



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 3

MULTINATIONAL TOP-UP TAX

CHAPTER 5

COVERED TAX BALANCE

Amount of covered taxes

173 Covered taxes

- (1) The following are covered taxes in relation to a member of a multinational group—
- (a) taxes on profits of that member (including, where it has direct or indirect ownership interests in another member of the group, taxes on its share of the income or profits of that other member),
 - (b) taxes imposed on the member under an eligible distribution tax system,
 - (c) taxes imposed on the member as a substitute for a tax on profits that generally applies in the territory of the member, and
 - (d) taxes charged by reference to the capital of a company, or by reference to its capital and profits.
- (2) But none of the following are to be regarded as covered taxes—
- (a) multinational top-up tax, or any tax equivalent to multinational top-up tax;
 - (b) a qualifying domestic top-up tax (see [section 256](#));
 - (c) a qualifying undertaxed profits tax (see [section 257](#));
 - (d) a disqualified refundable imputation tax (see [section 253](#));
 - (e) where the member carries on a life assurance business, taxes in respect of which amounts were charged to the member's policyholders.