

## *Portugal Tax Briefing | Financial Accounts & Pilar II: New Specific Disclosures*

*Ministerial Order no. 41/2025/1, 17<sup>th</sup> February*

LEGAL UPDATE | 20 February 2025



### **Pilar Two**

Law no. Law 41/2024, 08/11, transposed Council Directive (EU) 2022/2523 of 15/02/2022 on the worldwide minimum level of taxation for multinational enterprise groups and large domestic groups in the European Union (“Pillar II”).

As a result, Commission Regulation (EU) 2023/2468 amended *International Accounting Standard 12 - Income Taxes*, introducing a temporary exception to tax accounting and new specific disclosures for entities covered by Pillar II. This change in Portugal was reflected in *Accounting and Financial Reporting Standard 25 - Income Taxes*, via Notice no. 3055/2025/2, of 27/02.

Therefore, to accommodate these changes resulting from Pillar II, Ministerial Order no. 41/2025/1, of 17/02, now amends Point 27 (income tax item) of Annex 6 (compilation of disclosures for the preparation of financial documents) of Ministerial Order no. 220/2015, of 24/07, which includes the financial statement models.

### **Entities covered**

Entities located in Portugal that are part of a multinational group of companies or a large national group that has annual income equal to or greater than 750,000,000 EUR in the consolidated financial statements of its ultimate parent entity in at least two of the four immediately preceding tax years are covered.



# MdME

## New specific disclosures

### Entities are now required to disclose separately in relation to Pillar II income taxes:

- 1) Related current tax expense (income);
- 2) Application of the exception to the recognition and disclosure of deferred tax assets/liabilities;
- 3) In periods in which Pillar II legislation is enacted or substantially adopted, but not yet effective, *information, qualitative and quantitative*, that is known or reasonably estimable to assist users of financial statements in understanding the entity's exposure to Pillar II income taxes, including, for example:
  - a) **Qualitative information**, such as information about how an entity is affected by Pillar II legislation and the principal jurisdictions in which exposures to Pillar II income taxes may exist; and
  - b) **Quantitative information**, such as:
    - i) An indication of the proportion of an entity's profits that may be subject to Pillar II income taxes and the average effective tax rate applicable to those profits; or
    - ii) An indication of how the entity's average effective tax rate would have changed if Pillar II legislation had been in force.

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