



Finance Act 2021

2021 CHAPTER 26

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Rate of diverted profits tax

8 Increase in the rate of diverted profits tax

- (1) In section 79 of FA 2015 (charge to diverted profits tax)—
 - (a) in subsection (2)(a) (which sets the rate in a standard case), and
 - (b) in subsections (3) and (3A) (which contain modifications of the rate in the case of ring fence profits or banking surcharge profits),for “25%” substitute “31%”.
- (2) The amendments made by this section have effect for accounting periods beginning on or after 1 April 2023.
- (3) The remaining provisions of this section deal with a case where a company has an accounting period (a “straddling period”) beginning before 1 April 2023 and ending on or after that date.
- (4) For the purpose of calculating the amount of diverted profits tax chargeable on a company for the straddling period—
 - (a) so much of the straddling period as falls before 1 April 2023, and
 - (b) so much of it as falls on or after that date,are to be treated as separate accounting periods.
- (5) If it is necessary to apportion an amount for the straddling period to the two separate accounting periods, the apportionment is to be made on a time basis according to the respective lengths of the separate accounting periods.