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# IASB amends tax accounting requirements to help companies respond to international tax reform

The International Accounting Standards Board (IASB) has today issued amendments to IAS 12 *Income Taxes*. The amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform.

The OECD published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. More than 135 countries and jurisdictions representing more than 90% of global GDP have agreed to the Pillar Two model rules.

The IASB has taken urgent action to respond to stakeholders' concerns about the uncertainty over the accounting for deferred taxes arising from the implementation of the rules.

The amendments will introduce:

- **a temporary exception**—to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules. This will help to ensure consistency in the financial statements while easing into the implementation of the rules; and
- **targeted disclosure requirements**—to help investors better understand a company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

Companies can benefit from the temporary exception immediately but are required to provide the disclosures to investors for annual reporting periods beginning on or after 1 January 2023.

Andreas Barckow, Chair of the IASB, said:

*These amendments respond to stakeholder feedback and will ensure that companies are supported during the implementation of the OECD's rules, while enhancing the financial information provided to investors about how these companies are affected by the international tax reform.*

*We are monitoring developments as jurisdictions implement the Pillar Two model rules. A future maintenance project has been added to the pipeline in which we will revisit the temporary exception and related disclosures.*

Further details about the maintenance project that has been added to the pipeline [can be found here](#).

The IASB has [a separate project considering possible amendments to the IFRS for SMEs Accounting Standard](#) related to the OECD tax reform.

IFRS Digital Subscribers and IFRS Digital and Print subscribers can download the document from the [IFRS Accounting Standards Navigator](#) and the [International Tax Reform—Pillar Two Model Rules project page](#). IFRS Digital and Print subscribers will be sent a printed copy of the document, and printed copies will also be available to order from the [Web Shop](#). The amendment will be consolidated into IAS 12 in March 2024, at which point it will be available for users with [a free website registration](#).