



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 5

ELECTRICITY GENERATOR LEVY

Treatment of company as transparent as alternative to attribution and surrender

301 Effect of company being transparent

- (1) [This section](#) applies where a company (“C”) is treated as transparent as a result of an election under [section 300](#).
- (2) C is to be treated for the purposes of [this Part](#) as if it were a partnership.
- (3) Its shareholders are to be regarded for those purposes as its partners.
- (4) Each shareholder’s share of the profits of the partnership is equal to its interest in C.
- (5) Where C is a generating undertaking, all generation, generation receipts and allowable costs that would (ignoring [this section](#)) be attributed to C in accordance with [this Part](#) are to be treated instead as if they resulted from the operation of a generating station operated in partnership by C’s partners.
- (6) Where C is a member of a group that is a generating undertaking, the generation, generation receipts and allowable costs that—
 - (a) would (ignoring [this section](#)) be attributed to the group in accordance with [this Part](#), and
 - (b) are attributable on a fair and reasonable basis to the activities of C,are to be treated instead as if they resulted from the operation of a generating station operated in partnership by C’s partners.
- (7) Where C is, or is treated as, the only shareholder in another company (“D”), the generation, generation receipts and allowable costs that—
 - (a) would (ignoring [this section](#)) be attributed, in accordance with [this Part](#), to the group of which D is a member, and

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- (b) are attributable on a fair and reasonable basis to the activities of D, are to be treated instead as if they resulted from the operation of a generating station operated in partnership by C's partners.
- (8) C is to be treated as the only shareholder in another company if—
- (a) the other company's only shareholder is—
 - (i) a company in which C is the only shareholder,
 - (ii) a company in which the only shareholder is a company in which C is the only shareholder, and so on, or
 - (b) the other company has more than one shareholder, but each of its shareholders is one of the following—
 - (i) C;
 - (ii) a company whose only shareholder falls within [paragraph \(a\)\(i\)](#) or [\(ii\)](#);
 - (iii) a company that has more than one shareholder each of which is a company falling with [sub-paragraph \(i\)](#) or [\(ii\)](#) or this sub-paragraph.
- (9) Where a shareholder of a company, or a generating undertaking of which such a shareholder is a member, is liable to an amount of electricity generator levy as a result of [this section](#)—
- (a) where the company is a generating undertaking, it is jointly and severally liable to that amount (to the extent it arises as a result of [this section](#)), or
 - (b) where the company is a member of a generating undertaking that is a group, that undertaking is jointly and severally liable to that amount (to the extent it arises as a result of [this section](#)).
- (10) Where—
- (a) a generating undertaking is liable to an amount of electricity generator levy as a result of [subsection \(9\)\(a\)](#) or [\(b\)](#), and
 - (b) the qualifying period ("the chargeable period") by reference to which that amount was determined does not wholly correspond to a qualifying period of the undertaking,
- the amount is to be apportioned, on a fair and reasonable basis, between the qualifying periods of the undertaking in which the chargeable period falls.