



# Tax Alert

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In an exclusive reveal and analysis, KPMG in Singapore's Ajay Kumar Sanganerla, Dean Rolfe and Harvey Koenig shared with The Business Times that some of the larger countries are suggesting that proposed new global tax rules need to be agreed as a package deal that includes all key details including sector exclusions. There have also been discussions on whether pre-existing tax incentives should be retained for a transitional period beyond the introduction of these global rules. Overnight, these proposed rules were agreed by 130 members of the OECD's Inclusive Framework.

In Singapore, it is likely that MNCs will weigh the impact of a global minimum tax against the efficiency and convenience of operating here. It is possible that top-up taxes MNCs need to pay in their home jurisdictions will unwind any incentives they receive here. Shareholder returns could also be impacted if taxes squeeze company profits and dividend payouts.

However, there are two Pillars in the global tax discussions. While Pillar One might have a negative impact on tax revenue for Singapore, Pillar Two may present broader opportunities for the country to refine its tax rules to offset losses.

Read more in their opinion editorial published in the Business Times on 1 July 2021 [here](#).



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