

GUIDANCE NOTE

Reference	OGC No. 4 /2026
Title	Qualified Domestic Minimum Top-up Tax (“QDMTT”) Safe Harbour
Subtitle	Application of the QDMTT Safe Harbour
Purpose	This Guidance Note provides general guidance on the application of the Qualified Domestic Minimum Top-up Tax (“QDMTT”) Safe Harbour in respect of the <i>Corporation Top-Up Tax Act, 2024-16</i> , in alignment with the OECD/G20 Inclusive Framework Global Anti-Base Erosion (“GloBE”) Rules.

Qualified Domestic Minimum Top-up Tax Minimum (“QDMTT”) Safe Harbour

A Qualified Domestic Minimum Top-up Tax (“QDMTT”) is taken into account in determining any top-up tax liability arising under the OECD/G20 Inclusive Framework Global Anti-Base Erosion (“GloBE”) Rules in other jurisdictions.

In the event that the Barbados DMTT did not have qualified and safe harbour status, the MNE Group may be required to undertake separate computations for:

- domestic DMTT purposes; and
- GloBE top-up tax purposes in jurisdictions applying an Income Inclusion Rule (“IIR”) or Undertaxed Profits Rule (“UTPR”).

The QDMTT Safe Harbour is intended to simplify compliance by treating constituent entities located in a QDMTT jurisdiction as having no additional top-up tax liability for GloBE purposes in foreign jurisdictions applying an IIR or UTPR.

Accordingly, where the QDMTT Safe Harbour applies, the MNE Group will generally rely on the domestic QDMTT computation for Barbados for purposes of determining any residual GloBE top-up tax once the Barbados entity or group makes the Safe Harbour election.

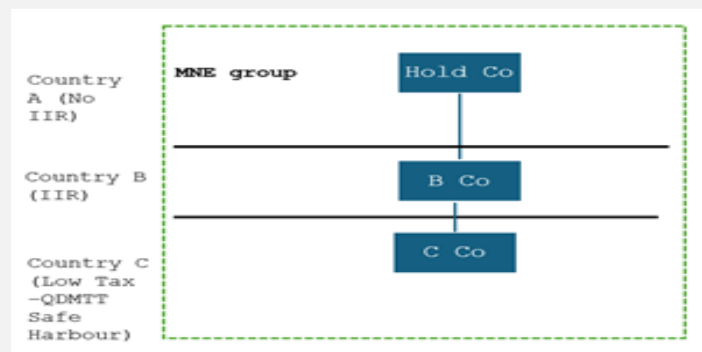
QDMTT Safe Harbour “Qualified” Status

On January 15, 2025, the OECD issued Administrative Guidance that included a [central record of legislation](#) with transitional qualified status for both the IIR (QIIRs) and DMTTs (QDMTTs), including the QDMTT Safe Harbour.

Barbados is included on the OECD/G20 Inclusive Framework Central Record of Legislation with transitional qualified status as a jurisdiction implementing a QDMTT pursuant to the [Corporation Top-Up Tax Act, 2024-16](#) and QDMTT Safe Harbour.

Accordingly, an MNE Group may rely on the Barbados QDMTT Safe Harbour in jurisdictions that apply the GloBE Rules under an IIR or a UTPR. Where the Safe Harbour applies, it excludes the application of the GloBE Rules in other jurisdictions by deeming the Top-up Tax payable under the GloBE Rules to be nil in any other jurisdiction where top-up tax is levied under a QDMTT in Barbados. The MNE Group, therefore, needs to perform only one calculation.

Example 1: Illustration of the effect of the QDMTT Safe Harbour in eliminating residual IIR top-up tax in respect of a jurisdiction with a qualifying QDMTT.



- Country C (Barbados) applies a QDMTT and is on the Safe Harbour list
 - Country B applies an IIR in respect of Country C
 - The QDMTT Safe Harbour avoids the calculations under the IIR and deems the top-up tax payable to be zero, upon election of the filing entity.
- ∴ B Co will no pay no top-up tax or additional top-up tax in Country B with respect to C Co.

QDMTT Safe Harbour: Disqualifying Conditions

The QDMTT Safe Harbour will be lost for the jurisdiction where any of the following conditions are met:

- Barbados does not impose its Qualified Domestic Minimum Top-up Tax (“QDMTT”) in respect of one or more MNE Groups;
- Barbados allows an exclusion for an MNE Group(s) in the initial phase of international activity that is not limited to cases which are covered by section 56 of the Corporation Top-Up Tax Act, 2024-16.

The QDMTT Safe Harbour will not apply on a constituent entity basis where any of the following conditions are met:

- the QDMTT liability of the relevant constituent entities is subject to material dispute in judicial or administrative proceedings, or is otherwise determined to be not assessable or not collectable; or
- the relevant constituent entities fall outside the scope of the Barbados QDMTT.

Where any of the above conditions apply in respect of the jurisdiction or of specified constituent entities or entity types, the QDMTT Safe Harbour is subject to the OECD “switch-off rule” and will not apply to the jurisdiction or those entities.

The “Switch-off Rule” refers to the operation of the OECD QDMTT Safe Harbour framework under which the Safe Harbour ceases to apply in respect of specified constituent entities or entity types where the design of the jurisdiction’s QDMTT results in those entities being outside the scope of the Safe Harbour conditions.

Where the Switch-off Rule applies, the MNE Group is not entitled to treat the relevant constituent entities as having no additional top-up tax under the GloBE Rules. Instead, any QDMTT paid in respect of those entities is taken into account under the standard credit mechanism in the GloBE Rules.

The application of the Switch-off Rule is determined at the jurisdictional level under the OECD Inclusive Framework peer review process and is reflected in the OECD Central Record of Legislation with Transitional Qualified Status.

Application of the QDMTT Safe Harbour in GloBE Reporting

MNE Groups are encouraged to:

- assess the applicability of the QDMTT Safe Harbour in respect of Barbados.
- where applicable, elect the QDMTT Safe Harbour in their Global Anti-Base Erosion (“GloBE”) Information Return (“GIR”) filed in the jurisdiction of the Ultimate Parent Entity or other designated filing jurisdiction.

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