

**Organismo Italiano di Contabilità – OIC  
(The Italian Standard Setter)**

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International Accounting Standards Board  
7 Westferry Circus, Canary Wharf  
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**RE: Exposure Draft International Tax Reform – Pillar Two Model Rules**

Dear Mr Barckow,

We are pleased to have the opportunity to provide our comments on the Exposure Draft ED/2023/1 *International Tax Reforms – Pillar Two Model Rules*, issued by the IASB on 9 January 2023 (the 'ED').

OIC supports the IASB's proposal to provide a mandatory exception to the requirements of IAS 12 related to the recognition of deferred tax assets and liabilities connected to the Pillar Two model rules. This exemption will provide more time for entities to better understand the application mechanisms of the Pillar Two model and the implications on the local tax law.

Moreover, OIC notes that it is not clear whether Pillar Two income taxes are in the scope of IAS 12 in separate financial statements. Indeed, for example, the liability relating to the top-up tax triggered by another entity of the group is not a liability in the scope of IAS 12 in the separate financial statements of the parent company. Therefore, we encourage the IASB to clarify which standard would apply in such a situation.

Finally, we would like to take the opportunity of this consultation to highlight that the introduction of the OECD tax reform with several other new tax initiatives may trigger a reflection on whether IAS 12 needs a more comprehensive review, rather than a short amendment.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,

Angelo Casò  
(Chairman)