UPDATE

Jersey and the Global Minimum Tax – Key Compliance Dates

What You Need to Know

- Jersey has adopted legislation to implement the OECD's global minimum tax rules (Pillar Two).
- The legislation is now in effect for fiscal years beginning on or after 1 January 2025. It brings in a range of new registration and filing obligations, including the GloBE Information Return, which has up to 480 data points.
- Taxpayers should be preparing now to meet these obligations. Penalties and surcharges may apply where deadlines are missed.
- In June 2025, the Group of Seven (G7) reached an agreement on global minimum taxes. The agreement, which still needs to be implemented, may ultimately simplify how Jersey's Pillar Two legislation applies to subsidiaries of US-parented groups.
- Revenue Jersey has issued interim guidance on the legislation. The Maples Group has been involved in consultation on the guidance and other stages of the implementation process.

Background and Overview

We refer to our previous update, which provides an overview of the Pillar Two rules that Jersey enacted in October 2024.

By way of a quick summary, Pillar Two applies to members of multinational ("MNE") groups that have more than €750 million of total consolidated annual revenue in at least two of the previous four fiscal years. A group consists of an ultimate parent entity ("UPE") and the entities included on a line-by-line basis in the UPE's consolidated financial statements.

Jersey has adopted two top-up taxes as part of its Pillar Two implementation.

- The first top-up tax is the Income Inclusion Rule ("IIR"). It taxes a Jersey UPE on the profits of its non-Jersey subsidiaries that have an effective tax rate ("ETR") below 15%. It also applies to a Jersey intermediate parent entity ("IPE") where the UPE is in another jurisdiction and is not subject to an IIR.
- The second top-up tax is the Multinational Corporate Income Tax ("MCIT"). It imposes a 15% domestic tax on Jersey entities. The MCIT is a 'covered tax' for Pillar Two purposes and should be taken into account by other jurisdictions when assessing the ETR of the Jersey members of an MNE group.

The rules provide exemptions for certain entities (Excluded Entities), including pension funds, investment funds, real estate investment vehicles that are UPEs, and certain subsidiaries of such entities. In addition, securitisation entities are excluded from the MCIT (and they are not generally expected to be parent entities that would be subject to the IIR).

The following timeline summarises the typical compliance obligations for an in-scope entity with a fiscal year ended 31 December 2025.

Due Date	Obligation
31 December 2025	• Register for MCIT
31 May 2026	• Pay 50% MCIT instalment
31 December 2026	• File MCIT return • Pay remainder of MCIT liability
30 June 2027	• File IIR return • Pay IIR liability • File GloBE information return (or notification of filer)

We have commented on each of these obligations below.

MCIT Registration

A 'reporting entity' is required to register each Jersey constituent entity for the MCIT. The reporting entity is generally the Jersey UPE or the highest Jersey IPE of the MNE group. If there is no Jersey UPE or IPE, the MNE group must appoint a Jersey entity to act as the reporting entity. An excluded entity, investment entity, insurance entity or securitisation entity is not a 'Jersey constituent entity' for MCIT purposes and does not need to be registered.

The registration is due before the end of the fiscal year in which the MCIT first applies to the MNE group. Subsequent changes to the registration must be notified to the Comptroller within six months.

Revenue Jersey's interim guidance confirms that each Jersey constituent entity must obtain a tax information number ("TIN") before being registered.

Filing Returns for the MCIT and the IIR

The MCIT reporting entity is required to file an MCIT return within 12 months of the end of each fiscal year. The return includes an assessment of the MCIT payable and the financial statements of each Jersey constituent entity.

An entity that is subject to the Jersey IIR must file an IIR return within 15 months of the end of each fiscal year. This deadline is extended to 18 months for the first fiscal year in which the IIR applies to the MNE group.

Paying MCIT and IIR Top-up Tax

The MCIT reporting entity is liable to pay MCIT in two instalments. The first instalment is due five months after the end of the fiscal year and is 50% of the reporting entity's reasonable estimate of the MCIT payable for the year. The remainder is payable by the due date for the MCIT return.

An entity that is subject to the Jersey IIR must pay the IIR top-up tax, if any, by the due date for the IIR return.

The GloBE Information Return

The GloBE Information Return is a standardised return published by the OECD. It is intended to facilitate the global administration of Pillar Two. It requires detailed information to be disclosed about the structure of an MNE group (including the name, TIN, jurisdiction and Pillar Two status of each entity) and the calculation of the ETR in each jurisdiction. Simplified disclosures are permitted in respect of excluded entities or where a safe harbour applies.

An entity that is subject to the IIR is required to notify Revenue Jersey and submit a GloBE Information Return within 15 months of the end of a fiscal year (or 18 months of the end of the first fiscal year). If none of the Jersey entities in an MNE group are subject to the IIR, the designated local entity must notify Revenue Jersey of the constituent entity that will file the GloBE information return and the jurisdiction in which that constituent entity is located.

The G7 Agreement

As noted above, G7 has reached an agreement on global minimum taxes. The agreement proposes to recognise the US Global Intangible Low-Tax Income (GILTI) rules as part of a 'side-by-side' system with Pillar Two. Under this system, US-parented groups would be fully excluded from the Under-Taxed Profits Rule ("UTPR") and the IIR in respect of both their domestic and foreign profits. The agreement also recognises the 'success' of the OECD's qualified domestic minimum top-up tax (QDMTT), which inspired Jersey's MCIT.

Unlike the EU, Jersey has not adopted the UTPR, which was the top-up tax seen as the most problematic for US business. Consequently, Jersey has not sought to tax the profits of a Jersey entity's overseas parent or sibling entity under its implementation of Pillar Two. That position does not change under the G7 agreement. Jersey also allows a partial credit for GILTI tax and controlled foreign company (CFC) taxes in its MCIT, which distinguishes it from the QDMTT and is favourable for Jersey entities with a US parent. However, Jersey does tax the profits of non-Jersey entities that are owned directly or indirectly by a Jersey entity, under the IIR.

While details of how the G7 agreement will be implemented remain to be seen, it appears likely that the OECD will introduce a new safe harbour from the IIR (and the UTPR) for MNE groups with a US UPE. Revenue Jersey has confirmed in its interim guidance that Jersey's IIR 'fully aligns' with the OECD safe harbours. Consequently, depending on the solution adopted by the OECD, it is possible that the States Assembly and Revenue Jersey may not need to take any positive action to implement the G7 agreement.

An important practical consideration for US-parented groups is whether the agreement will remove or simplify an entity's obligations to file a GloBE information return. Also, it is unclear whether the agreement will have a retroactive effect given that Pillar Two legislation is already in force in Jersey and many other jurisdictions. We are monitoring developments in this area.

Revenue Jersey Interim Guidance

Following a feedback process, Revenue Jersey has published its interim guidance on the IIR and the MCIT.

The guidance addresses several important technical points for investment funds and SPVs. For example, it clarifies when a Jersey entity will be considered *"subject to a regulatory regime" and "designed to pool assets from a number of investors*" – two of the criteria of the "investment fund" definition. It also provides guidance on when a foreign entity will be viewed as tax transparent under Jersey law.

Revenue Jersey remains open to providing further guidance to taxpayers. If you would like to seek guidance or provide feedback on a particular issue, please get in touch with your Maples Group contact.

Maples Group

The Maples Group has been engaging with the Government of Jersey and Revenue Jersey regarding the implementation of Pillar Two and the GloBE rules. Maples Group's experienced lawyers have additionally provided input on a number of responses to Pillar Two consultations and feedback statements in several other jurisdictions, demonstrating a global perspective on Pillar Two implementation.

The Maples Group in Jersey is actively involved in all areas of investment funds, asset management and financial services sectors, and advises Jersey and international clients on legal and regulatory issues. Our existing knowledge on Pillar Two implementation in Ireland, Luxembourg, and other jurisdictions and diverse client base give us a unique perspective on the impact of Pillar Two in both Jersey and globally.

Regulated by the Jersey Financial Services Commission, the Maples Group's Jersey entity formation and corporate services team also provides full fiduciary and administration services to corporate investment holding companies, limited partnerships and other types of entities.

Further Information

For further information, please liaise with your usual Maples Group contact or any of the persons listed below.

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