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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 2018, Paragraph 12. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 7

#### HYBRID AND OTHER MISMATCHES

##### *Multinational payee deduction/non-inclusion mismatches*

12 In section 259HB (multinational payee deduction/non-inclusion mismatches and their extent), after subsection (2) insert—

“(2A) The excess is to be taken (so far as would not otherwise be the case) to arise for the purposes of subsection (1)(b) by reason of a payee being a multinational company so far as it would not arise if it is assumed—

- (a) that the company is not regarded, under the law of the parent jurisdiction, the PE jurisdiction or any other territory, as carrying on a business in the PE jurisdiction through a permanent establishment in that jurisdiction, and
- (b) that, for tax purposes under the law of the parent jurisdiction, all amounts of ordinary income arising, by reason of the payment or quasi-payment, to the company are regarded as arising to it in that jurisdiction and nowhere else.”

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2018, Paragraph 12.