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Subject: Comments on International Tax Reform—Pillar Two Model Rules - Amendments to IND AS 12 and AS 22

- 1) I welcome the opportunity provided for sending comments on Exposure Draft of International Tax Reform—Pillar Two Model Rules - Amendments to IND AS 12 and AS 22
- 2) My view considering fact pattern

Details	Comments
<p>Para 4A This Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as 'Pillar Two legislation' and 'Pillar Two income taxes'. As an exception to the requirements in this Standard, an entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.</p>	<p>Disclosure on effect tax reconciliation should be explained</p>
<p>Para 88D To meet the disclosure objective in paragraph 88C, an entity shall disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. This information does not have to reflect all the specific requirements of the Pillar Two legislation and can be provided in the form of an indicative range. To the extent information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the entity's progress in assessing its exposure.</p>	<p>Indicative range should have limitations and cannot have more broad range which will not be meet the requirements of investors or users of financial statements</p> <p>My view, this can be defined with acceptable range or volatility beyond which it can lead to varying interpretation</p>
<p>Para 98M apply paragraphs 4A and 88A immediately upon the issue of these amendments and retrospectively in accordance with Ind AS 8</p>	<p>Para 88C vs Para 98M is contradicting</p> <p>88C also should discuss about retrospective effect of cumulative tax.</p>
<p>As an exception to the requirements in this Standard, an entity shall [IND AS 12] / should [AS-22] neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.</p>	<p>AS 22 uses the word Should and IND AS 12 uses the word shall, this should be aligned</p>

Para 88B An entity shall disclose separately its current tax expense (income) related to Pillar Two income taxes.	Corresponding disclosure required in notes to balance sheet in Schedule III financial statements
Para 88B An entity shall disclose separately its current tax expense (income) related to Pillar Two income taxes.	In case of consolidation if subsidiaries or associate or joint ventures outside India have disclosure separately will this require separate disclosure while doing consolidation

I concur that views stated above are my individual opinion and not of any organization where I am working or not of any committee or organization I am connected with.

Regards

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