S C H E D U L E S

SCHEDULE 12

PILLAR TWO

PART 2

MULTINATIONAL TOP-UP TAX

Qualifying domestic top-up tax not treated as accruing

35 (1) After section 256 insert—

> "**256A Qualifying domestic top-up tax treated as not accruing where contested etc**
>
> (1) Subsection (2) applies for the purposes of sections 194(2) to (7), 203(3) to (7) and 206(4) to (8) (application of QDT credits in determination of top-up amounts).
>
> (2) An amount of qualifying domestic tax accruing to a member of a multinational group is to be treated as not accruing to the member where the enforceability of the amount is in question.
>
> (3) For the purposes of this section, the enforceability of an amount of qualifying domestic top-up tax accruing to a member of a multinational group is in question if—
>
> > (a) the member disputes its enforceability on any of the grounds set out in subsection (4), or
> >
> > (b) the tax authority of the territory in which the qualifying domestic top-up tax is imposed considers the amount unenforceable on the basis of any of those grounds.
>
> (4) Those grounds are that—
>
> > (a) the amount is unenforceable on constitutional grounds or as a result of other superior law applying in the territory in which the qualifying domestic top-up tax is imposed, or
> >
> > (b) the amount is unenforceable as a result of a specific agreement with the government of that territory as to the tax liability of the member or the group.
>
> (5) Subsection (2) ceases to apply where the enforceability of an amount of qualifying domestic top-up tax ceases to be in question.
>
> (6) Where the enforceability of an amount of qualifying domestic top-up tax was in question, it ceases to be in question where—
>
> > (a) the amount has been paid, and

     (b)   the enforceability of the amount may no longer be disputed as a result of—

        (i) a settlement,

       (ii) the time for any appeal having passed and there being no reasonable prospect of the time being extended, or

      (iii) the exhaustion of any rights to appeal.”

(2) In section 194 (total top-up amount for a territory), in subsection (3), for “section 256” substitute “sections 256 and 256A”.

Changes to legislation:
There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2024. 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 the whole Act associated Parts and Chapters:
Whole provisions yet to be inserted into this Act (including any effects on those provisions):

– Sch. 9 para. 132(1) Sch. 9 para. 132 renumbered as Sch. 9 para. 132(1) by S.I. 2024/356 reg. 4(23)(a)
– Sch. 9 para. 125(1)(c) and word inserted by S.I. 2024/356 reg. 4(3)(b)
– Sch. 9 para. 125(3A) inserted by S.I. 2024/356 reg. 4(6)
– Sch. 9 para. 126(1)(c) inserted by S.I. 2024/356 reg. 4(9)(c)
– Sch. 9 para. 126(3A) inserted by S.I. 2024/356 reg. 4(10)
– Sch. 9 para. 127A and cross-heading inserted by S.I. 2024/356 reg. 4(12)
– Sch. 9 para. 128(6)(a)(zi) inserted by S.I. 2024/356 reg. 4(13)
– Sch. 9 para. 129(1)(c)(d) inserted by S.I. 2024/356 reg. 4(15)(b)
– Sch. 9 para. 129(2)(c) and word inserted by S.I. 2024/356 reg. 4(16)(b)
– Sch. 9 para. 130A and cross-heading inserted by S.I. 2024/356 reg. 4(21)
– Sch. 9 para. 132(2)-(5) inserted by S.I. 2024/356 reg. 4(23)(c)
– Sch. 9 para. 132A and cross-heading inserted by S.I. 2024/356 reg. 4(24)
– Sch. 9 para. 132(1) words inserted by S.I. 2024/356 reg. 4(23)(b)