



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 3

MULTINATIONAL TOP-UP TAX

CHAPTER 10

DEFINITIONS ETC

Provision relating to location of entities

240 Location of flow-through entities and permanent establishments

- (1) A flow-through entity which is a responsible member of a multinational group is located in the territory in which it was created.
- (2) Any other flow-through entity is a stateless entity.
- (3) A permanent establishment that is a permanent establishment falling within [paragraph \(a\) of section 232\(2\)](#) (entity treated as permanent establishment in accordance with tax treaty) is located in the territory where it is treated as a permanent establishment in accordance with the tax treaty in accordance with which it is treated as a permanent establishment.
- (4) A permanent establishment that is a permanent establishment falling within [paragraph \(b\) of section 232\(2\)](#) (permanent establishment taxed on similar basis to residents in absence of tax treaty) is located in the territory where it is subject to net basis taxation based on its business presence.
- (5) A permanent establishment that is a a permanent establishment falling within [paragraph \(c\) of section 232\(2\)](#) (permanent establishment located in territory without corporate income tax) is located in the territory in which it is situated.

Status: This is the original version (as it was originally enacted).

- (6) A permanent establishment that is a permanent establishment falling within [paragraph \(d\) of section 232\(2\)](#) (other permanent establishments) is a stateless entity.