



ATOZ ALERT

Pillar Two and DAC9: Luxembourg adopts law easing filing obligations and clarifies treatment of deferred taxes

19 December 2025

On 17 December 2025, the Luxembourg Parliament enacted [the law on the exchange of information with respect to “top-up tax information return”](#) (the “**DAC9 Law**”), which transposes [Directive \(EU\) 2025/872](#) also called DAC9. The DAC9 Law amends the law of 22 December 2023 (the “**Pillar Two Law**”) implementing [Directive \(EU\) 2022/2523](#) on ensuring a global minimum level of taxation for multinational enterprise (“**MNE**”) groups and large-scale domestic groups (“**LSDGs**”) in the European Union (known as the “**Pillar Two Directive**”).

The newly adopted DAC9 Law aims to **facilitate compliance with the filing obligations** of companies under the Pillar Two Directive and to align Luxembourg rules with recent OECD Administrative Guidance.

The obligation to prepare a “top-up tax information return” (also named “**GloBE Information Return**” or “**GIR**”) is distinct from the requirement to declare and pay Luxembourg top-up taxes under a Luxembourg tax return. The DAC9 Law does not prevent Luxembourg constituent entities to file such Income Inclusion Rule (“**IIR**”), Undertaxed Profits Rule (“**UTPR**”) or Qualified Domestic Top-up Tax (“**QDMTT**”) returns in Luxembourg, as required under the Pillar Two Law.

In this alert, we describe the main provisions of the DAC9 Law and their implications for Luxembourg constitutive entities of MNE groups in the scope of Pillar Two.

Key measures introduced by the DAC9 Law on the exchange of information with respect to “top-up tax information return”

- **Standardised GloBE Information Return (GIR)**

The GloBE Information Return, key reporting requirement under the OECD/G20 Pillar Two framework, mandates MNE groups and LSDGs to disclose data necessary to calculate effective tax rates and top-up tax liabilities.

While the Pillar Two Law establish the obligation for Luxembourg constitutive entities to file a GIR, the DAC9 Law complements it by specifying the content and reporting requirements of the GIR aligned with OECD standards. In accordance with the DAC9 Law, reporting entities must indicate the relevant information and jurisdictions with

which the information must be automatically exchanged, in accordance with the dissemination approach described hereafter.

For that purpose, the DAC9 Law mandates the use of a standardised GIR template, as outlined in Annex VII of DAC9 and mirrored in a [draft Grand-Ducal Regulation](#)¹.

- **Centralised vs. Local GIR filing clarified**

Luxembourg constituent entities must file a local GIR unless a compliant GIR is filed by the Ultimate Parent Entity (“UPE”) or designated filing entity in another jurisdiction with which Luxembourg has a qualifying competent authority agreement². In that case, the entity is exempt from local filing (centralised filing) but must notify the *Administration des Contributions Directes* (“ACD”) of the filing entity and its jurisdiction.

If the automatic exchange of the GIR from the foreign jurisdiction does not occur as expected, the Luxembourg entity will have to file a local GIR within one month of ACD notification.

It is important to note that as the obligation to prepare a GIR is separate from the obligation to declare and pay Luxembourg top-up taxes under a domestic tax return, the DAC9 Law does not exempt Luxembourg constituent entities from filing returns for IIR, UTPR, or the QDMTT in Luxembourg. In other words, being exempt from local GIR filings under article 50 of the Pillar Two Law does not relieve entities from filing domestic top-up tax returns under article 51 of the law.

- **Transitional Simplified Jurisdictional Reporting (For fiscal years starting before 1 January 2029 and ending before 1 July 2030)**

Luxembourg constituent entities may opt for aggregated, simplified jurisdictional reporting for non-Luxembourg jurisdictions where no top-up tax is calculated or no entity-level allocation is required, subject to reciprocity.

- **Automatic exchange of information framework**

The DAC9 Law sets out a framework for the automatic exchange of information contained in the GIR through the ACD. These exchanges follow a dissemination approach based on jurisdictions’ taxing rights (IIR, UTPR, QDMTT) and are restricted to jurisdictions that have a qualifying competent authority agreement, the list of which will be published by grand-ducal regulation.

For that purpose, jurisdictions are categorised based on their implementation of Pillar Two rules:

- Implementing jurisdictions receive the full general section of the GIR, including a consolidated summary, if they host the UPE or a constituent entity.
- QDMTT-only jurisdictions receive a general section of the GIR excluding the summary, subject to specific conditions.
- Jurisdictions with taxing rights receive jurisdiction-specific sections of the GIR relevant to their taxing authority.

The jurisdiction of the UPE always receives all jurisdictional sections of the GIR.

In practice, information is exchanged, at the latest, around 18 months after the end of the relevant fiscal year. However, as a transitional rule, the first exchanges, relating to tax years starting on or after 31 December 2023, will occur on 31 December 2026.

¹ Not yet enacted at the time this article was written.

² DAC9 qualifies as such an agreement for intra-EU exchanges, and exchanges with non-EU jurisdictions are covered under the Multilateral Competent Authority Agreement. The current list of signatories is available here: [Signatories of the Multilateral Competent Authority Agreement on the Exchange of GloBE Information \(GIR MCAA\)](#)

- **Rectification procedures and penalties**

The DAC9 Law provides mechanisms for the correction of (manifest) errors in the GIR and introduces a tiered penalty regime for non-compliance with filing and notification requirements, including sanctions for misuse of the local filing exemption (up to EUR 300,000).

Clarification on the transitional treatment of deferred taxes

The DAC9 Law incorporates the OECD January 2025 Administrative Guidance restricting the recognition of deferred tax assets and liabilities linked to post-2021 agreements, elections, or new corporate tax regimes, while allowing partial recognition under specific limits and deadlines.

Next steps

All EU Member States are required to transpose DAC9 into their domestic laws by 31 December 2025.

In principle, the GIR must be filed with the ACD no later than fifteen months after the last day of the reportable fiscal year. Notwithstanding this principle, during the transitional period, the deadline for submitting the returns has been extended and the first Luxembourg GIR will be due by 30 June 2026.

During the period covering fiscal years beginning before 1 January 2029 and ending before 1 July 2030, the reporting Luxembourg constituent entity may also elect, for a given fiscal year, to file a GIR on a simplified jurisdictional basis.

For further details on the main provisions of the DAC9 Law, please refer to our latest [ATOZ Insights](#).

Do you have any questions?



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