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SCHEDULES

SCHEDULE 12

PILLAR TWO

PART 3

DOMESTIC TOP-UP TAX

Investment entities

- 43 (1) In section 267—
- (a) in subsection (2), after “subsection (1)” insert “or (3B)(b)”, and
 - (b) after subsection (3A) (as inserted by [paragraph 42](#)) insert—
 - “(3B) An investment entity is a DTT excluded entity if—
 - (a) it is not a member of a group, or
 - (b) it is a member of group that is comprised only of members located in the United Kingdom. - (3C) An investment entity that is a member of a group that is not comprised only of members located in the United Kingdom—
 - (a) is not to be regarded as a qualifying entity, but
 - (b) top-up amounts of that entity are to be determined under sections 220 to 224 (see also section 272(8)(e) which has the effect of attributing those amounts to standard members of the group that are qualifying entities and are located in the same territory as the investment entity). - (3D) An investment entity that falls within subsection (3C) is not to be regarded as a member of any group for any purpose other than for the purposes of—
 - (a) determining the top-up amounts of that entity under those sections,
 - (b) applying Condition C in section 266 in relation to other members of the group (revenue threshold for group), and
 - (c) subsections (8)(e) (9), (10) and (11) of section 272.”
- (2) In consequence of the amendments made by sub-paragraph (1), in section 266(1) (qualifying entities) omit “or an investment entity”.
- (3) In section 272 (determining top-up amounts of entity that is a member of a group)—
- (a) in subsection (8), in paragraph (e)—
 - (i) after “effect” insert “in relation to a qualifying entity that is a standard member of a group” and

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- (ii) after “of” insert “qualifying”, and
- (b) after that subsection insert—
 - “(9) An investment entity is a qualifying investment entity in relation to a qualifying entity if it is
 - (a) a member of the same group as the qualifying entity, and
 - (b) located in United Kingdom.
 - (10) Subsection (11) applies to qualifying entities that are standard members of a group for an accounting period where—
 - (a) the total top-up amount referred to in section 193 for that period is greater than nil as a result of the modification of that section set out in subsection (8)(e), and
 - (b) none of those members have made a profit for that period (and accordingly will not, ignoring subsection (11), have top-up amounts).
 - (11) Where this subsection applies, each of those members has a top-up amount (for the purposes of domestic top-up tax) equal to the total top-up amount divided by the number of qualifying entities that are standard members of the group.”

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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\(23\)\(b\)](#)