not enacted	<p>The Philippines joined the OECD/G20 Base Erosion and Profit Shifting (BEPS) Inclusive Framework on 08. November 2023, signaling its commitment to adopt the Two-Pillar Solution and implementing all 15 BEPS Action Items.</p> <p>The Bureau of Internal Revenue (BIR) and Department of Finance (DOF) are currently in the preparatory phase of rolling out the framework.</p> <p>As part of its early efforts to operationalize BEPS principles the Philippine Digital Services Act (Republic Act No. 12023) was enacted. The law took effect on October 18, 2024, and expanded the scope of the 12% Value-Added Tax (VAT) to include digital services, including those offered by nonresident digital service providers.</p> <p>As of now, no legislation has been enacted to implement Pillar Two (GMT).</p>
Specific Pillar 2 Components:			
1	Income Inclusion Rule (IIR)		
2	Undertaxed Profits Rule (UTPR)		
3	Qualified Domestic Minimum Top-Up Tax (QDMTT)		
Transitional CbCR Safe Harbour			
Transitional UTPR Safe Harbor			
Permanent Safe Harbor			
Transitional Penalty Relief			
Qualified Refundable and Marketable Transferable Tax Credits			
Compliance Obligations			

Singapore

Status of Enactment		Enacted	Singapore has enacted legislation to implement the Global Minimum Tax (GMT) as part of the OECD's Pillar Two framework. On 27 November 2024, the Multinational Enterprise (Minimum Tax) Act 2024 was published in Singapore's Official Gazette, establishing the legal foundation for GMT in the country.
Specific Pillar 2 Components:			
1	Income Inclusion Rule (IIR)	Effective financial years beginning on or after 1 January 2025	IIR is referred to as the Multinational Enterprise Top-up Tax (MTT) in the Multinational Enterprise (Minimum Tax) Act 2024 (MMT Act). MTT applies to low-taxed profits of Singapore-parented entities located outside Singapore and stateless entities to top-up the ETR to 15%. It does not apply to Singapore entities of the MNE Group.
2	Undertaxed Profits Rule (UTPR)	Will be considered at a later stage	The timing and design of the UTPR is not currently in place. An update on the UTPR is expected to be issued later, taking into account wider developments internationally
3	Qualified Domestic Minimum Top-Up Tax (QDMTT)	Effective financial year beginning on or after 1 January 2025	<p>The Domestic Top-up Tax (DTT) applies to in scope entities of an MNE group located in Singapore that are excluded from the UTPR and is payable if the MNE Group's ETR in Singapore is less than 15%. In scope entities include:</p> <ul style="list-style-type: none"> members of an MNE group, including partially owned constituent entities (CEs); Joint ventures (JVs) and JV subsidiaries; Minority-owned subgroups and CEs; and Reverse hybrid entities not considered responsible members of the group.
Transitional CbCR Safe Harbor			Applicable as per GloBE rules.
Transitional UTPR Safe Harbor			Not relevant as Singapore has not implemented the UTPR.
Permanent Safe Harbor			Applicable as per GloBE rules.

Transitional Penalty Relief		IRAS will adopt a light touch leniency approach for the first three FYs (2025 - 2027). During this period, the imposition of penalties will be minimized if MNE Groups can demonstrate that they have made reasonable efforts to comply with the new rules.
Qualified Refundable and Marketable Transferable Tax Credits		Yes, Singapore has introduced Qualified Refundable Tax Credits (QRTCs) and Marketable Transferable Tax Credits as part of its implementation of the GMT framework.
Compliance Obligations		<p>a) Local registration</p> <p>The UPE of an MNE Group that has an in-scope entity located in Singapore must notify IRAS of the MNE Group's liability to be registered under the MMT Act. The one time registration must be made within 6 months after the first financial year end of the UPE where the MTT, the DTT, or both applies to the MNE Group (or such extended time as may be granted).</p> <p>b) Filing</p> <ul style="list-style-type: none"> – GloBE Information Return ("GIR") - GIR should be filed by every Singapore CE of an MNE Group regardless of where the MNE Group is headquartered. – The Top-up Tax return (MTT and DTT) - Parent entity that is a responsible member located in Singapore and the CE are responsible for submitted the MTT and DTT returns, respectively. <p>Deadline: 15 months after the end of each FY. (18 months in the transition year).</p>

Thailand

Status of Enactment		Enacted	Thailand has enacted legislation to implement the Global Minimum Tax (GMT) as part of the OECD's Pillar Two framework. The Emergency Decree on Top-Up Tax B.E. 2567 (2024) was published in the Government Gazette on 26 December 2024, and applies for accounting periods beginning on or after 1 January 2025.
Specific Pillar 2 Components:			
1	Income Inclusion Rule (IIR)	Effective financial years beginning on or after 1 January 2025	Thai Ultimate Parent Entities (UPEs), Intermediate Parent Entities, or Partially Owned Parent Entities are subject to the IIR if they have low-taxed foreign subsidiaries. It requires top-up tax payments to ensure the effective tax rate (ETR) meets the global minimum threshold. The Thai UPE or designated entities are responsible for paying the top-up tax.
2	Undertaxed Profits Rule (UTPR)	Effective financial years beginning on or after 1 January 2025	All Thai Constituent Entities (CEs) may be subject to the UTPR if certain conditions are met. It ensures that if low-taxed entities do not pay the top-up tax under the IIR or Qualified Domestic Minimum Top-up Tax (QDMTT), the shortfall is addressed through additional taxes on other CEs. The UTPR is set to apply for fiscal years starting on or after 1 January 2025.
3	Qualified Domestic Minimum Top-Up Tax (QDMTT)	Effective financial years beginning on or after 1 January 2025	All Thai CEs are subject to the QDMTT if Thailand's ETR falls below the global minimum rate of 15%. It imposes a top-up tax to ensure the ETR meets the minimum threshold. The QDMTT applies for fiscal years starting on or after 1 January 2025.
Transitional CbCR Safe Harbor			<p>The Thai Emergency Decree does not explicitly contain detailed provisions for the Transitional CbCR Safe Harbour.</p> <p>Secondary legislation aligned with GLoBE Rules is expected to be enacted.</p>
Transitional UTPR Safe Harbor			<p>The Emergency Decree does not explicitly contain detailed provisions for the Transitional UTPR Safe Harbour.</p> <p>Secondary legislation aligned with GLoBE Rules is expected to be enacted.</p>
Permanent Safe Harbor			<p>The primary Emergency Decree does not explicitly contain detailed provisions for Permanent Safe Harbors.</p> <p>Secondary legislation aligned with GLoBE Rules is expected to be enacted.</p>

<p>Transitional Penalty Relief</p>		<p>During the Transition Period, no fines or penalties will be imposed if The Revenue Department considers that the CE has taken “reasonable measures” to ensure the correct application of the GMT legislation. Transition Period refers to any Financial Years beginning on or before 31 December 2026 but does not include Financial Year that ends after 30 June 2028.</p> <p>After the transition period, the following surcharges and penalties will apply:</p> <ul style="list-style-type: none"> – Incorrectly filed GIR/Top-up Tax Returns: 100 % penalty on the tax shortfall; – Failure to file GIR/Top-up Tax Returns: 200% penalty on the tax shortfall; – A 1.5 % monthly surcharge will be imposed on any top-up tax shortfalls (capped at 100 % of tax shortfall).
<p>Qualified Refundable and Marketable Transferable Tax Credits</p>		<p>The Commission on the National Competitiveness Enhancement for Targeted Industries Policies has approved an amendment to the National Competitiveness Enhancement for Targeted Industries Act by introducing QRTC based on the press release dated 4 August 2025.</p> <p>The Commission will forward the amendment to the Cabinet for final approval before proceeding with legislative process. In parallel, the Revenue Department will amend tax regulations to allow the implementation of QRTC.</p>
<p>Compliance Obligations</p>		<p>a) <u>Local registration</u> (detailed requirements to be announced)</p> <p>b) <u>Filing</u> All CEs in Thailand are required to submit the following to the Revenue Department, subject to certain exemptions:</p> <ul style="list-style-type: none"> – Notification of the in-scope MNE <p>It is expected that MNEs Groups will be required to notify the Thai Revenue Department of their status as MNEs subject to GMT. However, the specific format and timeline for such notification will be detailed in future secondary legislation.</p>

Compliance
Obligations

- **GloBE Information Return (GIR)**
Thai CEs will not be required to file a GIR with the Revenue Department if the return has already been filed by either the UPE or a designated filing entity located in a jurisdiction that, for the reporting fiscal year, has a qualifying competent authority agreement in effect with Thailand.
- **Top-up Tax Return and top-up tax payments**
(will be announced by The Revenue Department)

Deadline for transitional year is no later than 18 months after the last day of the Reporting Financial Year for the first filing transition year. Thus, the first wave of filings will be due by 30 June 2027 for in-scope MNE groups with a fiscal year ending on 31 December 2025.

Deadline for standard rule is 15 months of the last day of the reporting financial year in the jurisdiction of the UPE.



Vietnam

Status of Enactment		Enacted	Vietnam has implemented the Global Minimum Tax (GMT) under the OECD's Base Erosion and Profit Shifting (BEPS) Pillar 2 framework. The National Assembly passed a resolution adopting the Pillar Two global minimum tax rules, effective from 1 January 2024.
Specific Pillar 2 Components:			
1	Income Inclusion Rule (IIR)	Effective financial years beginning on or after 1 January 2024	Income Inclusion Rule ("IIR"): applies to the ultimate parent company, the partially owned parent company or the intermediate parent company in Vietnam that is a Constituent Entity ("CE") that complies with the tax residency rules under the provisions of Pillar 2 and, at any time during the financial year, directly or indirectly holds a CE that is subject to low tax rates under the global Model Rules to combat base erosion and profit shifting abroad.
2	Undertaxed Profits Rule (UTPR)	Has not been adopted	Not yet introduced under the current official regulations.
3	Qualified Domestic Minimum Top-Up Tax (QDMTT)	Effective financial years beginning on or after 1 January 2024	Qualified Domestic Minimum Transfer Tax ('QDMTT'): applies to Constituent Entities ("CEs") or a group of CEs of a Multinational Enterprise ('MNC') that fall within the scope of Pillar 2 and carry out business activities in Vietnam during the financial year must apply the QDMTT.
Transitional CbCR Safe Harbor			<p>During the transition period (before 31 December 2026, excluding financial years ending after 30 June 2028), the jurisdictional Top-Up Tax is zero if one of the following conditions is met:</p> <ul style="list-style-type: none"> – The CbCR of the multinational group shows revenue of < €10 million and pre-tax profit of < €1 million or a loss in that country. – The effective tax rate in that country is at least 15 % (for 2023–2024), 16 % (2025) and 17 % (2026). – The pre-tax profit (or loss) is less than or equal to the substance-based income exclusion (tangible asset + payroll carve-out) in accordance with the GloBE rules. <p>As of now, Vietnam has not adopted a specific Transitional UTPR Safe Harbour in its domestic legislation. Resolution No. 107/2023/QH15, which establishes Vietnam's framework for GMT implementation, does not provide guidance or Safe Harbor Rules related to the Undertaxed Profits Rule (UTPR).</p>

Permanent Safe Harbor		As of now, Vietnam has not officially adopted a Permanent Safe Harbor regime under the GMT framework.
Transitional Penalty Relief		During the transition phase, no administrative penalties will be imposed for violations of regulations on the preparation and submission of information statements in accordance with the GloBE rules and statements on Top-Up Tax with a written explanation of the differences between the accounting standards.
Qualified Refundable and Marketable Transferable Tax Credits		Vietnam's tax system offers various incentives to attract investment, but Qualified Refundable Tax Credits (QRTCs) and Marketable Transferable Tax Credits are not among them yet. On 31 December 2024, the Government issued a new Decree regarding the Investment Support Fund. Generally, the Investment Support Fund is established to provide financial assistance for operating costs and initial investment costs, specifically targeting high-tech industries and R&D centers in the semiconductor and AI sector.
Compliance Obligations		<ol style="list-style-type: none">1. Local Registration Obligation: Entities designated to file QDMTT in Vietnam must complete local tax registration within 90 days after the fiscal year-end.2. Filing Obligation: The designated entity must submit the QDMTT return and pay the top-up tax, or the tax authority will appoint one if not designated.3. Notification Requirement: MNE Groups with multiple entities in Vietnam must notify the designated filer within 30 days after year-end, or the authority will assign one.

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