

Ind AS 12 – comments

Comment 1

Ind AS 12 – para 4A

The following may be added in the beginning of para 4A

The instant amendments seeks to respond to stakeholders concern about the potential implications of the imminent implementation of the OECD pillar two model rules (Inclusive Framework on Base Erosion and Profit Shifting) on the accounting for income taxes . The OECD released Technical Guidance on its 15 % Global Minimum Tax (GMT) agreed as the ‘second pillar’ of a project, to address tax challenges which have surfaced due to global digitization .

The para 4A may also briefly explain ‘Top-up tax’ as follows :

Top-up tax bears significant difference from income taxes that arise under ‘traditional’ tax regimes. Traditional income taxes are generally based on a company’s taxable profit. However, top-up tax will arise only if a group pays insufficient income tax at a jurisdictional level. This has emerged due to proposed implementation and introduction of Global Anti-Base Erosion Rules (GloBE model)

Comment 2

Para 88A

The word “ mandatory” may be inserted before the word “exception”

Para 88 A –D & 98 M

The content in ED Para 88 A –D and 98M is in order and aligned with IASB guidance , hence there are no specific comments