Treasury and Exchequer

Revenue Jersey Pillar Two Administrative Guidance on:

- Multinational Corporate Income Tax (MCIT)
- Multinational Taxation (Global Anti-Base Erosion – IIR Tax) – *detailed guidance will be included in a subsequent version*
- Globe Information Return (GIR) – *detailed guidance will be included in a subsequent version*

This document should be read in conjunction with the Multinational Corporate Income Tax (Jersey) Law 2025, the Income Tax (Jersey) Law 1961 and the OECD's Model Rules

Please note: This document is strictly intended as a guide and therefore does not constitute professional or legal advice. This guide is not comprehensive, is updated periodically as and when required.

November 2025 **V1.0**

Government of Jersey

Preface

This guidance covers the administrative requirements of complying with Jersey's Pillar Two legislation. For specific guidance on Jersey's Pillar Two technical subject matters, please refer to the Pillar Two Technical Guidance.

It offers practical explanations of the administrative requirements and steps that an MNE group who is in-scope for Pillar Two taxes in Jersey will follow to comply with Jersey's Pillar Two legislation. This includes guidance on:

a. registration and registration amendments,
b. nominating a reporting entity,
c. making payments (to be included in later versions of this guidance)
d. submitting MCIT, IIR and GloBE returns (to be included in later versions of this guidance).

While primarily intended for use by multinational enterprise (MNE) groups and their advisors; the international tax community in Jersey as well as other tax administrations may find it useful. It should, however, be used in conjunction with the following guidance published by the OECD on the 15 January 2025:

- Tax Challenges Arising from the Digitalisation of the Economy – GloBE Information Return (January 2025) | OECD
- GloBE Information Return (Pillar Two) XML Schema | OECD
- Multilateral Competent Authority Agreement on the Exchange of GloBE Information (January 2025)

Contents

1. Pillar Two in Jersey

1.1 Background to Pillar Two in Jersey

The OECD's Pillar Two is part of a global initiative to ensure that large multinational enterprises (MNEs) pay a minimum level of tax on their profits, regardless of where they operate. This initiative is a key component of the OECD/G20 Base Erosion and Profit Shifting (BEPS) project, which aims to address tax challenges arising from the digitalisation of the economy.

Jersey implemented Pillar Two by adopting the Multinational Corporate Income Tax (Jersey) Law 2025 and the Multinational Taxation (Global Anti-Base Erosion – IIR Tax) (Jersey) Law 2025. The obligations on certain taxpayers under these laws, can broadly be housed into three key components:

- Multinational corporate income tax (MCIT)
- Income inclusion rule tax (IIR)
- GloBE information return (GIR)

Jersey's Pillar Two legislation is based on the OECD GloBE Model Rules and Commentary and thus there are certain areas of global application where Jersey will take note of the consensus position of the OECD as it evolves.

1.2 Purpose of this Administrative Guidance

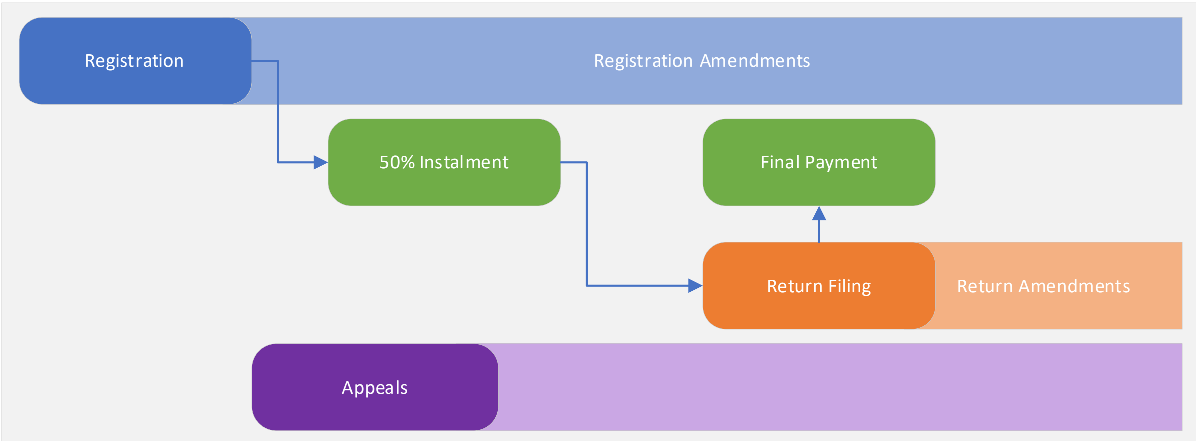
Revenue Jersey recognises that in-scope Pillar Two taxpayers and advisers would benefit from as much clarity as possible on aspects of the administrative requirements arising from the new legislation requiring in-scope taxpayers to register, file and pay the relevant taxes in relation to Pillar Two. The relevant legislative requirements are Jersey's Multinational Corporate Income Tax (MCIT) laws and Income Inclusion Rule (IIR).

This administrative guidance seeks to clarify:

a. The criteria that determines if a Multinational group is in scope for Pillar Two taxes; and
b. The process that in-scope MNE groups will follow to comply with the above legislation. This includes guidance on:
   - registration and registration amendments,
   - nominating a reporting entity,
   - making payments
   - submitting MCIT, IIR and GloBE returns (to be included in later versions of this guidance).

2. Compliance cycle and timeline

2.1 Overview of the Compliance Process



3. Determine if a Multinational group meets the criteria that brings them in scope for Pillar Two taxes

3.1 GloBE rules

The OECD's GloBE rules set the criteria for a group to be in-scope for Pillar Two as follows:

- Only applies to groups that operate internationally and consolidated revenues that meet the revenue threshold of €750 million.
- The revenue threshold must be met in the Consolidated Financial Statements of the Ultimate Parent Entity (UPE) in at least two of the four Fiscal Years immediately preceding the tested Fiscal Year.

4. Registrations

4.1 Introduction

In scope multinational enterprise (MNE) groups that have constituent entities located in Jersey must register for multinational corporate income tax (MCIT). Groups must register with Revenue Jersey before the end of the first accounting period beginning on or after 1 January 2025 which makes them subject to the rules.

4.2 Registration Due Date

If the group meets the eligibility criteria, registration for MCIT must take place before the end of the group's first accounting period as illustrated in the examples below:

Example 1:

An in-scope group with an accounting period from 1 January to 31 December 2025 must register on or before ***31st December 2025***.

Example 2:

An in-scope group with an accounting period from 1 April 2025 to 31 March 2026 must register on or before **31st March 2026.**

4.3 Who needs to register

Any in scope multinational enterprise group must register in Jersey if they:

- Have at least one constituent entity (see 4.4 below) located in Jersey and
- It is the reporting entity for the group who registers.

Please note that a tax agent authorised by the reporting entity to act on its behalf for the group's MCIT registration, may register the group for MCIT provided the letter of authority is submitted on registration. The tax agent will not be able to complete the registration without uploading a valid letter of authority from the reporting entity.

4.3.1 Who is the reporting entity

The reporting entity is the ultimate parent entity (UPE) if located in Jersey.
If the ultimate parent entity (UPE) is not located in Jersey, then the reporting entity will be a Jersey entity that is an intermediate parent of the group, provided it is the only such entity.

If neither of these conditions are met, the group must nominate a Jersey entity within the group to act as the reporting entity. This requires the approval of the Comptroller who will, once approved, designate that entity to act as the reporting entity. Where the Comptroller has substantive concerns, we will engage with the group to find a mutually acceptable position.

4.4 What is a Jersey constituent entity

A Jersey constituent entity of an in-scope MNE group is an entity in that group that:

a) is located in jersey; and
b) is not –

(i) an investment entity,
(ii) an insurance investment entity, or
(iii) a securitisation entity.

4.5 Nominating the reporting entity

If the group needs to nominate a reporting entity, the nominated entity (or its MCIT tax agent) completes the MCIT registration form as the reporting entity and, on the form, selects the type of reporting entity as 'Jersey entity being nominated as the reporting entity.' This serves as the formal notification to Revenue Jersey of this nomination.

Revenue Jersey will review the submission and confirm whether the proposed entity is eligible to act as the reporting entity.

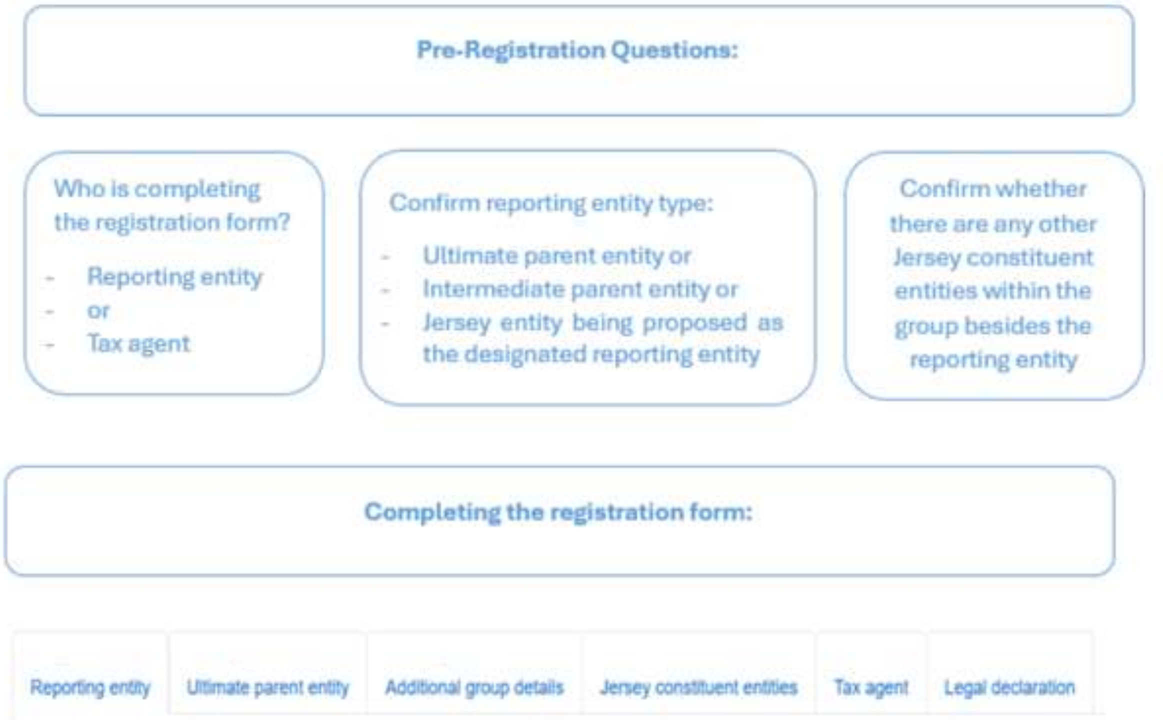
4.6 What you need to be able to register

To register, the reporting entity will need to provide Revenue Jersey with:

- The name, registered address and tax identification number (TIN) for the reporting entity. If the reporting entity does not have a Jersey tax identification number (TIN), find out how to register for a TIN.
- The name and registered address of the ultimate parent entity, if not the reporting entity
- For each Jersey constituent entity:
  - Registered name
  - Tax identification number (TIN)
  - Date entity joined or left (if applicable) the group
- The end date of the group's accounting period
- Group contact email address
- If you have a Tax Agent, tax agent's name, contact postal address and email address
  - A letter of authority allowing the tax agent to contact Revenue Jersey directly to discuss and manage the group's affairs.

4.7 How to register for Multinational Corporate Income Tax (MCIT) in Jersey

For an in-scope MNE group with constituent entities in Jersey, who have a reporting entity in Jersey or have nominated a reporting entity and has prepared all the information required for the online registration, the following is a high-level process flow of the form followed by the detailed steps to be followed for completing the online registration.



Step 1: Click on the web link to the form

The reporting entity or its authorised tax agent for MCIT accesses the registration form using the following link:

MCIT registration information

Alternatively, the MCIT registration link can be found on Jersey Government's Pillar Two webpage

The url is:
https://www.gov.je/TaxesMoney/IncomeTax/Companies/Guidelines/Pages/OECDPillars.aspx

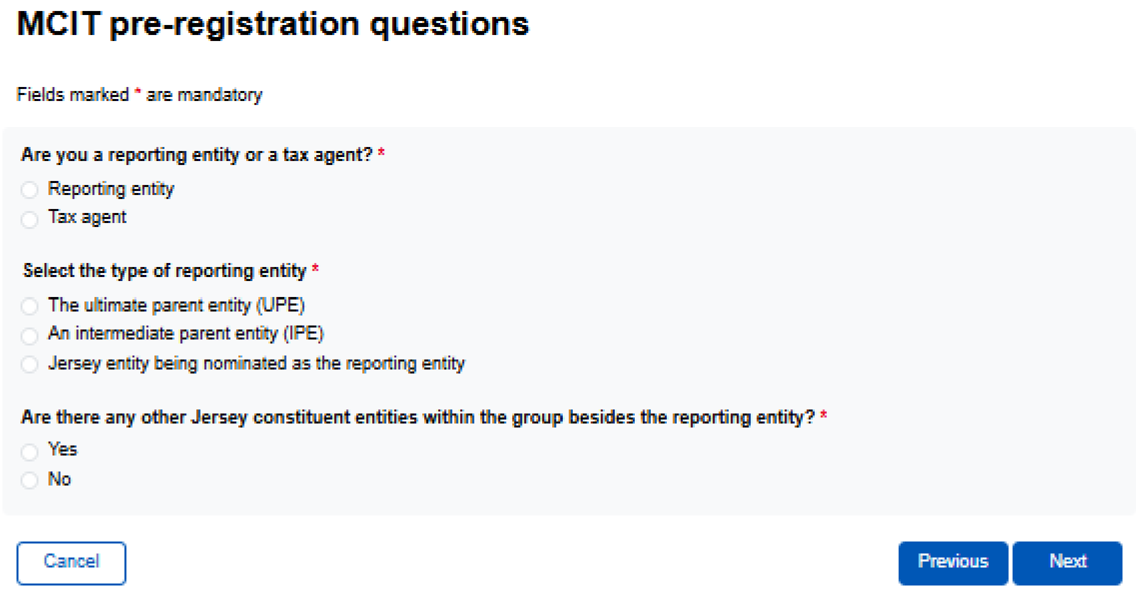
Step 2: Complete 3 mandatory MCIT pre-registration questions:

Question 1: Confirm whether you are a reporting entity or a tax agent.

Question 2: Confirm whether the reporting entity is:

- The ultimate parent entity (UPE)
- An intermediate parent entity (IPE)
- Jersey entity being proposed as the designated reporting entity

Question 3: Confirm whether there are any other Jersey constituent entities within the group besides the reporting entity.



Step 3: Complete Section 1: Reporting entity information

Select the type of reporting entity from the below list (this is a mandatory field)

- The ultimate parent entity (UPE)
- An intermediate parent entity (IPE)
- Jersey entity being proposed as the designated reporting entity
- Unselected

Provide the reporting entity's TIN, registered name, registered address and phone number.

MCIT registration form for reporting entities

Fields marked * are mandatory

Reporting entity details

TIN *

Registered name *

PO Box

Registered address line 1 *

Address line 2

Address line 3

Postcode *

Country *

Phone

Step 4: Complete Section 2: Ultimate parent entity information

If the reporting entity is not the ultimate parent entity, then provide the ultimate parent entity's registered name and registered address.

Ultimate parent entity

Registered name *

PO Box

Registered address line 1 *

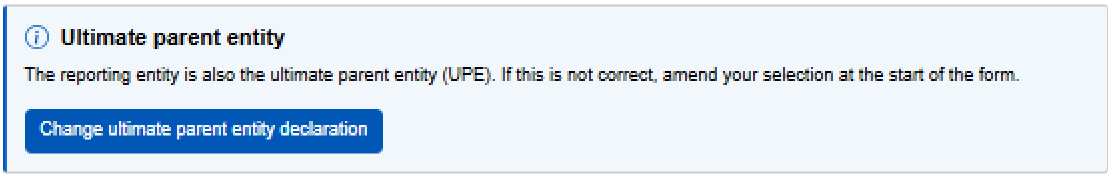
Address line 2

Address line 3

Postcode *

Country *

If the reporting entity also the ultimate parent entity, then the reporting entity information is sufficient for this section. However, if the incorrect selection was made on the pre-registration section, a further opportunity to correct this information will be provided as follows:


Ultimate parent entity

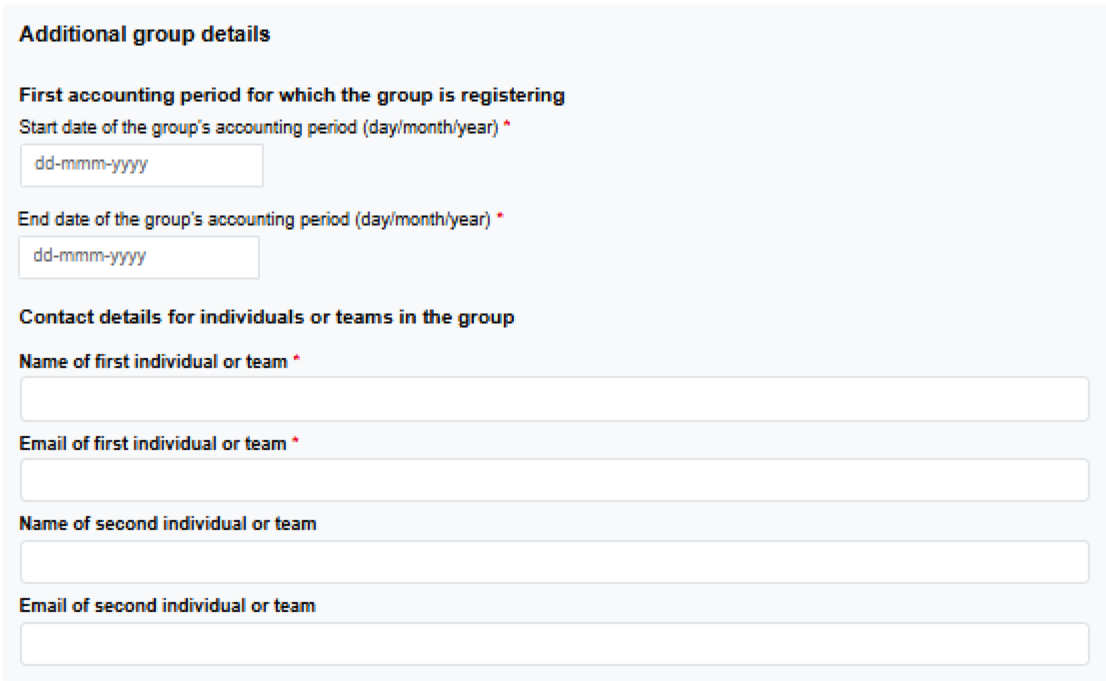
The reporting entity is also the ultimate parent entity (UPE). If this is not correct, amend your selection at the start of the form.

Change ultimate parent entity declaration

Step 5: Complete Section 3: Additional group details

Complete the first accounting period for which the group is registering by providing the start and end dates of the group's accounting period.

Provide email contact details for at least one person or team in the group.


Additional group details

First accounting period for which the group is registering

Start date of the group's accounting period (day/month/year) *

dd-mmm-yyyy

End date of the group's accounting period (day/month/year) *

dd-mmm-yyyy

Contact details for individuals or teams in the group

Name of first individual or team *

Email of first individual or team *

Name of second individual or team

Email of second individual or team

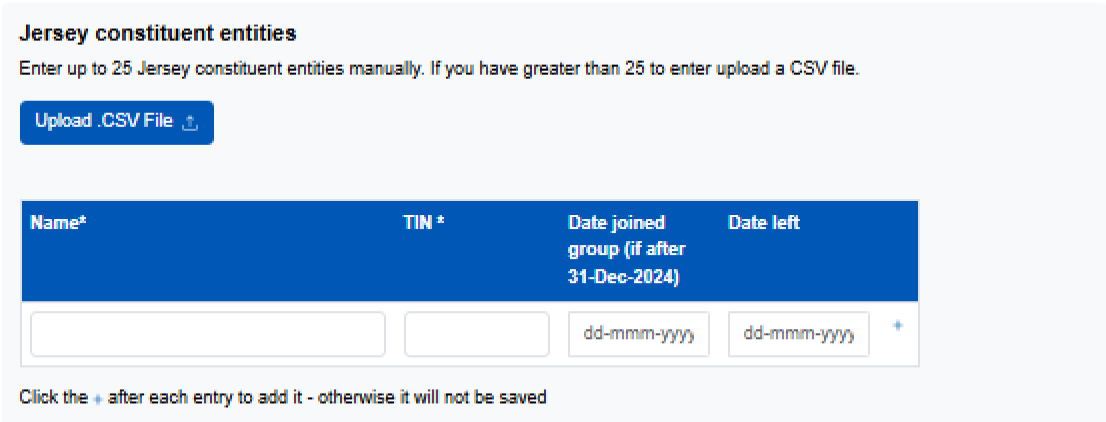
Step 6: Complete Section 4: Jersey constituent entity information

Submit the required constituent entity information either in the table format provided in the form or by uploading a csv file with the required information.

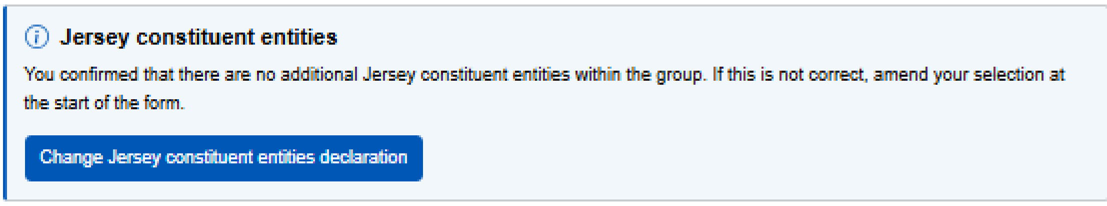
- You may manually enter up to 25 constituent entities on the MCIT registration form.
- Groups that have more than 25 constituent entities may submit the data in a csv file, which can be uploaded on the web form. An example of a file showing the required format can also be downloaded from the webform.
    - The maximum entries allowed in the csv file are up to 999 constituent entities with a total maximum file size of 6MB.

The information to be provided is as follows:

- Name of all the Jersey constituent entities in the group
- TIN for each constituent entity
- Date the constituent entity joined the group (if after 31 December 2024).
    - If a constituent entity joined the group after 31 December 2024, provide the date the constituent entity joined the group.
- Date the constituent entity left the group.
    - If a constituent entity left the group in 2025, provide the date the constituent entity left the group.

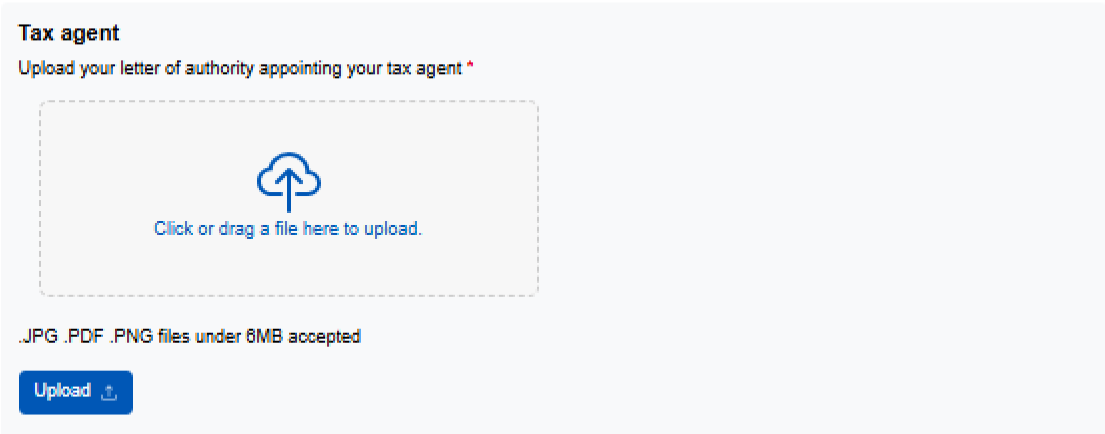


If the reporting entity made an incorrect selection in the pre-registration section, stating that there are no Jersey constituent entities in the group, a further opportunity to correct this information will be provided as follows:



Step 7: Complete Section 5: Tax agent information

If the group has appointed a tax agent to deal with their MCIT compliance matters, a letter of authority appointing the tax agent must be uploaded to the registration form in this section.



Tax agent

Upload your letter of authority appointing your tax agent *

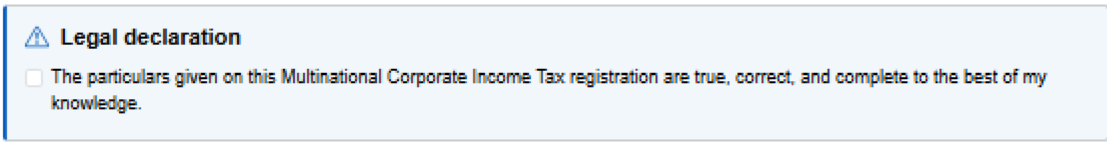
Click or drag a file here to upload.

.JPG .PDF .PNG files under 6MB accepted

Upload

Step 8: Complete Section 6: Legal declaration

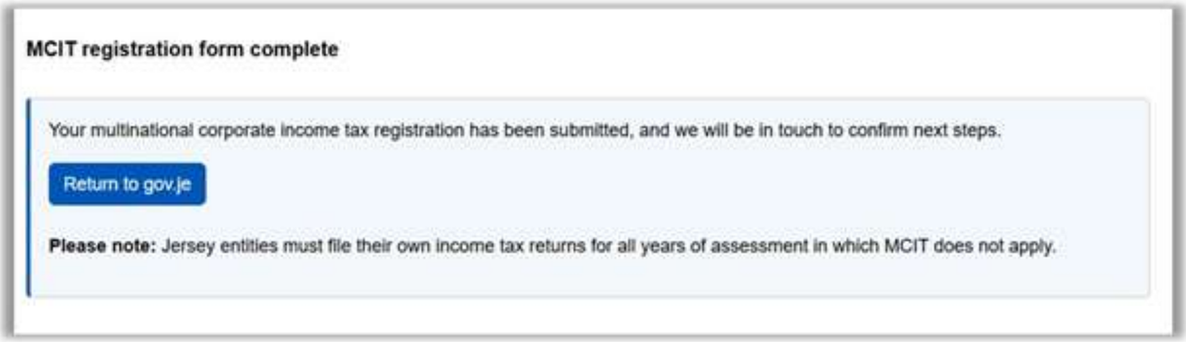
This is a mandatory section declaring that the information provided is true, correct and complete, as follows:



Legal declaration

The particulars given on this Multinational Corporate Income Tax registration are true, correct, and complete to the best of my knowledge.

Upon submission of the form, the following confirmation message will be displayed on the screen:



MCIT registration form complete

Your multinational corporate income tax registration has been submitted, and we will be in touch to confirm next steps.

Return to gov.je

Please note: Jersey entities must file their own income tax returns for all years of assessment in which MCIT does not apply.

4.8 What to expect after the registration form has been submitted

Once the form has been submitted, it will be reviewed by Revenue Jersey and one or a combination of the following emails will be issued in due course:

- If the registration is approved, a confirmation email will be issued.
- If some documents and/or information has not been provided when submitting the form, a request for the specific document and/or information will be issued.

Where the group nominated a reporting entity, one of the following emails will be issued in due course:

- Approval of the reporting entity nomination, thus becoming the designated reporting entity for the group or
- Request for additional information to support the nomination of the reporting entity.

4.9 Amendments to registrations

Any changes to the registration details must be updated within six months of the change.

These updates to the MCIT registration details should be made by emailing the required amendments to the Pillar 2 mailbox at Pillar2@gov.je

Once the amendments are effected, a confirmation of the updated registration information will be sent to the reporting entity.

4.10 Registration penalties

If you don't register for the Multinational Corporate Income Tax (MCIT) on time, or if you forget to update your registration details within six months of a change, you'll face a penalty of £3,000.

4.11 Applying for a waiver of the registration penalty

The entity may apply to the Comptroller in writing for a waiver of the registration penalty. This application must be made no later than 40 days from the date of the penalty notice.

The Comptroller may waive an entity's liability to a penalty if satisfied that exceptional circumstances prevented the reporting entity from complying with either or both the registration or amendment to registration at the required time.

Upon consideration of the waiver application, the Comptroller will notify the entity of whether any liability has been waived.

4.12 Appealing the registration penalty

An entity may appeal to the Commissioners against the registration penalty notice or against a decision to refuse an application for a waiver of a penalty.

This appeal must be made to the Comptroller no later than 40 days from the date of the penalty notice or the decision refusing a waiver application.

The penalty notice is of no effect pending the final determination or withdrawal of the appeal.

4.13 Paying the registration penalty

An entity on which a penalty notice is served must pay the amount of the penalty no later than 40 days from the date of the penalty notice.

5. MCIT *de minimis* exemption election

Where an MNE group meets the conditions at 4.3 above, but it satisfies any of the de minimis exemptions in Article 5 of the MCIT Law, will still be required to register in Jersey, even if it elects to apply an exemption. Please refer to the Technical Guidance for further guidance on the de minimis exemptions.

The election is an annual election and it must be made by giving written notice to the Comptroller in the MCIT return.

6. Glossary of terms

A "**Constituent Entity**" is:
(a) any Entity that is included in a Group; and
(b) any Permanent Establishment of a Main Entity that is within paragraph (a).

"Designated reporting entity" means the constituent entity, other than the ultimate parent entity, that has been appointed by the MNE Group to register and file the MCIT Return on behalf of the MNE Group.

"Entity" means:
(a) any legal person (other than a natural person); or
(b) an arrangement that prepares separate financial accounts, such as a partnership or trust.

"Ultimate parent entity" means either:
(a) an Entity that:

i. owns directly or indirectly a Controlling Interest in any other Entity; and
ii. is not owned, with a Controlling Interest, directly or indirectly by another Entity; or

(b) the Main Entity of a Group that is within Article 1.2.3. of the OECD Model Rules

"MNE group" is any Group that includes at least one Entity or Permanent Establishment that is not located in the jurisdiction of the Ultimate Parent Entity.

"Commissioners" means a Commission of Appeal constituted under Article 5 of the Revenue Administration (Jersey) Law 2019.