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By PwC Deutschland | 09 December 2024

German Pillar 2 Tax Amendment Act published

On 5 December 2024, the Federal Ministry of Finance published a second draft of the German Pillar 2 Tax Amendment Act (hereinafter referred to as “the draft act”) for feedback by 31 January 2025 as part of the consultation process. In addition to the aspects already included in the first draft [Newsflash, March 21, 2023], this second draft includes further amendments – inter alia – by implementing the OECD Administrative Guidance from June 2024.
Furthermore, the draft act foresees that other provisions concerning international taxation are to be repealed. These include inter alia the license barrier rule under Sec. 4j of the German Income Tax Act, a rule foreseeing the non-deduction of so-called special business expenses according to Sec. 4i German Income Tax Act and the CFC taxation rules for participations in investment companies under Sec. 13 of the Foreign Tax Act.

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Keywords

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