



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 3

MULTINATIONAL TOP-UP TAX

CHAPTER 8

FURTHER ADJUSTMENTS

Covered taxes less than nil

204 Allocation of collective additional amount under [section 203](#) to members

- (1) Where the standard members of a multinational group in a territory have a collective additional amount under [section 203](#), an amount of that amount is to be allocated to each member that has a negative covered tax balance, expressed as a negative number, which is less than the adjusted profits of that member (which may be positive or negative) multiplied by 15%.
- (2) To determine the amount of the collective additional amount to be allocated to each such member, take the following steps—

Step 1

For each such member determine the amount given by subtracting the member's negative covered tax balance, expressed as a negative number, from its adjusted profits multiplied by 15%.

Step 2

Add together the amounts determined under Step 1.

Step 3

For each such member, divide the amount determined for that member under Step 1 by the result of Step 2.

Step 4

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Section 204. (See end of Document for details)

Allocate to each member the amount given by multiplying the result of Step 3 for that member by the collective additional amount.

- (3) For the purposes of [this Part](#), an amount of a collective additional amount allocated to a member of a multinational group under [this section](#) is an additional top-up amount.
- (4) [Chapter 7](#) (allocation of top-up amounts to responsible members) applies to an additional top-up amount allocated to a member of a multinational group under [this section](#) as it applies to a top-up amount of that member as if the adjusted profits of that member were the amount given by dividing the additional top-up amount by 15%.

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Section 204.