



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 3

MULTINATIONAL TOP-UP TAX

CHAPTER 4

CALCULATION OF ADJUSTED PROFITS OF MEMBERS OF A MULTINATIONAL GROUP

Adjustments of underlying profits

138 Profits adjusted to be before tax

- (1) The underlying profits of a member of a multinational group for an accounting period are to be adjusted by adding back any debit, and excluding any credit, for tax expense amounts reflected in its those profits.
- (2) In [this Part](#) “tax expense amount” means an amount of tax expense (including a deferred tax expense) in respect of—
 - (a) a covered tax (whether or not the income to which the tax relates are excluded from adjusted profits for the purposes of [this Part](#));
 - (b) multinational top-up tax, or any tax equivalent to multinational top-up tax;
 - (c) a qualifying domestic top-up tax (see [section 256](#));
 - (d) a qualifying undertaxed profits tax (see [section 257](#));
 - (e) taxes accrued by an insurance company in respect of returns to policyholders to the extent that [section 152\(2\)](#) applies in relation to those taxes;
 - (f) a disqualified refundable imputation tax (see [section 253](#)).

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance (No. 2) Act 2023. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- s. 138(1) word omitted by [2024 c. 3 Sch. 12 para. 50\(1\)](#)

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):

- s. 131(2)(3) substituted for s. 131(2) by [2024 c. 3 Sch. 12 para. 5\(3\)](#)
- s. 147A inserted by [2024 c. 3 Sch. 12 para. 8\(1\)](#)
- s. 148A-148C inserted by [2024 c. 3 Sch. 12 para. 8\(3\)](#)
- s. 150(6A) inserted by [2024 c. 3 Sch. 12 para. 50\(5\)\(b\)](#)
- s. 151(1)(c) and word inserted by [2024 c. 3 Sch. 12 para. 9\(2\)\(d\)](#)
- s. 151(1)(aa) inserted by [2024 c. 3 Sch. 12 para. 9\(2\)\(c\)](#)
- s. 151(6A) inserted by [2024 c. 3 Sch. 12 para. 9\(4\)](#)
- s. 151(8) inserted by [2024 c. 3 Sch. 12 para. 9\(6\)](#)
- s. 159(1)(a)(b) substituted for words by [2024 c. 3 Sch. 12 para. 12\(2\)](#)
- s. 159(2)(a)(b) substituted for words by [2024 c. 3 Sch. 12 para. 12\(3\)](#)
- s. 159(3)(a)(b) substituted for words by [2024 c. 3 Sch. 12 para. 12\(4\)](#)
- s. 159(4) inserted by [2024 c. 3 Sch. 12 para. 12\(5\)](#)
- s. 165(2)(a)(i)(ii) s. 165(2)(a)(b) become s. 165(2)(a)(i)(ii) by [2024 c. 3 Sch. 12 para. 50\(6\)\(b\)](#)
- s. 168(12) inserted by [2024 c. 3 Sch. 12 para. 14\(8\)](#)
- s. 170(2A) inserted by [2024 c. 3 Sch. 12 para. 14\(9\)\(b\)](#)
- s. 176A-176C and cross-heading inserted by [2024 c. 3 Sch. 12 para. 8\(6\)](#)
- s. 176D-176F and cross-heading inserted by [2024 c. 3 Sch. 12 para. 16\(1\)](#)
- s. 178(1A)(1B) inserted by [2024 c. 3 Sch. 12 para. 17\(4\)](#)
- s. 178(5)(6) inserted by [2024 c. 3 Sch. 12 para. 17\(6\)](#)
- s. 179(1A) inserted by [2024 c. 3 Sch. 12 para. 17\(7\)\(a\)](#)
- s. 179(3A)(3B) inserted by [2024 c. 3 Sch. 12 para. 17\(7\)\(b\)](#)
- s. 180(8)(b)(ii)(iia) substituted for s. 180(8)(b)(ii) by [2024 c. 3 Sch. 12 para. 19\(4\)](#)
- s. 183A inserted by [2024 c. 3 Sch. 12 para. 20\(5\)](#)
- s. 195(7A) inserted by [2024 c. 3 Sch. 12 para. 25\(1\)](#)
- s. 196(1)(e) and words inserted by [2024 c. 3 Sch. 12 para. 22\(1\)\(b\)](#)
- s. 196(1A) inserted by [2024 c. 3 Sch. 12 para. 21\(1\)\(b\)](#)
- s. 197(4)(d)(e) inserted by [2024 c. 3 Sch. 12 para. 23\(b\)](#)
- s. 197(5)(c) and word inserted by [2024 c. 3 Sch. 12 para. 22\(2\)\(e\)](#)
- s. 197(6A) inserted by [2024 c. 3 Sch. 12 para. 21\(2\)](#)
- s. 197(7A) inserted by [2024 c. 3 Sch. 12 para. 24](#)
- s. 197A inserted by [2024 c. 3 Sch. 12 para. 25\(2\)](#)
- s. 198A inserted by [2024 c. 3 Sch. 12 para. 26](#)
- s. 211(1)-(1C) substituted for s. 211(1) by [2024 c. 3 Sch. 12 para. 27\(a\)](#)
- s. 213(6A) inserted by [2024 c. 3 Sch. 12 para. 28](#)
- s. 232(3A) inserted by [2024 c. 3 Sch. 12 para. 4\(6\)](#)
- s. 232A inserted by [2024 c. 3 Sch. 12 para. 2\(2\)](#)
- s. 236(2A) inserted by [2024 c. 3 Sch. 12 para. 31\(3\)](#)
- s. 251A inserted by [2024 c. 3 Sch. 12 para. 29\(1\)](#)
- s. 253(2)(b)(va) inserted by [2024 c. 3 Sch. 12 para. 56\(10\)\(c\)\(iii\)](#)
- s. 255(2A) inserted by [2024 c. 3 Sch. 12 para. 34\(1\)\(a\)](#)
- s. 255(4)-(6) inserted by [2024 c. 3 Sch. 12 para. 34\(1\)\(c\)](#)
- s. 256A inserted by [2024 c. 3 Sch. 12 para. 35\(1\)](#)

- s. 262(1A)-(1D) inserted by 2024 c. 3 Sch. 12 para. 36
- s. 267(3A) inserted by 2024 c. 3 Sch. 12 para. 42(1)(a)
- s. 267(3B)-(3D) inserted by 2024 c. 3 Sch. 12 para. 43(1)(b)
- s. 267A inserted by 2024 c. 3 Sch. 12 para. 42(2)
- s. 268A inserted by 2024 c. 3 Sch. 12 para. 2(4)
- s. 272(8)(da) inserted by 2024 c. 3 Sch. 12 para. 44(1)
- s. 272(9)-(11) inserted by 2024 c. 3 Sch. 12 para. 43(3)(b)
- s. 272A inserted by 2024 c. 3 Sch. 12 para. 42(3)
- s. 273(3)(ba) inserted by 2024 c. 3 Sch. 12 para. 44(2)
- s. 273(4)(pa) inserted by 2024 c. 3 Sch. 12 para. 57(3)(c)
- s. 273A273B inserted by 2024 c. 3 Sch. 12 para. 45(1)
- s. 273C inserted by 2024 c. 3 Sch. 12 para. 46
- s. 276(c)(iiia) inserted by 2024 c. 3 Sch. 12 para. 45(2)(b)
- s. 276(aa) inserted by 2024 c. 3 Sch. 12 para. 45(2)(a)
- s. 311A inserted by 2024 c. 3 s. 21(3)
- Sch. 14 para. 37A37B and cross-heading inserted by 2024 c. 3 Sch. 12 para. 2(6)(b)
- Sch. 14 para. 39(1)(aa) inserted by 2024 c. 3 Sch. 12 para. 2(6)(c)(ii)
- Sch. 14 para. 39(2)(aa) inserted by 2024 c. 3 Sch. 12 para. 2(6)(c)(iii)
- Sch. 14 para. 33A inserted by 2024 c. 3 Sch. 12 para. 37(3)
- Sch. 14 para. 6(1A) inserted by 2024 c. 3 Sch. 12 para. 58(1)(a)
- Sch. 14 para. 34(2A) inserted by 2024 c. 3 Sch. 12 para. 58(1)(b)(ii)
- Sch. 14 para. 3(3)-(5) substituted for Sch. 14 para. 3(3) by 2024 c. 3 Sch. 12 para. 2(6)(a)(iii)
- Sch. 15 para. 2(1)(za) inserted by 2024 c. 3 Sch. 12 para. 16(2)
- Sch. 15 para. 2(1)(k) inserted by 2024 c. 3 Sch. 12 para. 40(2)
- Sch. 15 para. 2(1)(l) inserted by 2024 c. 3 Sch. 12 para. 41(4)
- Sch. 15 para. 1(1)(aa) inserted by 2024 c. 3 Sch. 12 para. 58(2)(a)
- Sch. 15 para. 2(1)(ea) inserted by 2024 c. 3 Sch. 12 para. 58(2)(b)(i)
- Sch. 15 para. 2(1)(fa) inserted by 2024 c. 3 Sch. 12 para. 58(2)(b)(ii)
- Sch. 16 para. 10(1) Sch. 16 para. 10 renumbered as Sch. 16 para. 10(1) by 2024 c. 3 Sch. 12 para. 58(3)(a)
- Sch. 16 para. 2(11)(b) inserted by 2024 c. 3 Sch. 12 para. 34(2)(d)(ii)
- Sch. 16 para. 2(3A) inserted by 2024 c. 3 Sch. 12 para. 38(3)
- Sch. 16 para. 2(12)(13) inserted by 2024 c. 3 Sch. 12 para. 38(8)
- Sch. 16 para. 4(3)(d) and word inserted by 2024 c. 3 Sch. 12 para. 39(3)(a)(ii)
- Sch. 16 Pt. 3 inserted by 2024 c. 3 Sch. 12 para. 40(1)
- Sch. 16 para. 10(2)(3) inserted by 2024 c. 3 Sch. 12 para. 58(3)(d)
- Sch. 16 para. 2(1)(b)(ba) substituted for Sch. 16 para. 2(1)(b) by 2024 c. 3 Sch. 12 para. 34(2)(a)
- Sch. 16 para. 3(1)(1A) substituted for Sch. 16 para. 3(1) by 2024 c. 3 Sch. 12 para. 39(2)
- Sch. 16 para. 3(7)-(9) substituted for Sch. 16 para. 3(7)(8) by 2024 c. 3 Sch. 12 para. 29(2)
- Sch. 16 para. 10(1)(a) word substituted by 2024 c. 3 Sch. 12 para. 58(3)(c)
- Sch. 16 para. 10(1) words inserted by 2024 c. 3 Sch. 12 para. 58(3)(b)(ii)
- Sch. 16 para. 10(1) words substituted by 2024 c. 3 Sch. 12 para. 58(3)(b)(i)
- Sch. 16A inserted by 2024 c. 3 Sch. 12 para. 41(1)