

Jamnagar Branch of WIRC of ICAI
Comment on ICAI Exposure Draft
International Tax Reform – Pillar Two Model Rules

Temporary exception to the accounting for deferred taxes (paragraphs 4A and 88A)

It is beneficial to introduce a temporary exception to the requirements in IAS 12 to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Disclosures

The disclosure requirement should have a threshold limit, which will help to exclude small CE from compliance. Other disclosures that are proposed for the Pillar 2 Income taxes are welcomed as it would be in line with the disclosure requirements of other International Financial Reporting Standards.

Effective Date and Transition:

The exception is proposed to be made applicable retrospectively. More clarity need in the case where audit is already finalized and concluded.