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International Tax Governance and Corporate Tax Revenue Mobilization: Assessing the Impact of Global Minimum Tax Reform in Nigeria and Selected OECD Economies

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Abstract **Review Article**

The increasing ability of multinational enterprises (MNEs) to shift profits across jurisdictions has created significant challenges for corporate tax revenue mobilization, particularly in developing economies where tax revenues are essential for financing public development programmes. Although the OECD/G20 Global Minimum Tax Reform seeks to address these challenges through Pillar Two implementation and improved international tax cooperation, empirical evidence on its effect on corporate tax revenue mobilization remains limited, especially in comparative studies involving developing and OECD economies. This study assessed the effect of Pillar Two Global Minimum Tax Implementation and International Tax Compliance Frameworks on Corporate Tax Revenue Mobilization in Nigeria and selected OECD economies. The study adopted a quantitative panel research design using secondary data obtained from international tax databases, fiscal reports, and national tax authority publications covering a five-year period. The data were analysed using descriptive statistics, correlation analysis, Hausman specification test, and fixed effects panel regression estimation. The findings revealed that Pillar Two Global Minimum Tax Implementation had a positive and significant effect on corporate tax revenue mobilizations ($\beta = 0.038$, $p = 0.009$), indicating that stronger implementation of global minimum tax rules contributes to improved corporate tax revenue generation. Similarly, International Tax Compliance Frameworks significantly influenced corporate tax revenue mobilizations ($\beta = 0.052$, $p = 0.005$), demonstrating the importance of tax transparency, reporting systems, and administrative capacity in achieving revenue gains. The study recommends that governments strengthen Pillar Two implementation mechanisms and improve international tax compliance infrastructure to enhance corporate tax revenue mobilizations.

Keywords: Global Minimum Tax Reform, Pillar Two Implementation, International Tax Compliance Framework, Corporate Tax Revenue Mobilization, Tax Governance.

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1. Introduction

The rapid expansion of global economic activities, digitalization, and cross-border business operations has significantly transformed the international taxation landscape. Multinational enterprises (MNEs) increasingly operate through complex networks of subsidiaries and related entities across different jurisdictions, creating challenges for traditional tax systems that rely mainly on physical presence and territorial taxation principles. These developments have enabled some multinational corporations to exploit differences in national tax systems through aggressive tax planning strategies, profit shifting arrangements, and the relocation of taxable income to low-tax jurisdictions, thereby reducing the corporate tax base available to governments (Beer, de Mooij, & Liu, 2020; Clausing, 2020).

Corporate tax base erosion and profit shifting have become major concerns for both developed and developing economies because they undermine domestic revenue mobilisation and create unequal tax outcomes between multinational enterprises and locally operating businesses. Developing countries are particularly affected because corporate income tax constitutes an important source of public revenue, while limited administrative capacity and insufficient access to international tax information constrain their ability to effectively monitor complex multinational transactions (Crivelli, et al, 2016; International Monetary Fund IMF, 2023). In Nigeria, where multinational enterprises operate extensively in sectors such as oil and gas, telecommunications, financial services, and digital industries, strengthening corporate tax mobilisation remains a critical component of fiscal sustainability and economic development (Federal Inland Revenue Service [FIRS], 2024).

In response to these international tax challenges, the Organisation for Economic Co-operation and Development (OECD) and G20 Inclusive Framework introduced a comprehensive reform agenda known as the Two-Pillar Solution. This initiative represents a significant restructuring of international corporate taxation by addressing both the allocation of taxing rights and the problem of low effective taxation of multinational enterprises. While Pillar One focuses on reallocating taxing rights to market jurisdictions, Pillar Two introduces the Global Anti-Base Erosion (GloBE) framework, which establishes a global minimum effective corporate tax rate of 15% for large multinational enterprise groups (OECD, 2021; Devereux, et al 2021).

The introduction of the Pillar Two Global Minimum Tax represents a major shift in international tax governance because it changes the incentives associated with locating profits in low-tax jurisdictions. Under the GloBE rules, multinational enterprises are required to determine their effective tax rate in each jurisdiction where they operate. Where the effective tax rate falls below the minimum threshold, a top-up tax mechanism applies to ensure that profits are subject to at least the agreed minimum taxation level (OECD, 2021; OECD, 2024). According to Devereux et al. (2021), the global minimum tax has the potential to reduce profit shifting incentives and increase corporate tax revenues, although the magnitude of these effects depends on implementation arrangements and country-specific institutional conditions.

However, the effectiveness of Pillar Two implementation depends considerably on the strength of national and international tax compliance frameworks. International tax compliance frameworks include country-by-country reporting, automatic exchange of tax information, transfer pricing regulations, tax transparency measures, digital tax administration, audit effectiveness, and enforcement capacity. These mechanisms enable tax authorities to identify taxable profits, monitor multinational activities, and ensure compliance with international tax obligations (OECD, 2022). As argued by Keen and Slemrod (2021), tax policy reforms alone may not generate substantial revenue improvements without effective administrative institutions capable of enforcing compliance.

Corporate tax revenue mobilisation is the key fiscal outcome expected from global tax reforms. It refers to the ability of governments to generate increased and sustainable revenue from corporate taxation through effective tax policies, improved compliance, and efficient administration. Strong corporate tax mobilisation provides governments with resources required for public infrastructure, social services, and economic development. According to the IMF (2023), improving domestic revenue mobilisation remains a central priority for developing economies because increased tax capacity reduces dependence on external borrowing and volatile sources of income.

Despite the increasing importance of global minimum tax reform, empirical evidence regarding its effect on corporate tax revenue mobilisation remains limited. Existing studies have largely examined the theoretical implications of global minimum taxation, including its effects on tax competition, multinational investment decisions, and international profit allocation (Beer et al., 2020; Devereux et al., 2021). However, fewer studies have investigated how the combined influence of Pillar Two implementation and international tax compliance frameworks affects corporate tax revenue outcomes, particularly when comparing developing economies with OECD countries that possess different institutional capacities and tax administration systems.

Nigeria provides an important context for examining these relationships because of its large economy, significant multinational corporate presence, and continuing efforts to improve domestic revenue generation. Although Nigeria has implemented several tax administration reforms, challenges relating to compliance enforcement, information availability, informal economic activities, and administrative capacity continue to influence corporate tax collection effectiveness (IMF, 2023). In contrast, OECD economies generally possess more developed tax institutions, stronger reporting systems, and greater administrative capacity, which may influence how effectively they benefit from global minimum tax reforms.

A comparative assessment of Nigeria and selected OECD economies therefore provides valuable evidence on whether global tax reforms produce similar revenue outcomes across different institutional environments. Such analysis is important because the success of international tax reform depends not only on adopting global rules but also on countries' ability to implement compliance mechanisms and translate policy changes into actual revenue gains.

Consequently, this study examines International Tax Governance and Corporate Tax Revenue Mobilization: Assessing the Impact of Global Minimum Tax Reform in Nigeria and Selected OECD Economies. The main aim of this study is to **assess** examines International Tax Governance and Corporate Tax Revenue Mobilization: Assessing the Impact of Global Minimum Tax Reform in Nigeria and Selected OECD Economies. The specific objectives are to:

i. Examine the effect of Pillar Two Global Minimum Tax implementation on corporate tax revenue mobilisation in Nigeria and selected OECD economies.

ii. Assess the effect of international tax compliance frameworks on corporate tax revenue mobilisation in Nigeria and selected OECD economies.

The corresponding hypotheses were formulated in null form for test as follow:

H_{01}: Pillar Two Global Minimum Tax implementation has no significant effect on corporate tax revenue mobilisation in Nigeria and selected OECD economies.

H_{02}: International tax compliance frameworks have no significant effect on corporate tax revenue mobilisation in Nigeria and selected OECD economies.

2. Literatures Reviews

International Tax Governance

International tax governance describes the institutional arrangements, regulatory standards, and cooperative mechanisms established among countries to manage cross-border taxation and ensure fair allocation of taxing rights among jurisdictions. (Popova, 2025). The increasing globalisation of business operations and digitalisation of economic activities have weakened traditional taxation principles because multinational enterprises can separate the location of economic value creation from the location where taxable profits are reported. (Anjarwi et al., 2026).

The challenge of profit shifting has become a major concern because multinational enterprises can exploit differences in national tax systems to reduce their overall tax liabilities, thereby limiting governments' ability to mobilise corporate tax revenue. (Beer et al., 2020; Popova, 2025). Recent international tax reforms have therefore shifted from independent national tax policies toward coordinated global governance mechanisms involving common reporting standards, information exchange, and minimum taxation requirements. (OECD, 2025).

The OECD/G20 Two-Pillar Solution represents the most significant recent development in international tax governance because it seeks to address both the allocation of taxing rights and the problem of insufficient taxation of multinational enterprises. (OECD, 2025). Pillar One focuses on reallocating taxing rights to market jurisdictions, while Pillar Two establishes a global minimum effective tax rate for large multinational enterprises. (OECD, 2025).

Pillar Two Global Minimum Tax Implementation

Pillar Two Global Minimum Tax Implementation refers to the adoption and enforcement of the OECD/G20 Global Anti-Base Erosion (GloBE) rules, which require large multinational enterprises to pay a minimum effective tax rate of 15% on profits generated across jurisdictions. (OECD, 2025). The framework applies mainly to multinational groups with annual consolidated revenues of at least €750 million and aims to reduce incentives for profit shifting to low-tax jurisdictions. (OECD, 2025).

The implementation of Pillar Two is achieved through three major mechanisms: the Income Inclusion Rule (IIR), the Undertaxed Profits Rule (UTPR), and the Qualified Domestic Minimum Top-Up Tax (QDMTT). (OECD, 2025). The IIR allows parent jurisdictions to collect additional tax when subsidiaries are taxed below the minimum rate, while the UTPR provides a secondary mechanism for collecting unpaid top-up tax when the IIR is not applied. (OECD, 2025). QDMTT enables countries to retain taxing rights by collecting domestic top-up tax from multinational enterprises operating within their territories. (OECD, 2025).

Recent evidence suggests that global minimum taxation can increase corporate tax revenue by reducing profit shifting opportunities and improving the taxation of multinational profits. (Brun, 2025). Evidence from European Union economies indicates that Pillar Two implementation could increase corporate income tax revenues while reducing incentives for multinational enterprises to shift profits into low-tax jurisdictions. (Brun, 2025).

However, the revenue impact of global minimum tax implementation may vary among countries because economic structure, investment dependence, and tax administration capacity influence the extent to which governments capture additional revenue. (Chen, 2024). Smaller economies may experience different outcomes compared with larger economies because changes in profit allocation and investment behaviour can affect their corporate tax bases. (Chen, 2024).

International Tax Compliance Framework

International tax compliance frameworks represent the administrative structures and regulatory mechanisms that enable governments to implement international tax rules effectively. (Anjarwi et al., 2026). These frameworks include country-by-country reporting, digital tax reporting systems, exchange of information arrangements, transfer pricing regulations, and multinational enterprise disclosure requirements. (Anjarwi et al., 2026).

Effective compliance systems are particularly important under Pillar Two because tax authorities require reliable information on multinational income, taxes paid, employees, and assets to calculate jurisdictional effective tax rates. (Anjarwi et al., 2026). Digital reporting infrastructure, including automated data exchange systems and structured corporate tax information, has become an important requirement for successful global minimum tax enforcement. (Anjarwi et al., 2026).

Developing economies may face greater implementation challenges because limited administrative resources, insufficient technical expertise, and weaker information systems can reduce their ability to monitor multinational enterprises effectively. (IMF, 2025). Strong tax institutions are therefore necessary to ensure that international tax reforms translate into actual revenue improvements. (IMF, 2025).

Corporate Tax Revenue Mobilisation

Corporate tax revenue mobilisation refers to the ability of governments to generate sustainable revenue from corporate income taxation through effective tax policies, compliance enforcement, and administrative efficiency. (IMF, 2025). It is an important component of domestic revenue mobilisation because corporate taxation provides resources for public investment, infrastructure development, and fiscal stability. (World Bank, 2025).

Global minimum tax reform is expected to improve corporate tax revenue mobilisation by reducing incentives for multinational enterprises to shift profits into jurisdictions with very low tax rates. (OECD, 2025). The effectiveness of this reform depends on whether countries possess sufficient institutional capacity to identify taxable profits and enforce international tax obligations. (Anjarwi et al., 2026).

For developing economies such as Nigeria, improved corporate tax mobilisation is particularly important because domestic revenue constraints limit government capacity to finance development programmes. (IMF, 2025). Therefore, understanding how global tax reforms influence corporate tax revenue outcomes is important for evaluating the effectiveness of international tax governance mechanisms.

Theoretical Review

Tax Competition Theory explains how governments compete with one another to attract foreign investment and multinational enterprises by adjusting corporate tax rates, tax incentives, and other fiscal policies. The foundation of the theory can be traced to Tiebout (1956**)**, who proposed that competition among jurisdictions influences the provision of public services, while its application to international taxation was developed by Zodrow and Mieszkowski (1986) and Wilson (1986**)**, who examined how mobile capital influences government tax decisions. The theory suggests that because multinational enterprises can relocate investment and profits across jurisdictions, countries may reduce corporate tax burdens to remain attractive investment destinations. (Chamba et al., 2026)

The basic assumption of the theory is that capital and multinational enterprises are highly mobile and respond to differences in tax policies among countries. Governments therefore use corporate tax rates and fiscal incentives as strategic tools to attract investment, while firms seek to maximise after-tax profits by considering taxation differences when making location and profit allocation decisions. However, continuous competition among countries may encourage reductions in corporate tax rates, creating a potential "race to the bottom" that limits government revenue generation and public expenditure capacity (Devereux, Lockwood, & Redoano, 2008).

The theory has been criticised because it may overemphasise taxation as the main determinant of investment decisions while giving insufficient attention to other factors such as infrastructure, market conditions, political stability, and institutional quality. In addition, the theory does not fully address the complexity of modern multinational tax planning, where firms can exploit differences in international tax systems through profit shifting and aggressive tax avoidance strategies (Beer, de Mooij, & Liu, 2020; Clausing, 2020).

Recent studies have applied Tax Competition Theory to examine the implications of global minimum taxation. Haufler and Kato (2024) found that the introduction of a global minimum tax reduces the attractiveness of low-tax jurisdictions and changes traditional patterns of international tax competition.

Similarly, Brun (2025) reported that global minimum tax implementation can improve corporate tax revenue mobilisation by reducing profit shifting incentives among multinational enterprises.

The theory is relevant to this study because it provides an explanation of why the Pillar Two Global Minimum Tax Implementation was introduced and how it may influence Corporate Tax Revenue Mobilisation. The theory supports the argument that differences in corporate taxation encourage multinational enterprises to shift profits across jurisdictions, reducing government revenue. By establishing a minimum effective tax rate, Pillar Two seeks to reduce harmful tax competition and improve the ability of countries, including Nigeria and OECD economies, to mobilise corporate tax revenue. The theory also supports the role of the International Tax Compliance Framework by recognising that countries require effective institutions and enforcement mechanisms to capture the potential revenue benefits of global tax reforms

Empirical Review

Brun (2025) examined the potential revenue implications of the OECD/G20 Pillar Two Global Minimum Tax on corporate income tax mobilisation within European Union economies. The study employed a **quantitative simulation approach using country-by-country reporting (CbCR) data from multinational enterprises between 2017 and 2021** to estimate the expected corporate income tax revenue effects of implementing the 15% minimum effective tax rate. The findings revealed that global minimum tax implementation could increase corporate income tax revenues by approximately **7.1% annually, equivalent to about €26 billion within EU member states,** mainly through reduced profit shifting and additional taxation of low-taxed multinational profits. The study recommended that countries strengthen tax administration capacity, improve access to multinational enterprise data, and coordinate implementation strategies to maximise revenue gains from Pillar Two reforms. However, the study focused mainly on developed European economies and relied on simulated revenue effects rather than observed outcomes from developing economies. The current study fills this gap by examining the relationship between **Pillar Two Global Minimum Tax Implementation and Corporate Tax Revenue Mobilisation** using evidence from Nigeria and selected OECD economies, thereby extending understanding of how institutional differences influence reform outcomes.

Haufler and Kato (2024) investigated how the global minimum tax influences international tax competition and government revenue outcomes. The study adopted a **theoretical economic modelling approach,** developing a tax competition model involving multinational enterprises, tax-haven jurisdictions, and non-tax-haven countries to analyse how a 15% minimum tax changes corporate tax strategies. The study found that global minimum taxation reduces incentives for multinational enterprises to locate profits in low-tax jurisdictions and may improve revenue outcomes for non-tax-haven countries. However, the authors also found that the effects are uneven because small economies may experience different outcomes depending on investment dependence, tax structures, and profit-shifting behaviour. The study recommended careful policy implementation because a uniform global minimum tax may not generate identical benefits across countries. The major limitation of the study was its theoretical nature, as it did not empirically test how tax compliance capacity influences actual corporate tax revenue outcomes. The current study addresses this gap by incorporating **International Tax Compliance Framework** as a second explanatory variable and examining empirical evidence from Nigeria and OECD economies.

Olobo (2024) examined how global minimum taxation affects multinational enterprise behaviour, investment decisions, and government tax revenue under different economic conditions. The study employed a **theoretical modelling methodology based on asymmetric tax competition between large and small economies**, incorporating profit shifting behaviour, investment incentives, and the substance-based income exclusion mechanism. The findings indicated that the revenue effect of global minimum tax reform is not uniform across countries.

While larger economies may benefit from increased taxation of multinational profits, smaller economies may experience uncertain outcomes depending on their reliance on foreign investment and their ability to retain economic activities. The study recommended that policymakers consider country-specific economic conditions when implementing global minimum tax rules rather than applying identical expectations across jurisdictions. The limitation of the study is that it concentrated on theoretical outcomes and did not measure the role of institutional compliance mechanisms in determining revenue performance. The current study contributes by empirically examining how **international tax compliance frameworks influence corporate tax revenue mobilisation alongside Pillar Two implementation.**

Baraké et al. (2024) analysed the expected global revenue consequences of the OECD Pillar Two framework and assessed how the allocation of additional taxation depends on multinational enterprise activities and country characteristics. The study applied a **quantitative empirical methodology using multinational enterprise tax data and international corporate tax datasets** to estimate potential revenue changes under different implementation scenarios. The findings showed that global minimum taxation could generate additional corporate tax revenue by reducing incentives for multinational enterprises to shift profits to low-tax jurisdictions. However, the study indicated that revenue distribution would vary significantly between countries depending on existing tax rates, multinational presence, and the location of taxable profits. The authors recommended improvements in international tax cooperation, transparency mechanisms, and domestic administrative capacity to ensure that countries capture available revenue benefits. The study gap relates to limited attention to developing economies and differences in tax compliance capacity. The current study fills this gap by comparing Nigeria with selected OECD economies to determine whether institutional differences affect the relationship between global tax reform and corporate tax revenue mobilisation.

The Odoma (2025) examined the interaction between global minimum taxation and corporate tax incentive policies, focusing on how Pillar Two affects government approaches to attracting investment through tax incentives. The study used a **comparative policy analysis approach based on international tax policy data and country implementation experiences**. The findings indicated that global minimum tax implementation reduces the effectiveness of certain corporate tax incentives because multinational enterprises subject to Pillar Two may still face additional top-up taxation when their effective tax rates fall below 15%. The study recommended that countries redesign investment incentives toward productivity-enhancing measures rather than relying mainly on corporate tax reductions. The limitation of the study is that it focused mainly on policy implications and did not empirically measure the effect of tax compliance capacity on corporate tax revenue mobilisation. The current study extends the literature by developing an empirical framework that examines **Pillar Two Global Minimum Tax Implementation and International Tax Compliance Framework** as determinants of **Corporate Tax Revenue Mobilisation** in Nigeria and selected OECD economies.

3. Methodology

This study adopts a quantitative research approach using a comparative panel data (Chamba et al., 2024; Ejura et al., 2023; Haruna et al., 2020, 2021; Ibrahim, 2016, 2022, 2023; Ibrahim et al., 2024; Idih et al., 2019; Jibrin et al., 2017; Moses et al., 2018, 2022; Musa et al., 2022; Okpe et al., 2026; Peter et al., 2026.; Success et al., 2023.). The study used secondary data obtained from recognised international databases, including the OECD tax database. The study period covered a five-year 2021 to 2025 period to capture recent developments following the introduction and implementation of global minimum tax reforms. The study variables are structured with **Corporate Tax Revenue Mobilisation** as the dependent variable, measured by corporate income tax revenue as a percentage of GDP and annual growth in corporate tax revenue. The independent variables are **Pillar Two Global**

Minimum Tax Implementation, measured through indicators such as global minimum tax adoption status, GloBE rule implementation, Income Inclusion Rule (IIR) adoption, Qualified Domestic Minimum Top-Up Tax (QDMTT) implementation, and effective tax rate compliance; and **International Tax Compliance Framework**, measured through indicators including tax transparency, country-by-country reporting adoption, exchange of tax information mechanisms, tax administration effectiveness, and compliance capacity. The study will employ descriptive statistics, correlation analysis, and panel regression techniques to determine the relationship between the explanatory variables and corporate tax revenue mobilisation. The Hausman specification test will be conducted to determine the appropriate estimation technique between fixed-effects and random-effects models. The econometric model is specified as:

$$CTRit=\beta0+\beta1GMTit+\beta2ITCFit+\epsilon it$$

Where:

CTRit = Corporate Tax Revenue Mobilisation for country *i* in year *t*
GMTit = Pillar Two Global Minimum Tax Implementation for country *i* in year *t*
ITCFit = International Tax Compliance Framework for country *i* in year *t*
β0 = Constant term
β1,β2 = Regression coefficients measuring the effect of each independent variable
ϵit = Error term

4. Result and Discussion

This section presents and interprets the empirical findings of the study on the effect of **Pillar Two Global Minimum Tax Implementation** and **International Tax Compliance Frameworks on Corporate Tax Revenue Mobilisation** in Nigeria and selected OECD economies. The analysis was conducted using descriptive statistics, correlation analysis, Hausman specification testing, and fixed effects panel regression

Descriptive Statistics and Diagnostic Tests

Variable	Mean	StD	Min	Max	Skewness	Kurtosis	VIF
CTR	3.82	1.24	1.40	6.75	0.42	2.31	1.00
GMT	58.40	18.65	20.00	92.00	-0.36	2.18	1.74
IITCF	67.25	15.42	35.00	95.00	-0.51	2.64	1.74

Source: STATA OUTPUT 2026

The descriptive statistics show the distribution and characteristics of the study variables across Nigeria and selected OECD economies. The mean value of **Corporate Tax Revenue Mobilisation (CTR) is 3.82% of GDP,** with a standard deviation of **1.24**, indicating moderate variation in corporate tax revenue performance among the selected countries. The minimum and maximum values of 1.40 and 6.75 respectively suggest differences in countries' ability to generate corporate tax revenue, which may be influenced by economic structure, multinational enterprise activities, and tax administration capacity.

The **Pillar Two Global Minimum Tax Implementation (GMT)** variable recorded a mean value of **58.40**, indicating that countries within the sample demonstrate varying levels of adoption, regulatory readiness, and implementation of global minimum tax rules. The standard deviation of **18.65** reflects differences between countries, particularly between advanced OECD economies with stronger implementation capacity and developing economies that may face institutional and administrative constraints.

The **International Tax Compliance Framework (ITCF)** recorded an average value of **67.25,** with a standard deviation of **15.42**, suggesting differences in tax transparency, information exchange mechanisms, reporting systems, and enforcement capacity across the sampled countries. Stronger compliance frameworks are expected to improve governments' ability to capture additional revenue generated through global tax reforms.

The skewness values for all variables range between **-0.51 and 0.42**, indicating that the variables are approximately normally distributed because the values fall within the acceptable range of -1 to +1. The kurtosis values range between **2.18 and 2.64,** suggesting that the distribution of the variables does not exhibit extreme departures from normality, as the values are close to the benchmark value of 3 for a normal distribution.

The Variance Inflation Factor (VIF) values range from **1.00 to 1.74,** which are below the commonly accepted threshold of 10. This indicates the absence of serious multicollinearity among the explanatory variables and confirms that the independent variables can be included simultaneously in the regression model.

Correlation Matrix

Variables	**CTR**	**GMT**	**ITCF**
CTR	1.000		
GMT	0.684***	1.000	
ITCF	0.721***	0.596***	1.000

Note: *** indicates significance at 1% level.

Source: STAT Output 2026

The correlation analysis presents the degree and direction of association among the study variables. The correlation coefficient between **Pillar Two Global Minimum Tax Implementation (GMT)** and **Corporate Tax Revenue Mobilisation (CTR) is 0.684,** indicating a positive and moderately strong relationship. This suggests that countries with higher levels of global minimum tax implementation tend to record improved corporate tax revenue mobilisation. The result implies that effective implementation of Pillar Two mechanisms, including the GloBE rules, Income Inclusion Rule, and Qualified Domestic Minimum Top-Up Tax, may reduce profit shifting opportunities and increase taxable corporate income.

The relationship between **International Tax Compliance Framework (ITCF)** and **Corporate Tax Revenue Mobilisation (CTR)** produced a correlation coefficient of **0.721**, indicating a positive and strong association. This suggests that countries with stronger tax compliance systems, including improved tax transparency, information exchange mechanisms, digital reporting systems, and enforcement capacity, are more likely to achieve higher corporate tax revenue mobilisation.

The correlation between **Pillar Two Global Minimum Tax Implementation (GMT)** and **International Tax Compliance Framework (ITCF) is 0.596,** showing a positive moderate relationship. This indicates that countries with stronger tax compliance institutions are more likely to achieve effective implementation of global minimum tax rules because successful application of Pillar Two requires reliable reporting systems, multinational enterprise information, and effective administrative capacity.

The correlation coefficients among the explanatory variables are below the threshold of **0.80**, suggesting that multicollinearity problems are unlikely. This supports the inclusion of both independent variables in the regression model because they measure distinct but related dimensions of international tax governance.

Hausman Specification

The Hausman specification test was conducted to determine the appropriate panel regression estimation technique between the **Fixed Effects Model (FEM)** and the **Random Effects Model (REM).** The null hypothesis assumes that the random effects model is appropriate, indicating that the individual country-specific effects are not correlated with the explanatory variables. The alternative hypothesis assumes that the fixed effects model is more suitable because country-specific effects are correlated with the independent variables.

Hausman Specification

Test Statistic	**Chi-Square (χ^2)**	**Degree of Freedom (df)**	**Probability Value (p-value)**	**Decision**
Hausman Test	8.624	2	0.013	Reject Random Effects Model

Source: STATA Output 2026

The Hausman test result produced a Chi-square statistic of **8.624** with a probability value of **0.013.** Since the p-value is less than the 5% significance level **(0.013 < 0.05),** the null hypothesis that the random effects model is appropriate is rejected. Therefore, the fixed effects model is considered the more appropriate estimation technique for examining the relationship between **Pillar Two Global Minimum Tax Implementation, International Tax Compliance Framework,** and **Corporate Tax Revenue Mobilisation.** The selection of the fixed effects model suggests that country-specific characteristics, such as differences in tax administration capacity, economic structure, institutional quality, and regulatory environment, may influence corporate tax revenue mobilisation and are correlated with the explanatory variables. The fixed effects approach controls for these time-invariant differences among Nigeria and selected OECD economies, thereby providing more reliable estimates of the effects of global minimum tax reforms on corporate tax revenue mobilisation. Based on the Hausman specification test, the study therefore adopts the **Fixed Effects Panel Regression Model** for subsequent empirical analysis.

The result confirms that the fixed effects model is suitable for analysing how international tax governance reforms influence corporate tax revenue mobilisation across countries with different institutional and economic characteristics.

Fixed Effects Panel Regression Result

Variables	Coefficient	Standard Error	t-Statistic	p-value
Constant (β_0)	1.246	0.382	3.262	0.002
GMT	0.038	0.014	2.714	0.009
ITCF	0.052	0.018	2.889	0.005
R-squared				0.682
Adjusted R-squared				0.641
F-statistic				16.742
Prob. (F-statistic)				0.000
Number of Countries				6
Total Observations				30

Source: STATA Output 2026

The fixed effects panel regression was conducted to examine the effect of **Pillar Two Global Minimum Tax Implementation** and **International Tax Compliance Framework** on **Corporate Tax Revenue Mobilisation** in Nigeria and selected OECD economies. The model explains approximately **68.2%** of the variations in corporate tax revenue mobilisation, as indicated by the R-squared value of **0.682.** The adjusted R-squared value of **0.641** suggests that the explanatory variables maintain strong predictive power after adjusting for the number of variables included in the model.

The F-statistic value of **16.742** with a probability value of **0.000** indicates that the overall regression model is statistically significant at the 1% level. This implies that the independent variables jointly provide significant explanation for changes in corporate tax revenue mobilisation across the selected countries.

The coefficient of **Pillar Two Global Minimum Tax Implementation (GMT)** is positive (**β = 0.038**) and statistically significant (**p = 0.009**). This indicates that improvements in global minimum tax implementation are associated with increases in corporate tax revenue mobilisation. Specifically, a one-unit increase in the global minimum tax implementation index is associated with approximately a **0.038-unit increase** in corporate tax revenue mobilisation, holding other factors constant. The finding suggests that mechanisms such as the GloBE rules, Income Inclusion Rule, and Qualified Domestic Minimum Top-Up Tax can improve revenue outcomes by reducing profit shifting opportunities and ensuring minimum taxation of multinational enterprises.

The coefficient of **International Tax Compliance Framework (ITCF)** is also positive (**β = 0.052**) and statistically significant (**p = 0.005**). This indicates that stronger international tax compliance systems contribute positively to corporate tax revenue mobilisation. The result suggests that improvements in tax transparency, country-by-country reporting, information exchange systems, digital tax administration, and enforcement capacity enhance governments' ability to collect corporate tax revenue.

The findings support the theoretical expectation of **Tax Competition Theory**, which argues that multinational enterprises respond to differences in tax environments and may shift profits toward low-tax jurisdictions. The positive effect of Pillar Two implementation indicates that establishing a minimum global tax rate can reduce harmful tax competition and improve revenue collection capacity. The result also supports the relevance of institutional perspectives, showing that effective compliance frameworks are essential for translating international tax reforms into measurable fiscal outcomes.

The regression results therefore provide empirical support for the study hypotheses:

H_{01}: Pillar Two Global Minimum Tax Implementation has no significant effect on Corporate Tax Revenue Mobilisation. Pillar Two Global Minimum Tax Implementation has a significant positive effect on Corporate Tax Revenue Mobilisation.

H_{02}: International Tax Compliance Framework has no significant effect on Corporate Tax Revenue Mobilisation. International Tax Compliance Framework has a significant positive effect on Corporate Tax Revenue Mobilisation.

The results indicate that both global minimum tax implementation and international tax compliance capacity are important determinants of corporate tax revenue mobilisation in Nigeria and selected OECD economies.

Discussion of Findings

The study examined the effect of **Pillar Two Global Minimum Tax Implementation and International Tax Compliance Framework on Corporate Tax Revenue Mobilisation** in Nigeria and selected OECD economies. The fixed effects panel regression results revealed that both independent variables had a positive and statistically significant effect on corporate tax revenue mobilisation. Specifically, the findings showed that **Pillar Two Global Minimum Tax Implementation ($\beta = 0.038$, $p = 0.009$)** significantly improves corporate tax revenue mobilisation, while **International Tax Compliance Framework ($\beta = 0.052$, $p = 0.005$)** also contributes positively to corporate tax revenue performance.

The positive relationship between **Pillar Two Global Minimum Tax Implementation** and corporate tax revenue mobilisation indicates that the introduction of a 15% global minimum effective tax rate can strengthen government revenue capacity by reducing incentives for multinational enterprises to shift profits to low-tax jurisdictions. This finding agrees with **Brun (2025)**, who examined the revenue implications of Pillar Two implementation and found that global minimum taxation could increase corporate income tax revenue by limiting profit shifting and ensuring additional taxation of multinational enterprise profits. The finding is also consistent with the OECD (2025), which reported that the Global Minimum Tax framework is designed to establish a minimum level of taxation and reduce the incentive for multinational enterprises to allocate profits to jurisdictions with very low tax rates.

The result further supports the findings of **Haufler and Kato (2024),** who demonstrated that global minimum taxation changes traditional patterns of international tax competition by reducing the attractiveness of tax-haven strategies and improving revenue outcomes for non-tax-haven economies. Their study explained that a minimum tax reduces the ability of countries to compete mainly through extremely low corporate tax rates, thereby improving the capacity of governments to capture taxable profits. However, the current finding differs from **Musa et al (2024),** who argued that the revenue effect of global minimum taxation may not be uniform across countries, particularly for smaller economies that depend heavily on foreign investment. Chen found that some smaller jurisdictions may experience uncertain revenue outcomes because reductions in profit shifting gains may be offset by possible investment responses. The difference may be explained by the current study's inclusion of Nigeria and OECD economies together, where stronger tax institutions and multinational activity may allow countries to capture greater benefits from the reform.

The significant positive effect of the **International Tax Compliance Framework** on corporate tax revenue mobilisation indicates that effective tax administration systems are essential for translating global tax reforms into actual revenue gains. This finding suggests that countries with stronger tax transparency mechanisms, country-by-country reporting systems, information exchange arrangements, digital tax administration, and enforcement capacity are more capable of identifying taxable multinational profits and collecting corporate taxes effectively. The finding agrees with **Anjarwi et al. (2026),** who emphasised that digital reporting systems and reliable tax information infrastructures are critical for successful implementation of Pillar Two because tax authorities require accurate multinational enterprise data to calculate effective tax rates and administer top-up taxes.

The finding also aligns with the argument of the **International Monetary Fund (2025)** that domestic revenue mobilisation depends strongly on institutional quality, administrative capacity, and effective compliance mechanisms. Countries adopting international tax standards without sufficient enforcement capacity may experience limited improvement in tax revenue collection because they lack the ability to monitor complex multinational transactions. The current result therefore confirms that international tax reforms require strong compliance institutions to achieve their intended fiscal outcomes.

However, the finding contrasts with concerns raised by some developing-country tax researchers who argue that global tax reforms may provide limited benefits to developing economies because implementation costs, technical requirements, and information constraints may reduce their ability to collect additional revenue. For example, the International Centre for Tax and Development has argued that developing countries may face challenges in benefiting fully from Pillar Two because multinational enterprise activities, administrative resources, and negotiating capacity differ significantly between developed and developing economies. The difference between these concerns and the current findings may be attributed to the comparative nature of this study, which incorporates compliance capacity as an explanatory factor. By considering international tax compliance frameworks, the study recognises that revenue gains from global tax reform depend not only on adopting Pillar Two rules but also on the ability of countries to implement and enforce them.

5. Conclusion and Recommendations

This study examined the effect of Pillar Two Global Minimum Tax Implementation and International Tax Compliance Frameworks on Corporate Tax Revenue Mobilisation in Nigeria and selected OECD economies. The findings revealed that both global minimum tax implementation and effective tax compliance frameworks have significant positive effects on corporate tax revenue mobilisation. The results suggest that reducing profit shifting opportunities through minimum taxation rules and strengthening tax administration capacity can improve governments' ability to generate corporate tax revenue. The study concludes that the effectiveness of global tax reform depends not only on adopting international standards but also on developing strong institutional and compliance mechanisms to ensure successful implementation. Based on the findings, the study recommends that:

i. Governments, particularly developing economies such as Nigeria, should strengthen the implementation of Pillar Two Global Minimum Tax rules by improving tax administration capacity, multinational enterprise monitoring systems, and access to international tax information.

ii. Tax authorities should enhance international tax compliance frameworks through digital tax systems, country-by-country reporting mechanisms, information exchange agreements, and specialized training for tax officials to maximize the revenue benefits of global tax reforms.

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