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SCHEDULES

SCHEDULE 12

PILLAR TWO

PART 2

MULTINATIONAL TOP-UP TAX

Adjustments for companies in distress

- 9 (1) Section 151 (adjustments for companies in distress) is amended as follows.
- (2) In subsection (1)—
- (a) in the words before paragraph (a), after “group” insert “for an accounting period”,
 - (b) omit the “and” after paragraph (a),
 - (c) after that paragraph insert—
 - “(aa) that release is reflected in the underlying profits of the member for that period,” and
 - (d) after paragraph (b) insert “, and
 - (c) the filing member of the group elects that this section should apply to the member for that period.”
- (3) In subsection (6)(c) for “deferred tax assets” substitute “local tax attributes”.
- (4) After subsection (6) insert—
- “(6A) For the purposes of subsection (6)(c) “local tax attributes” means any tax attributes (which may include foreign tax credits) of the member that are recognised under the law of the territory in which the member is located (whether or not such tax attributes are excluded from the member’s covered tax balance).”
- (5) For subsection (7) substitute—
- “(7) Where more than one debt is released at the same time, the debts released are to be treated as a single aggregate amount for the purpose of assessing whether conditions in this section are met (for example, whether the member’s assets exceed its liabilities at any time).”
- (6) After that subsection insert—
- “(8) Paragraph 2 of Schedule 15 (annual elections) applies to an election under subsection (1)(c).”

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