



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 3

MULTINATIONAL TOP-UP TAX

CHAPTER 9

SPECIAL PROVISION FOR INVESTMENT ENTITIES, JOINT VENTURE GROUPS AND MINORITY-OWNED MEMBERS

Joint venture group

226 Joint venture group

- (1) For the purposes of this Part “joint venture group” means a joint venture parent of a qualifying multinational group and its joint venture subsidiaries (together its “members”).
- (2) An entity is a joint venture parent of a multinational group if—
 - (a) the financial results of that entity are reported under the equity method in the consolidated financial statements of the ultimate parent of that group,
 - (b) the ultimate parent holds at least 50% of the ownership interests in the entity,
 - (c) the entity is not the ultimate parent of a qualifying multinational group,
 - (d) the entity is not an excluded entity,
 - (e) the entity is not an entity owned by an excluded entity—
 - (i) that only carries out activities that are ancillary to the activities of the excluded entity,
 - (ii) whose activities consist, wholly or almost wholly, of the holding of assets or the investment of funds for the benefit of the excluded entity, or
 - (iii) whose income is, wholly or almost wholly, excluded dividends or excluded equity gains (or a mixture of both),

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Changes to legislation: *There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Cross Heading: Joint venture group. (See end of Document for details)*

- (f) the multinational group of which the entity is a member is not composed exclusively of excluded entities, and
 - (g) the entity is not a joint venture subsidiary in relation to another joint venture parent.
- (3) An entity is a joint venture subsidiary of a joint venture parent if its assets liabilities, income, expenses and cash flows are included in the consolidated financial statements of the joint venture parent.
- (4) Where the main entity of a permanent establishment is a joint venture parent of a multinational group or a joint venture subsidiary, that permanent establishment is to be treated as a separate joint venture subsidiary of the same multinational group joint venture group.

227 Application of Part to joint venture groups

- (1) This Part applies to a joint venture group as it applies to a multinational group, but [Chapters 3 to 6 and 8 of this Part](#) and [Schedule 16](#) apply as if—
- (a) references to the ultimate parent were to the joint venture parent of that group,
 - (b) references to a member of a multinational group were to the members of the joint venture group, and,
 - (c) references to the filing member were to the filing member of the multinational group whose ultimate parent holds at least 50% of the ownership interests in the joint venture parent.
- (2) For the purposes of the other provisions of this Part, the members of the joint venture group are treated as members of the multinational group whose ultimate parent directly or indirectly holds at least 50% of the ownership interests in the joint venture parent.
- (3) But no member of the joint venture group is to be regarded as an intermediate parent member or a partially owned parent member of that group.

Status:

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