
Changes to legislation: Finance Act 2016, Cross Heading: “Qualifying group” is up to date with all changes known to be in force on or before 11 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 19

LARGE BUSINESSES: TAX STRATEGIES AND SANCTIONS

PART 1

INTERPRETATION

“Qualifying group”

- 10 (1) A group is a “qualifying group” in any financial year if, at the end of the previous financial year—
- (a) in the case of a group other than an MNE Group, the group satisfied the qualification test for such a group (subject to any regulations under sub-paragraph (6)), or
 - (b) in the case of an MNE Group—
 - (i) there was a mandatory reporting requirement in respect of the group under regulations made under section 122 of FA 2015 (country-by-country reporting), or
 - (ii) there would have been such a requirement if the head of the group were resident in the United Kingdom for tax purposes.

- (2) The qualification test for a group other than an MNE Group is that the group satisfied either or both of the following conditions (by reference to the previous financial year)

1. Group turnover	More than £200 million
2. Group balance sheet total	More than £2 billion.

- (3) In sub-paragraph (2)—
- (a) “group turnover” means the aggregate turnover of the UK companies that are members of the group at the end of the previous financial year, and
 - (b) “group balance sheet total”, means the aggregate balance sheet totals for all those UK companies.
- (4) Where the financial year of a UK company within in the group does not end on the same day as the previous financial year of the head of the group, the figures from the company that are to be included in the aggregate figures are those for the company's financial year ending last before the end of the previous financial year of the head of the group.
- (5) For the purposes of assessing the turnover or balance sheet total of the group, sub-paragraphs (3) and (4) apply as if a UK permanent establishment of a foreign member of the group were a UK company and a member of the group.

Changes to legislation: Finance Act 2016, Cross Heading: “Qualifying group” is up to date with all changes known to be in force on or before 11 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (6) The Treasury may by regulations provide—
- (a) that a group other than an MNE Group which is of a specified description is not a qualifying group for the purposes, or any specified purpose, of this Schedule, or
 - (b) that a relevant body, or a UK permanent establishment, of a specified description is to be disregarded in determining whether the qualification test is satisfied by a group other than an MNE Group;
- and in this sub-paragraph “specified” means specified in the regulations.
- (7) In this paragraph “financial year”, in relation to a group, means a financial year of the head of the group.

Changes to legislation:

Finance Act 2016, Cross Heading: “Qualifying group” is up to date with all changes known to be in force on or before 11 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)