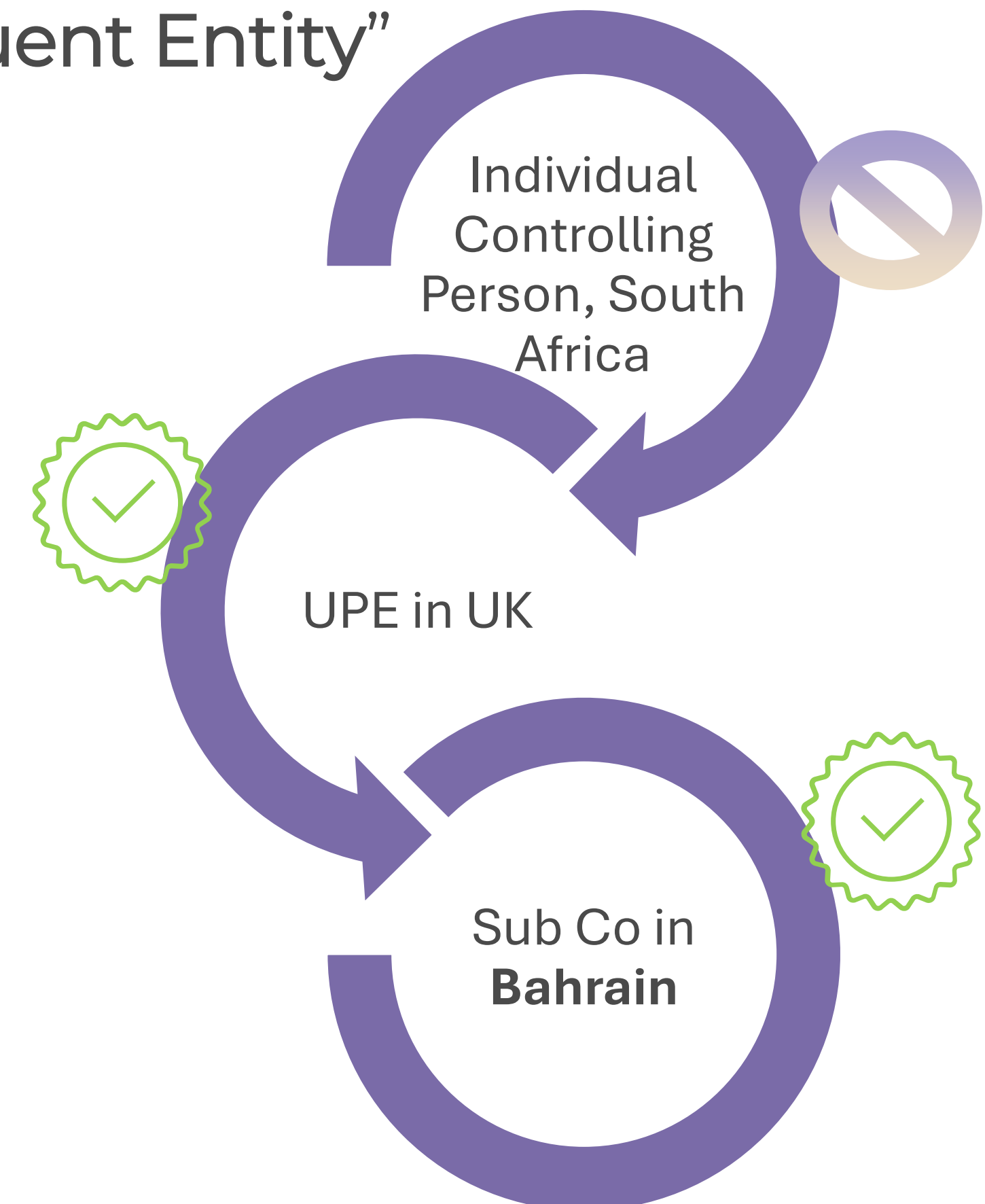
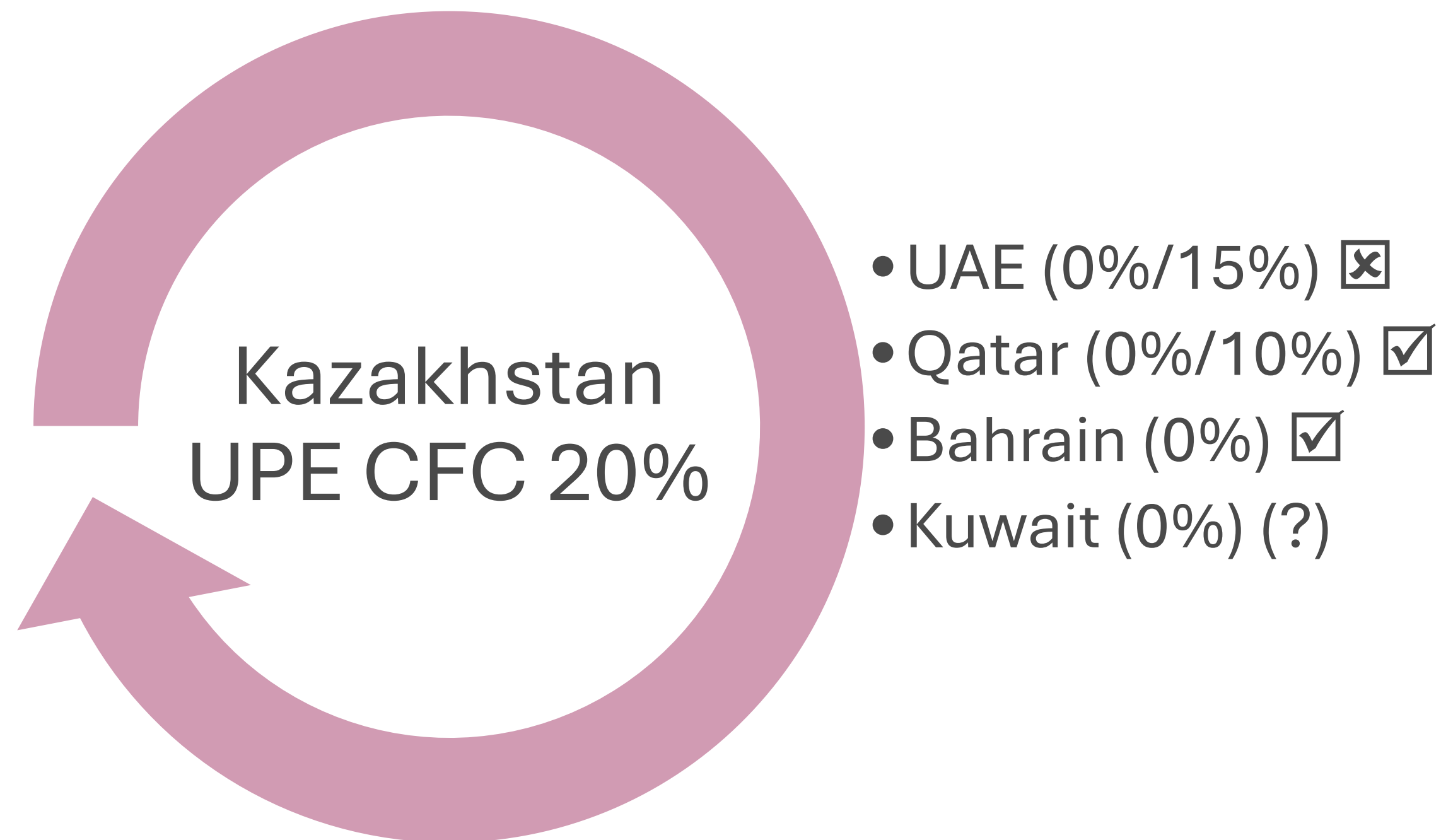


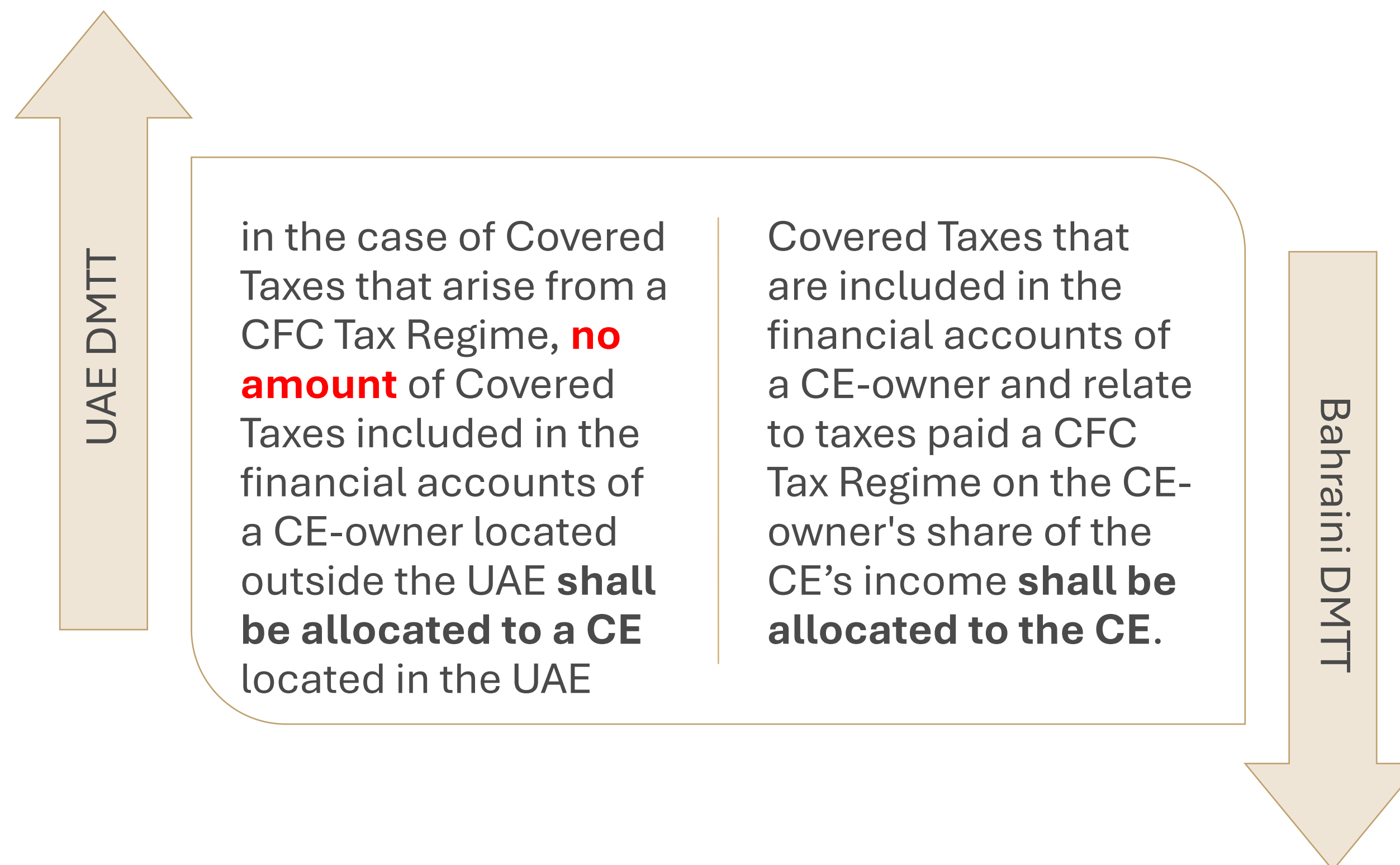
CFC: allocation as covered taxes

“... in the case of a Constituent Entity whose **Constituent Entity-owners** are subject to a Controlled Foreign Company Tax Regime, the amount of any Covered Taxes included in the financial accounts of its **direct or indirect Constituent Entity-owners** under a Controlled Foreign Company Tax Regime on their share of the Controlled Foreign Company’s income are allocated to the Constituent Entity”



Differences in DMTT Rules on CFC allocation

GloBe Model Rules“... in the case of a Constituent Entity whose **Constituent Entity-owners** are subject to a Controlled Foreign Company Tax Regime, the amount of any Covered Taxes included in the financial accounts of its **direct or indirect Constituent Entity-owners under a Controlled Foreign Company Tax Regime** on their share of the Controlled Foreign Company’s income **are allocated to the Constituent Entity”**



Qatar

“The Income Inclusion Rule and the Local Supplemental Minimum Tax referred to in the two preceding articles shall be interpreted and applied in accordance with the Global Model Rules ... and the agreed administrative comments and guidance, including the arrangement of rules and any tax havens. Any amendments to the comments, including those contained in the agreed administrative guidelines, to interpret the global model rules for combating base erosion, **shall apply unless a decision is issued by the Cabinet to exclude the application of any of those amendments**”

Kuwait

Detailed mechanics (how to compute ETR, how to apply rules, etc.) will be set in the Executive Regulations

Article 4.3.4: Covered Taxes allocated to CE pursuant to Article 4.3.2(c) ... in respect of Passive Income are included in such CE's Adjusted Covered Taxes in an amount equal to the **lesser** of: (a) the Covered Taxes allocated **in respect of such Passive Income**; or (b) the **Top-up Tax Percentage for the CE's jurisdiction**, determined without regard to the Covered Taxes incurred with respect to such Passive Income by the CE-owner, multiplied by the amount of the CE's Passive Income includible under any Controlled Foreign Company Tax Regime or fiscal transparency rule. ”

CFC push-down limit – Kazakhstan (20% CFC) vs Qatar (0% / 10%)

Qatar CT 0% scenario

Qatar 0% → Top-up % = 15%.

Max push-down to Qatar: $(15\% - 0\%) \times \text{Passive Income}$

Residual 5% $(20\% - 15\%)$ stays in Kazakhstan (CFC shareholder)

Qatar CT 10% scenario

Qatar 10% → Top-up % = 5%.

Max push-down to UAE: $(15\% - 10\%) \times \text{Passive Income}$

Residual 15% $(20\% - 5\%)$ stays in Kazakhstan (CFC shareholder)