

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

SCHEDULES

SCHEDULE 14

Section 125

ADMINISTRATION OF MULTINATIONAL TOP-UP TAX

PART 1

OVERVIEW

- 1 (1) The Commissioners for His Majesty’s Revenue and Customs are responsible for the collection and management of multinational top-up tax.
- (2) [This Schedule](#)—
 - (a) contains provision to enable HMRC to determine when a person is chargeable to multinational top-up tax for an accounting period;
 - (b) contains requirements to provide information to HMRC for the purposes of multinational top-up and taxes under the law of other territories that are equivalent to multinational top-up tax;
 - (c) allows for the assessment of amounts of multinational top-up tax;
 - (d) sets out associated administrative provisions;
 - (e) makes consequential and other amendments to other enactments.
- (3) [This Schedule](#) makes provision about a “filing member” of a multinational group (see Part 2) and contains provision requiring such a member to—
 - (a) register with HMRC (see Part 3);
 - (b) submit an information return to HMRC (see Part 4);
 - (c) submit a self-assessment return to HMRC (see Part 5);
 - (d) keep and preserve records (see Part 9).
- (4) [Part 10](#) of [this Schedule](#) makes provision for when and how payment of multinational top-up tax payable is to be made.
- (5) [This Schedule](#) makes provision for—
 - (a) penalties (see Part 11);
 - (b) appeals and claims for repayment of overpaid tax (see Part 12).

PART 2

MEANING OF “FILING MEMBER”

- 2 (1) The filing member of a multinational group is the ultimate parent of that group, unless a nomination under sub-paragraph (2) is in force.
- (2) The nomination referred to in [sub-paragraph \(1\)](#) is a nomination by the ultimate parent of the group that another person should act as the filing member.

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- (3) The ultimate parent may only nominate a person if—
 - (a) the person is a member of the group, and
 - (b) the person is a company.
 - (4) If the ultimate parent nominates a person under sub-paragraph (2), they must—
 - (a) nominate the same person as the filing member for the purposes of [Schedule 18](#);
 - (b) if the nomination ceases to be in force, revoke the nomination referred to in paragraph (a);
 - (c) if the nomination referred to in paragraph (a) ceases to be in force, revoke the nomination.
 - (5) The ultimate parent must provide the person nominated with everything the person may reasonably require in order to comply with the obligations of a filing member under [this Schedule](#).
 - (6) While a nomination under [sub-paragraph \(2\)](#) is in force, the filing member of a multinational group is the person nominated.
 - (7) A nomination is in force from the time it is made until any of the following events occurs—
 - (a) the ultimate parent nominates another person;
 - (b) the person nominated ceases to be a member of the group;
 - (c) the person nominated ceases to be a company;
 - (d) the ultimate parent revokes the nomination;
 - (e) an officer of Revenue and Customs revokes the nomination.
 - (8) An officer of Revenue and Customs may revoke a nomination if the officer considers that—
 - (a) the ultimate parent is not complying with its obligation under [sub-paragraph \(5\)](#), or
 - (b) the person nominated is not complying with the obligations of a filing member under [this Schedule](#).
 - (9) An officer of Revenue and Customs revokes a nomination by notifying the ultimate parent and the nominated person of the revocation.
 - (10) The revocation has effect when the notification is issued.
 - (11) Any nomination, or revocation of a nomination, must be in writing.
 - (12) [Paragraph 3](#) makes provision for circumstances in which the ultimate parent is the filing entity but is not a company.
 - (13) [Paragraph 4](#) makes specific provision for a multinational group that is part of a multi-parent group.
 - (14) [Paragraph 5](#) makes provision for the effect of the filing member of a multinational group changing.
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- (1) [This paragraph](#) applies where—
 - (a) the filing member of a multinational group is its ultimate parent, and
 - (b) the ultimate parent is not a company.

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- (2) The obligations of the filing member under [this Schedule](#) may be met by—
- (a) in the case of a partnership other than a limited partnership^{F1}..., any partner;
 - (b) in the case of a limited partnership, any general partner;
 - ^{F2}(c)
 - (d) in the case of a trust, any trustee;
 - (e) in the case of any other arrangement, any person responsible for preparing the separate financial accounts.
- ^{F3}(3) In this Schedule—
- (a) “limited partnership” includes an entity established under the law of a territory outside the United Kingdom that is equivalent to a limited partnership, and
 - (b) “general partner” includes a partner of such an entity that corresponds to a general partner.
- (4) See also section 232A, which contains provision about the continuity of partnerships which is relevant to this paragraph.
- (5) Where an obligation of a partnership may be met by one of its partners and the partnership does not comply with that obligation—
- (a) an officer of Revenue and Customs may by notice require any such partner to meet the obligation, and
 - (b) that partner is to be treated for that purpose as the filing member (and accordingly may be subject to any penalty for a failure to comply).]

Textual Amendments

- F1** Words in [Sch. 14 para. 3\(2\)\(a\)](#) omitted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by virtue of [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 2\(6\)\(a\)\(i\)](#)
- F2** [Sch. 14 para. 3\(2\)\(c\)](#) omitted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by virtue of [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 2\(6\)\(a\)\(ii\)](#)
- F3** [Sch. 14 para. 3\(3\)-\(5\)](#) substituted for [Sch. 14 para. 3\(3\)](#) (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 2\(6\)\(a\)\(iii\)](#)

- 4 (1) The obligations of a filing member of a multinational group that is part of a multi-parent group may be met by the filing member of any of the groups that are part of that multi-parent group, subject to [sub-paragraph \(2\)](#).
- (2) The obligations of the filing member may not be met by a person nominated under [paragraph 2\(2\)](#) unless the ultimate parent of each group forming the multi-parent group has authorised the nomination.
- (3) Any authorisation must be in writing.
- 5 (1) [This paragraph](#) applies if at any time (“the relevant time”) a person (“the new filing member”) becomes the filing member of a multinational group in place of another person (“the old filing member”).
- (2) The obligations and liabilities of the new filing member under [this Schedule](#) include any obligations and liabilities the old filing member had under [this Schedule](#).

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- (3) Anything done as the filing member of the group by or in relation to the old filing member, before the relevant time, is treated as having been done by or in relation to the new filing member.
- (4) Accordingly, a penalty may be imposed on the new filing member in respect of anything done before the relevant time if, at that time, a penalty could have been imposed on the old filing member in respect of the thing done.
- (5) Anything done by HMRC in relation to the old filing member under [this Schedule](#), before the end of the day the change is notified, is treated for all purposes under [this Schedule](#) as done in relation to the new filing member.
- (6) Anything that, at any time during the period beginning with the relevant time and ending with the day the change is notified, is in the process of being done under [this Schedule](#) in relation to the old filing member may be continued in relation to the new filing member.
- (7) Accordingly, any reference in an enactment or other instrument to the filing member of the group is to be read, so far as necessary for the purposes of giving effect to any of [sub-paragraphs \(2\) to \(6\)](#), as being or including a reference to the new filing member.
- (8) In [this paragraph](#)—
 - (a) any reference to an act includes an omission;
 - (b) any reference to the day the change is notified is to the day on which an officer of Revenue and Customs receives notification that the new filing member has become the filing member of the group.
- (9) Nothing in [this paragraph](#)—
 - (a) prevents HMRC or anyone else, after the relevant time, from imposing a penalty, exercising any other power, or doing anything else, in relation to the old filing member in respect of anything done before the relevant time, or
 - (b) affects the validity of anything done before the relevant time.

PART 3

REGISTRATION

- 6 (1) The filing member of a multinational group must register with HMRC if the group becomes a qualifying multinational group.
- [^{F4}(1A) The reference to a multinational group in sub-paragraph (1) does not include a group exclusively comprised of excluded entities (who are only regarded as members of the group for certain purposes in accordance with section 127(2)).]
- (2) For the purposes of sub-paragraph (1), a multinational group becomes a qualifying multinational group on the first day of the first accounting period it is a qualifying multinational group (the “trigger day”).
- (3) A filing member registers with HMRC by providing specified information to HMRC.
- (4) The specified information is—
 - (a) the name of the filing member;
 - (b) the name of the ultimate parent (if different to the filing member);

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- (c) the date of the trigger day;
 - (d) the date on which the accounting period in which the trigger day occurs will end or has ended;
 - (e) any other information that may be specified in a notice published by HMRC.
- (5) The information must be provided in the way specified in a notice published by HMRC.
- (6) The information must be provided by the end of the period of six months beginning with the day after the accounting period in which the trigger day occurs ends.
- (7) In this Schedule, a “registered group” means a multinational group that is registered under this paragraph.
- (8) A multinational group is registered under this paragraph if—
- (a) the filing member of the group has registered under this paragraph, and
 - (b) a notice of de-registration is not in force in relation to the registration (see paragraph 7).
- (9) [Paragraphs 8](#) and [9](#) provide further notification requirements in relation to a registered group.

Textual Amendments

- F4** [Sch. 14 para. 6\(1A\)](#) inserted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 58\(1\)\(a\)](#)

- 7
- (1) This paragraph applies where the filing member of a multinational group has registered under paragraph 6.
 - (2) An officer of Revenue and Customs may issue the filing member with a notice of de-registration in relation to the registration.
 - (3) The effect of an officer issuing a notice of de-registration is that, beginning with the effective date, the registration to which the notice relates is not to be treated as a registration under paragraph 6.
 - (4) “The effective date” is a date specified in or determined by reference to the notice as the date on which the notice takes effect.
 - (5) But a notice of de-registration does not affect the validity of a registration for the purposes of any obligation arising before the effective date.
 - (6) An officer of Revenue and Customs may issue a notice of de-registration only if—
 - (a) the filing member has applied for such a notice, and
 - (b) it appears to the officer that the group will not be a qualifying multinational group for any accounting period beginning with the period in which the effective date falls.
- 8
- (1) [This paragraph](#) applies where the filing member of a registered group changes.
 - (2) The new filing member must notify HMRC of the change before the end of the period of 6 months beginning with the day the change occurs.

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- (3) But, if the change occurs before the end of the period referred to in paragraph 6(6), the new filing member may notify HMRC of the change at any time before the end of that period even if later than the end of the period in sub-paragraph (2).
- (4) The notification must be given in the way specified in a notice published by HMRC.
- 9 (1) The filing member of a registered group must notify HMRC of any other change to the information provided under paragraph 6.
- (2) The notification must be given before the end of the period of 6 months beginning with the day on which the change occurs.
- (3) But, if the change occurs before the end of the period referred to in paragraph 6(6), the filing member may notify HMRC of the change at any time before the end of that period even if later than the end of the period in sub-paragraph (2).
- (4) The notification must be given in the way specified in a notice published by HMRC.

PART 4

INFORMATION RETURNS

- 10 (1) The filing member of a registered group must submit an information return to HMRC for each accounting period in which the group is a qualifying multinational group, unless sub-paragraph (4) applies.
- (2) An “information return” is a return containing the following information—
- (a) identification of the members of the group;
 - (b) information on the overall corporate structure of the group;
 - (c) information relevant to the determination of effective tax rates, top-up amounts or allocation of top-up amounts;
 - (d) such other information specified in a notice published by HMRC as HMRC may consider relevant to the sharing of information between Pillar Two territories in connection with the Pillar Two rules.
- (3) HMRC may specify in a notice the particular items of information to be submitted as part of an information return.
- (4) This sub-paragraph applies if an information return has been submitted for that period to another qualifying authority.
- (5) A “qualifying authority” is an authority outside the United Kingdom with which HMRC has an agreement under which the authority will share the information contained in information returns submitted to that authority with HMRC.
- (6) If sub-paragraph (4) applies, the filing member must notify HMRC (an “overseas return notification”).
- (7) An information return or overseas return notification must be submitted in the way specified in a notice published by HMRC.
- (8) HMRC may specify in a notice that other information is to be provided together with an overseas return notification.

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- (9) An information return or overseas return notification must be submitted by the end of the period of 15 months beginning with the day after the end of the accounting period in respect of which the return or notification is being submitted.
- (10) But the longer period in sub-paragraph (11) applies if the return or notification is being submitted in respect of the first accounting period in relation to which the group is a registered group.
- (11) Where this sub-paragraph applies, the information return or overseas return notification must be submitted by the end of the period of 18 months beginning with the day after the end of the accounting period.
- 11 (1) The filing member may amend a return submitted under paragraph 10 by notice to HMRC.
- (2) The filing member may further amend a return previously amended by further notice to HMRC.
- (3) No amendment may be made after the end of the period of 12 months beginning with the day after the latest date by which the return or notification was required to be submitted under paragraph 10.
- (4) An amendment must be submitted in the way specified in a notice published by HMRC.
- 12 HMRC may take into account an information return in performing any of its functions.

PART 5

SELF-ASSESSMENT RETURNS

- 13 (1) The filing member of a registered group must submit a self-assessment return to HMRC for each accounting period, unless sub-paragraph (3) applies.
- (2) A “self-assessment return” is a return containing—
- (a) an assessment by the filing member as to—
- (i) which members of the group are chargeable to multinational top-up tax, and
- (ii) the amount of multinational top-up tax is chargeable to each such member, and
- (b) such other information as may be specified in a notice published by HMRC.
- (3) This sub-paragraph applies if—
- (a) the conditions in sub-paragraph (5) are met in relation to the group for the accounting period,
- (b) the filing member has submitted a below-threshold notification to HMRC, and
- (c) the filing member has not withdrawn the below-threshold notification.
- (4) A “below-threshold notification” is a notification that the filing member—
- (a) considers that the conditions in sub-paragraph (5) are met for an accounting period, and

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- (b) does not expect that the conditions will cease to be met for that accounting period or any subsequent accounting period.
- (5) The conditions are that—
 - (a) the group was not a qualifying multinational group in the accounting period, and
 - (b) the group is unlikely to be a qualifying multinational group in the next two accounting periods.
- (6) A self-assessment return or below-threshold notification must be submitted in the way specified in a notice published by HMRC.
- (7) HMRC may specify in a notice that other information is to be provided together with a below-threshold notification.
- (8) A self-assessment return or below-threshold notification must be submitted by the end of the period of 15 months beginning with the day after the end of the accounting period in respect of which the return or notification is being submitted.
- (9) But the longer period in sub-paragraph (10) applies if a self-assessment return is being submitted in respect of the first accounting period in relation to which the group is a registered group.
- (10) Where this sub-paragraph applies, the self-assessment return must be submitted by the end of the period of 18 months beginning with the day after the end of the accounting period.
- 14 (1) The filing member may amend a return submitted under [paragraph 13](#) by notice to HMRC.
- (2) The filing member may further amend a return previously amended by further notice to HMRC.
- (3) No amendment may be made after the end of the period of 12 months beginning with the day after the latest date by which the return or notification was required to be submitted under [paragraph 13](#).
- (4) An amendment must be submitted in the way specified in a notice published by HMRC.

PART 6

ENQUIRIES INTO A SELF-ASSESSMENT RETURN

- 15 (1) [This Part](#) of [this Schedule](#) applies if the filing member of a multinational group has submitted a self-assessment return under [paragraph 13](#) for an accounting period.
- (2) In [this Part](#) “return” means a self-assessment return (including as amended under [paragraph 14](#)).
- 16 (1) An officer of Revenue and Customs may enquire into the return if, within the time allowed, the officer gives notice to the filing member of the officer's intention to do so.
- (2) The time allowed is—

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- (a) if the return was submitted on or before the submission date, up to the end of the period of 12 months after the submission date;
 - (b) if the return was submitted after the submission date, up to and including the quarter day next following the first anniversary of the day on which the return was delivered;
 - (c) if the return is amended under [paragraph 14](#), up to and including the quarter day next following the first anniversary of the day on which the return was amended.
- (3) The submission date is the day ending the period for submission of the return referred to in [paragraph 13\(8\)](#) (or the longer period referred to in [paragraph 13\(10\)](#) where applicable).
- (4) The quarter days are 31 January, 30 April, 31 July and 31 October.
- (5) A notice under [this paragraph](#) is referred to in [this Part](#) of [this Schedule](#) as a “notice of enquiry”.
- (6) A return that has been the subject of one notice of enquiry may not be the subject of another, except one given in consequence of an amendment of the return.
- 17 (1) An enquiry may extend to anything contained in the return, or required to be contained in the return, including anything that relates—
- (a) to the question of whether multinational top-up tax is chargeable in respect of the accounting period, or
 - (b) to the amount of tax so chargeable.
- (2) But, where the notice of enquiry is given in consequence of an amendment of a return—
- (a) at a time when it is no longer possible to give a notice of enquiry under [paragraph 16\(2\)\(a\)](#) or [\(b\)](#),
 - (b) after a partial closure notice (see [paragraph 22\(1\)](#)) has been issued in relation to the matters to which the amendment relates or which are affected by the amendment, or
 - (c) after an enquiry into a return has been completed,
- the enquiry into the return is limited to matters to which the amendment relates or that are affected by the amendment.
- 18 (1) For the purposes of [this Part](#) an enquiry is in progress into a return for the whole of the period—
- (a) beginning with the day on which notice of enquiry is given in relation to that return, and
 - (b) ending with the day on which the enquiry is completed.
- (2) The enquiry is completed on the day a final closure notice is given (see [paragraph 22\(2\)](#)).
- 19 (1) If at a time when an enquiry is in progress into a return an officer of Revenue and Customs forms the opinion—
- (a) that an amount stated in the return as the amount of multinational top-up tax payable by a member of the group is insufficient, and
 - (b) that unless the assessment in the return is immediately amended there is likely to be a loss of tax to the Crown,

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the officer may by notice in writing to the filing member amend the assessment to make good the deficiency.

- (2) In the case of an enquiry that under [paragraph 17\(2\)](#) is limited to matters arising from an amendment of the return, [sub-paragraph \(1\)](#) applies only so far as the deficiency is attributable to the amendment.
- (3) In the case of an enquiry in relation to which one or more partial closure notices have been given, [sub-paragraph \(1\)](#) applies only so far as the deficiency is attributable to matters not addressed by those notices.
- 20 (1) [This paragraph](#) applies if a return is amended at a time when an enquiry is in progress into the return.
- (2) The amendment does not restrict the scope of the enquiry but may be taken into account (together with any matters arising) in the enquiry (whether or not the amendment takes effect under [sub-paragraph \(4\)](#)).
- (3) [Sub-paragraph \(4\)](#) applies where the amendment is made otherwise than under [paragraph 19](#).
- (4) So far as the amendment affects the amount stated in the return as the amount of tax payable, the amendment does not take effect, in relation to any matter to which it relates or which is affected by it, while the enquiry is in progress, except to the extent that—
- (a) a partial closure notice has been given in relation to a matter to which the amendment relates or which is affected by it, and
 - (b) the notice states that the amendment is to take effect.
- (5) The final closure notice—
- (a) must state whether and to what extent an amendment whose effect is deferred under [sub-paragraph \(4\)](#) is to take effect;
 - (b) may state that an amendment made under [paragraph 19](#), and whose effect is not terminated or amended by a partial closure notice, is to cease to have effect or is to be amended as specified in the notice.
- 21 (1) At any time when an enquiry is in progress into a return any question arising in connection with the subject-matter of the enquiry may be referred to the tribunal for determination.
- (2) Notice of the referral must be given to the tribunal jointly by the filing member and an officer of Revenue and Customs.
- (3) More than one notice of referral may be given in relation to an enquiry.
- (4) An officer of Revenue and Customs or the filing member may withdraw a notice of referral.
- (5) The effect of the notice being withdrawn is that the questions referred are not (unless they have already been finally determined) to be finally determined by the tribunal.
- (6) While proceedings on a referral are in progress in relation to an enquiry—
- (a) no closure notice may be given in relation to the enquiry, and
 - (b) no application may be made for a direction to give such a notice.
- (7) Proceedings are in progress where—

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- (a) notice of referral has been given,
 - (b) the notice has not been withdrawn, and
 - (c) the questions referred have not been finally determined.
- (8) In [this paragraph](#), a question referred is finally determined when—
- (a) it has been determined by the tribunal, and
 - (b) there is no further possibility of the determination being varied or set aside (disregarding any power to grant permission to appeal out of time).
- (9) The determination of a question referred to the tribunal is binding on the parties to the referral in the same way, and to the same extent, as a decision on a preliminary issue in an appeal under Part 12 of [this Schedule](#).
- (10) The determination must be taken into account by an officer of Revenue and Customs—
- (a) in reaching the officer's conclusions on the enquiry, and
 - (b) in formulating any amendments of the return required to give effect to those conclusions.
- (11) The question determined may not be reopened on an appeal under [Part 12 of this Schedule](#), except to the extent that it could be reopened if it had been determined as a preliminary issue in that appeal.
- 22 (1) Any matter to which an enquiry into a return relates is completed by an officer of Revenue and Customs giving the filing member a partial closure notice.
- (2) An enquiry into a return is completed by an officer of Revenue and Customs giving the filing member a final closure notice.
- (3) In this Part of this Schedule, “closure notice” means a partial closure notice or a final closure notice.
- (4) A closure notice is a notice stating—
- (a) that the enquiry, or the enquiry in so far as it relates to a particular matter, is complete;
 - (b) the conclusion reached in the enquiry.
- (5) The conclusion must be one of the following—
- (a) that no amendment of the return is required, or
 - (b) that the amendments of the return specified in the notice are to be made.
- (6) A closure notice takes effect when it is given to the filing member.
- (7) The officer—
- (a) must provide additional information together with the notice as to the basis for the conclusion;
 - (b) may provide such other information as the officer thinks fit.
- (8) A final closure notice may not, in relation to a matter to which a partial closure notice relates, state a different conclusion in respect of that matter to that stated in the partial closure notice.
- 23 (1) The filing member may apply to the tribunal for a direction that an officer of Revenue and Customs give a closure notice within a specified period.

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- (2) The tribunal hearing the application must give a direction unless satisfied that HMRC has reasonable grounds for not giving a closure notice within a specified period.
- (3) An application under [this paragraph](#) is to be treated as an appeal under [Part 12](#) of [this Schedule](#).

PART 7

DETERMINATIONS WHERE SELF-ASSESSMENT RETURN NOT SUBMITTED

- 24 [This Part](#) of [this Schedule](#) applies if the filing member of a multinational group has not submitted a self-assessment return under [paragraph 13](#) for an accounting period.
- 25 (1) An officer of Revenue and Customs may make a determination if—
- (a) the group is not a registered group and the officer has reasonable grounds to believe the group should be, or
 - (b) the officer has reasonable grounds to believe the filing member should have submitted a self-assessment return.
- (2) A “determination” is a determination by the officer to the best of the officer’s knowledge and belief as to the total amount of tax payable by a member of the group for the accounting period.
- (3) The officer must give notice of the determination to the filing member.
- (4) The notice must state the date on which it was issued.
- (5) No determination may be made—
- (a) on or before the last date on which the return was required to be submitted or would have been so required had the group been a registered group;
 - (b) more than 3 years after that date.
- 26 (1) If, after a determination has been made—
- (a) a self-assessment return is submitted for the accounting period, and
 - (b) an information return or overseas return notification has been submitted for that period,
- the assessment in the self-assessment return supersedes the assessment in the determination.
- (2) [Sub-paragraph \(1\)](#) does not apply to a self-assessment return delivered after the later of—
- (a) the day 3 years after the day on which the power to make the determination first became exercisable, and
 - (b) the day 12 months after the date of the determination.
- (3) Where—
- (a) proceedings have begun for the recovery of any tax assessed in a determination, and
 - (b) before the proceedings are concluded the determination is superseded under [sub-paragraph \(1\)](#),
- the proceedings may be continued as if they were proceedings for the recovery of so much of the tax assessed in the self-assessment return as is due and payable and has not been paid.

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Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- (4) Where—
- (a) action is being taken under Part 1 of Schedule 8 to the F(No.2)A 2015 (enforcement of deduction from accounts) for the recovery of an amount (“the original amount”) of tax assessed in a determination, and
 - (b) before that action is concluded the determination is superseded under [sub-paragraph \(1\)](#),
- that action may be continued as if it were an action for the recovery of so much of the tax assessed in the return as is due and payable, has not been paid and does not exceed the original amount.

PART 8

DISCOVERY ASSESSMENTS

- 27 (1) If, in respect of an accounting period, an officer of Revenue and Customs discovers that—
- (a) an amount of multinational top-up tax that ought to have been assessed in respect of a multinational group has not been assessed, or
 - (b) an assessment to tax is or has become insufficient,
- the officer may make an assessment (a “discovery assessment”) in the amount which ought in the officer's opinion to be charged in order to make good to the Crown the loss of tax.
- (2) This is subject to the restrictions in [paragraph 28](#).
- 28 (1) [This paragraph](#) applies where the filing member of the group has submitted a self-assessment return under [paragraph 13](#) for the accounting period in respect of which the officer makes a discovery assessment.
- (2) Where [this paragraph](#) applies, the power to make a discovery assessment—
- (a) may only be made in the two cases specified in [sub-paragraphs \(3\) and \(4\)](#), and
 - (b) may not be made in the circumstances specified in [sub-paragraph \(6\)](#).
- (3) The first case is where the situation mentioned in [paragraph 27\(1\)](#) was brought about carelessly or deliberately on the part of—
- (a) a member of the group of which the person forms part, or
 - (b) a person acting on behalf of a member of the group.
- (4) The second case is where an officer of Revenue and Customs, at the time the officer—
- (a) ceased to be entitled to give a notice of enquiry into the return submitted in respect of the group for the accounting period, or
 - (b) completed an enquiry into the return,
- could not have been reasonably expected, on the basis of the information made available to the officer before that time, to be aware of the situation mentioned in [paragraph 27\(1\)](#).
- (5) For this purpose information is regarded as made available to the officer of Revenue and Customs if—
- (a) it is contained in a self-assessment return, an information return, an overseas return notification or a below-threshold notification for the accounting

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- period in question or either of the two immediately preceding accounting periods,
- (b) it is contained in any documents produced or information provided by the filing member for the purposes of an enquiry into any such return or notification, or
- (c) it is information the existence of which, and the relevance of which as regards the situation mentioned in paragraph 27(1)—
- (i) could reasonably be expected to be inferred by the officer of Revenue and Customs from information falling within paragraph (a) or (b), or
- (ii) are notified in writing to an officer of Revenue and Customs by the filing member or another person acting on the filing member's behalf.
- (6) No discovery assessment may be made if—
- (a) the situation mentioned in paragraph 27(1) is attributable to a mistake in the return as to the basis on which the tax liability ought to have been calculated, and
- (b) the return was in fact made on the basis or in accordance with the practice generally prevailing at the time it was made.
- 29 (1) The general rule is that no discovery assessment may be made more than 4 years after the end of the accounting period to which it relates.
- (2) A discovery assessment in a case involving a loss of tax brought about carelessly by a member of the group (or a person acting on their behalf) may be made at any time not more than 6 years after the end of the accounting period to which it relates.
- (3) A discovery assessment in a case involving a loss of tax brought about deliberately by a member of the group (or a person acting on their behalf) may be made at any time not more than 20 years after the end of the accounting period to which it relates.
- (4) A discovery assessment in a case involving a loss of tax brought about as a result of a failure of a filing member to register with HMRC under paragraph 6 may be made at any time not more than 20 years after the end of the accounting period to which it relates.
- 30 (1) The officer of Revenue and Customs must give notice of a discovery assessment to the filing member.
- (2) The notice must state—
- (a) the tax due,
- (b) the date on which the notice is issued, and
- (c) the time within which any appeal against the assessment must be made.
- (3) After notice of the assessment has been served under this paragraph, the assessment may not be altered except as provided for by or under this Schedule.
- (4) Where an officer of Revenue and Customs has—
- (a) decided to make an assessment to tax, and
- (b) taken all other decisions needed for arriving at the amount of the assessment, the officer may entrust to another officer of Revenue and Customs the responsibility for completing the assessing procedure, whether by means involving the use of a computer or otherwise, including responsibility for serving notice of the assessment.

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

PART 9

RECORD-KEEPING REQUIREMENTS

- 31 (1) The filing member of the group must—
- (a) keep such records as may be needed to enable it to deliver correct and complete returns if required, and
 - (b) preserve those records in accordance with [this paragraph](#).
- (2) The records must be preserved until the end of the relevant day.
- (3) “The relevant day” means—
- (a) the later of—
 - (i) the ninth anniversary of the last day of the accounting period to which the records relate, and
 - (ii) if a self-assessment return relating to that accounting period is submitted and a notice of enquiry into that return has been given before the anniversary referred to in sub-paragraph (i), the day at the end of the period of six months beginning with the day the enquiry is completed;
 - (b) such earlier day as may be specified in a notice published by HMRC (and different days may be specified for different cases).
- (4) The duty to preserve records may be satisfied—
- (a) by preserving them in any form and by any means, or
 - (b) by preserving the information contained in them in any form and by any means,
- subject to any conditions or exceptions specified in a notice published by HMRC.

PART 10

PAYMENTS OF MULTINATIONAL TOP-UP TAX

Timing of payments

- 32 (1) Multinational top-up tax due must be paid by the end of the period of 15 months beginning with the day after the end of the accounting period.
- (2) But the longer period in sub-paragraph (3) applies if the liability to pay tax arises in respect of the first accounting period in relation to which a group is a qualifying multinational group.
- (3) Where this sub-paragraph applies, multinational top-up tax due must be paid by the end of the period of 18 months beginning with the day after the end of the accounting period.
- (4) A person’s liability to pay multinational top-up tax may be discharged by another member of the multinational group to which the liability relates (but see [paragraph 37](#)).
- 33 (1) Interest is to accrue on amounts payable under [paragraph 32](#), but not paid, from the day after the latest date on which the amounts were required to be paid.

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Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- (2) The rate of interest is to be as provided in regulations under section 178 of FA 1989.
- [^{F5}33A(1) Where a person has paid an amount that has been paid by way of multinational top-up tax but the amount is not due, the amount incurs interest at the rate provided for in regulations made under section 178 of FA 1989 from the later of—
- (a) the day after the latest day (under paragraph 32) by which the amount paid would have been required to be paid as multinational top-up tax if it were due, and
 - (b) the day on which the amount was paid.
- (2) See paragraph 51 for provision about making claims for the repayment of an amount that is not tax that was due (but see also paragraph 52 which, for example, prevents such a claim being made where an amendment to an assessment can be, or could have been, made).]

Textual Amendments

- F5** Sch. 14 para. 33A inserted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by Finance Act 2024 (c. 3), Sch. 12 para. 37(3)

Group payment notices

- 34 (1) An officer of Revenue and Customs may issue a group payment notice if an amount payable by a member of a multinational group of multinational top-up tax (including any interest on that amount) is not paid by the end of the period of three months beginning with the relevant date.
- (2) A group payment notice may be issued to any person who is a member of the group or who was a member of the group at [^{F6}any time in the accounting period to which the amount payable relates] (wherever in the world they are located), subject to paragraph 35 where the group contains ring-fenced entities.
- [^{F7}(2A) The references to a member of a group in sub-paragraph (2) do not include a member of a group that is—
- (a) a securitisation company (within the meaning given by section 267(4)),
 - (b) a covered bond vehicle (within the meaning given by section 272A(5)), or
 - (c) an investment entity.]
- (3) A group payment notice is a notice requiring the recipient to pay an outstanding amount of multinational top-up tax payable by a member of the group by a date specified in the notice.
- (4) The notice may not specify a date earlier than the date 30 days after the notice is issued.
- (5) A group payment notice must state—
- (a) the amount of any tax that remains unpaid,
 - (b) the date any tax first became payable, and
 - (c) the member's right of appeal (see paragraph 36(3)).

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Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- (6) A group payment notice may not be issued more than 3 years and 6 months after the relevant date.
- (7) If the amount payable is as assessed in a self-assessment return, the relevant date is the later of—
- (a) the date on which multinational top-up tax must be paid;
 - (b) in a case where the return is delivered after the submission date, the date on which the return is delivered;
 - (c) if notice of enquiry is given, the date on which the enquiry is completed;
 - (d) if as a result of such an enquiry the return is amended, the date of the closure notice in relation to that enquiry;
 - (e) if there is an appeal against the closure notice, the date on which the appeal is finally determined.
- (8) If the amount payable is as assessed in a discovery assessment, the relevant date is—
- (a) if there is no appeal against the assessment, the date on which the notice of assessment is issued, or
 - (b) if there is such an appeal, the date on which the appeal is finally determined.
- (9) If the amount payable is as assessed in a determination that has not been superseded, the relevant date is the date on which notice of the determination was issued.

Textual Amendments

- F6** Words in [Sch. 14 para. 34\(2\)](#) substituted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 58\(1\)\(b\)\(i\)](#)
- F7** [Sch. 14 para. 34\(2A\)](#) inserted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 58\(1\)\(b\)\(ii\)](#)

- 35 (1) Where the multinational group contains ring-fenced entities, a group payment notice may not be issued to a ring-fenced entity in respect of a liability relating to a responsible member of the group which is not a [^{F8}member of a ring-fenced body sub-group that the entity is a member of].
- (2) A ring-fenced entity is a body corporate which is—
- (a) a ring-fenced body, or
 - (b) a member of a ring-fenced body sub-group.
- (3) “Ring-fenced body” has the same meaning as in section 142A of the Financial Services and Markets Act 2000.
- (4) A “ring-fenced body sub-group” is a group of entities consisting of—
- (a) an RFB parent undertaking and its subsidiaries, or
 - (b) a ring-fenced body, which is not a subsidiary of an RFB parent undertaking, and the ring-fenced body’s subsidiaries.
- (5) “RFB parent undertaking” means a body corporate which is subject to rules made under section 192JA of the Financial Services and Markets Act 2000 (rules applying to parent undertakings of ring-fenced bodies).

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

Textual Amendments

F8 Words in Sch. 14 para. 35(1) substituted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by Finance Act 2024 (c. 3), Sch. 12 para. 58(1)(c)

- 36 (1) The effect of a group payment notice being issued under paragraph 34 is that the recipient is treated as if—
- (a) a liability of a member other than the recipient were a liability of the recipient (“the deemed liability”),
 - (b) the deemed liability became due and payable when the relevant liability became due and payable, and
 - (c) any payments made in respect of the relevant liability were made in respect of the deemed liability.
- (2) Nothing in this paragraph gives the recipient a right to appeal against any assessment, determination or other decision giving rise to a liability of a member other than the recipient (or against the deemed liability).
- (3) The recipient may appeal against the notice, within the period of 30 days beginning with the date on which it is given, on the ground that the [^{F9}recipient is not a person to whom the notice can be given (see paragraphs 34(2) and (2A) and 35(1)).]
- (4) Where an appeal is made, anything required by the notice to be paid is due and payable as if there had been no appeal.

Textual Amendments

F9 Words in Sch. 14 para. 36(3) substituted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by Finance Act 2024 (c. 3), Sch. 12 para. 58(1)(d)

Effect of group payment for tax purposes

- 37 (1) This paragraph applies where a member of a multinational group (the “payer”) makes a payment in respect of the liability to pay multinational top-up tax of another member of the same group (the “payee”) (whether or not in consequence of a group payment notice).
- (2) The payer may recover the amount from the payee.
 - (3) In calculating the payer's income, profits or losses for tax purposes—
 - (a) the payment is not allowed as a deduction, and
 - (b) the reimbursement of any such payment is not to be regarded as a receipt.
 - (4) The payment—
 - (a) is not to be taken into account in calculating the profits or losses of either the payer or payee for corporation tax or income tax purposes of either the payer or the payee, and

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- (b) is not to be regarded as a distribution for [^{F10}income tax or] corporation tax purposes.
- (5) The amount paid by the payer is to be taken into account in calculating—
 - (a) the amount unpaid by the payee for tax purposes, and
 - (b) the amount due by virtue of a group payment notice relating to the amount unpaid.
- (6) Similarly, any payment by the [^{F11}payee] of any of the amount unpaid is to be taken into account in calculating the amount due by virtue of a group payment notice (or by virtue of any other group payment notice relating to the amount unpaid).
- (7) In this paragraph, “for tax purposes” means for the purposes of income tax, corporation tax, multinational top-up tax or domestic top-up tax.

Textual Amendments

- F10** Words in [Sch. 14 para. 37\(4\)\(b\)](#) inserted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 58\(1\)\(e\)\(i\)](#)
- F11** Word in [Sch. 14 para. 37\(6\)](#) substituted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 58\(1\)\(e\)\(ii\)](#)

Partnership payment notices

- [^{F1237A}1) An officer of Revenue and Customs may issue a partnership payment notice if an amount of multinational top-up tax payable by a member of a multinational group that is a partnership (including any interest on that amount) is not paid by the end of the period of three months beginning with the relevant date (see paragraph 34(7) to (9)).
- (2) A partnership payment notice may be issued to any person (wherever in the world they are located) who—
 - (a) is a partner, or
 - (b) was a partner at any time in the accounting period to which the amount payable relates.
- (3) A partnership payment notice is a notice requiring the recipient to pay an outstanding amount of multinational top-up tax payable by a member of the group that is a partnership by a date specified in the notice.
- (4) Sub-paragraphs (4) to (9) of paragraph 34 and paragraph 36 apply to a partnership payment notice as they apply to a group payment notice.
- (5) In this paragraph and in [paragraph 37B](#), reference to a partner, in the case of a limited partnership, is to a general partner.]

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

Textual Amendments

F12 Sch. 14 paras. 37A, 37B and cross-headings inserted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by Finance Act 2024 (c. 3), Sch. 12 para. 2(6)(b)

Recovery of partnership payment and effect for tax purposes etc

- [^{F12}37B] (1) This paragraph applies where a partner of a member of a multinational group that is a partnership (the “payer”) makes a payment in respect of the liability to pay multinational top-up tax of the partnership (whether or not in consequence of a partnership payment notice).
- (2) The payer may recover the amount from the other partners.
- (3) In calculating the payer's income, profits or losses for tax purposes—
- (a) the payment is not allowed as a deduction, and
 - (b) the reimbursement of any such payment is not to be regarded as a receipt.
- (4) The payment or its reimbursement—
- (a) is not (otherwise) to be taken into account in calculating the profits or losses of for corporation tax or income tax purposes of either the payer or the other partners, and
 - (b) is not to be regarded as a distribution for income tax or corporation tax purposes.
- (5) The amount paid by the payer is to be taken into account in calculating—
- (a) the amount of multinational top-up tax unpaid by the partnership, and
 - (b) the amount due by virtue of a partnership payment notice relating to the amount unpaid.
- (6) Similarly, any payment by the partnership or by any of the other partners of any of the amount unpaid is to be taken into account in calculating the amount due by virtue of a partnership payment notice (or by virtue of any other partnership payment notice relating to the amount unpaid).
- (7) In this paragraph, “for tax purposes” means for the purposes of income tax, corporation tax, multinational top-up tax or domestic top-up tax.]

Textual Amendments

F12 Sch. 14 paras. 37A, 37B and cross-headings inserted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by Finance Act 2024 (c. 3), Sch. 12 para. 2(6)(b)

Recovery

- 38 (1) Any amount due by way of multinational top-up tax liability is recoverable as a debt due to the Crown.
- (2) “Multinational top-up tax liability”, in relation to a multinational group for an accounting period, means—

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- (a) a liability of any person who was a member of the group in the period to multinational top-up tax in respect of the period;
- (b) a liability of a person to a penalty referred to in paragraph 40 for anything done (or not done) in respect of the period.

Power to make regulations

- 39 (1) The Treasury may by regulations make further provision about the payment of multinational top-up tax in circumstances where—
- (a) a member of a group makes a payment on behalf of another member of the group,^{F13} ...
 - [^{F14}(aa) a partner of a partnership makes a payment on behalf of the partnership or another partner, or]
 - (b) a member of a group is also liable to pay domestic top-up tax.
- (2) The regulations may in particular make provision for—
- (a) deeming a payment made by one member of a group to have been made by another;
 - [^{F15}(aa) deeming a payment made by a partner of a partnership to have been made by the partnership or another partner;]
 - (b) deeming a payment made in respect of multinational top-up tax to have been made in respect of domestic top-up tax.

Textual Amendments

- F13** Word in [Sch. 14 para. 39\(1\)\(a\)](#) omitted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by virtue of [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 2\(6\)\(c\)\(i\)](#)
- F14** [Sch. 14 para. 39\(1\)\(aa\)](#) inserted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 2\(6\)\(c\)\(ii\)](#)
- F15** [Sch. 14 para. 39\(2\)\(aa\)](#) inserted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 2\(6\)\(c\)\(iii\)](#)

PART 11

PENALTIES

Penalties payable in connection with [this Schedule](#)

- 40 [This Part](#) of [this Schedule](#) sets out penalties payable in connection with [this Schedule](#), as follows—
- (a) paragraph 41 amends Schedule 41 to FA 2008 to impose a penalty on a filing member of a multinational group that fails to register with or otherwise notify HMRC under [Part 3](#) of [this Schedule](#);
 - (b) [paragraph 42](#) imposes a penalty on a filing member of a registered group that fails to submit an information return or overseas return notification under [Part 4](#) of [this Schedule](#);

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- (c) [paragraph 43](#) imposes a penalty on a filing member of a registered group that fails to submit a self-assessment return or below-threshold notification under [Part 5 of this Schedule](#);
- (d) [paragraph 45](#) amends Schedule 24 to FA 2007 to impose a penalty on a filing member of a multinational group that provides inaccurate information to HMRC;
- (e) [paragraph 46](#) imposes a penalty on a filing member of a multinational group that fails to keep or preserve records under [Part 9 of this Schedule](#).

41 In paragraph 1 of Schedule 41 to FA 2008 (penalties for failure to notify etc), in the table after the entry relating to digital services tax insert—

“Multinational top-up tax	Obligation of a filing member of a multinational group under Part 3 of Schedule 14 to FA 2023.”.
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- 42 (1) A penalty is payable if the filing member fails to submit an information return or overseas return notification by the submission date, unless [paragraph 44](#) (reasonable excuse) applies.
- (2) The penalty is—
- (a) £100, if the return or notification is submitted within three months after the submission date;
 - (b) £200, if the return or notification is submitted within six months after the submission date;
 - (c) £200 plus the additional penalty amount, in any other case.
- (3) For a third successive failure, the amount referred to in—
- (a) [sub-paragraph \(2\)\(a\)](#) is increased to £500;
 - (b) [sub-paragraph \(2\)\(b\)](#) and (c) is increased to £1,000.
- (4) For this purpose, a “third successive failure” occurs where—
- (a) the duty to submit a return or notification applies in relation to a group for three successive accounting periods,
 - (b) the member was liable to a penalty under [this paragraph](#) in respect of each of the first two accounting periods, and
 - (c) the member is liable to a penalty under [this paragraph](#) in respect of the third accounting period.
- (5) The additional penalty amount is £60 multiplied by the number of days, after the day six months after the submission date, on which the filing member fails to submit the return or notification.
- (6) The submission date is the last date the filing member is permitted to submit the return or notification under [Part 4](#) of this Schedule.
- 43 (1) A penalty is payable if the filing member fails to submit a self-assessment return or below-threshold notification by the submission date, unless [paragraph 44](#) (reasonable excuse) applies.

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- (2) The penalty is—
- (a) £100, if the return or notification is submitted within three months after the submission date;
 - (b) £200, if the return or notification is submitted within six months after the submission date;
 - (c) the higher of £200 and 10% of the unpaid tax, if the return or notification is submitted within twelve months after the submission date;
 - (d) the higher of £200 and 20% of the unpaid tax, in any other case.
- (3) For a third successive failure, the amount referred to in—
- (a) [sub-paragraph \(2\)\(a\)](#) is increased to £500;
 - (b) [sub-paragraph \(2\)\(b\), \(c\) and \(d\)](#) is increased to £1,000.
- (4) For this purpose, a “third successive failure” occurs where—
- (a) the duty to submit a return or notification applies in relation to a group for three successive accounting periods,
 - (b) the member was liable to a penalty under [this paragraph](#) in respect of each of the first two accounting periods, and
 - (c) the member is liable to penalty under [this paragraph](#) in respect of the third accounting period.
- (5) The “unpaid tax” means the total amount of tax payable by members of the group for the accounting period which remains unpaid on the date when the liability to the penalty under [this paragraph](#) arises.
- (6) The submission date is the last date the filing member is permitted to submit the return or notification under [Part 5](#) of this Schedule.
- 44 (1) [This paragraph](#) applies if the filing member satisfies HMRC or (on appeal) the tribunal that there is a reasonable excuse for the failure to submit the return or notification (as the case may be).
- (2) For that purpose—
- (a) an insufficiency of funds is not a reasonable excuse,
 - (b) where the member relies on any other person to do anything, that is not a reasonable excuse unless the member took reasonable care to avoid the failure, and
 - (c) where the member had a reasonable excuse for the failure but the excuse has ceased, the member is to be treated as having continued to have the excuse only if the failure is remedied without unreasonable delay after the excuse ceased.
- 45 In paragraph 1 of Schedule 24 to FA 2007 (penalties for errors etc), in the table after the entry relating to digital services tax returns insert—

“Multinational top-up tax	Overseas return notification and information provided with it
Multinational top-up tax	Self-assessment return and information provided with it

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Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

Multinational top-up tax

Below-threshold notification and information provided with it”.

- 46 (1) A penalty is payable if—
- (a) the member breaches their obligations under [Part 9](#) of this Schedule in relation to an accounting period, and
 - (b) HMRC is not satisfied that any facts which HMRC reasonably requires to be proved, and which would have been proved by the records, are proved by other documentary evidence provided to HMRC.
- (2) The penalty is £3,000.

Penalties under paragraphs 42, 43 and 46: administration and supplemental provision

- 47 Paragraphs [48](#) and [49](#) apply in relation to a penalty payable under [paragraph 42](#), [43](#) or [46](#).
- 48 (1) HMRC must—
- (a) assess the penalty, and
 - (b) notify the member of the assessment.
- (2) The assessment of a penalty—
- (a) is to be treated for procedural purposes in the same way as an assessment to tax (except in respect of a matter expressly provided for by [this Schedule](#)),
 - (b) may be enforced as if it were an assessment to tax (save that interest is not to accrue on a penalty under [paragraph 33](#)), and
 - (c) may be combined with an assessment to tax.
- (3) A supplementary assessment may be made in respect of a penalty if an earlier assessment is based on an amount of tax due and payable that is found by HMRC to be an underestimate or insufficient.
- (4) [Sub-paragraph \(5\)](#) applies if—
- (a) an assessment in respect of a penalty is based on a liability to tax shown in a self-assessment return, and
 - (b) that liability is found by HMRC to be excessive.
- (5) HMRC may by notice amend the assessment so it is based on the correct amount.
- (6) An amendment under [sub-paragraph \(5\)](#)—
- (a) does not affect when the penalty must be paid;
 - (b) may be made after the last day on which the assessment in question could have been made (under [sub-paragraph \(7\)](#)).
- (7) An assessment of a penalty must be made before the end of the period of 12 months beginning with—
- (a) the end of the appeal period for the assessment of the liability to tax shown in the self-assessment return, or
 - (b) if there is no such assessment, the date on which that liability is ascertained or it is ascertained that the liability is nil.

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- (8) In [sub-paragraph \(7\)](#) “appeal period” means the period during which—
- (a) an appeal could be brought, or
 - (b) an appeal that has been brought has not been determined or withdrawn.
- (9) A penalty must be paid before the end of the period of 30 days beginning with the day on which notification of the penalty is issued.
- 49 (1) If HMRC thinks it right because of special circumstances, HMRC may reduce the penalty.
- (2) In [sub-paragraph \(1\)](#) “special circumstances” does not include—
- (a) ability to pay, or
 - (b) the fact that a potential loss of revenue from one taxpayer is balanced by a potential over-payment by another.
- (3) In [sub-paragraph \(1\)](#) the reference to reducing a penalty includes a reference to—
- (a) staying a penalty, and
 - (b) agreeing a compromise in relation to proceedings in respect of a penalty.

Multiple penalties in respect of same accounting period

- 50 (1) This paragraph applies where a person incurs more than one penalty in respect of multinational top-up tax in the same accounting period.
- (2) The amount of each penalty after the first is to be reduced so that the total amount of all such penalties in the period does not exceed the greatest amount incurred for any such penalty.

PART 12

APPEALS AND CLAIMS

Claims in relation to overpaid tax

- 51 (1) A person (a “claimant”) who has paid an amount by way of multinational top-up tax may make a claim to the Commissioners for repayment of tax that was not due.
- (2) The claim must—
- (a) be made on or before the overpayment claim date,
 - (b) be in the form and contain information specified in a notice published by HMRC, and
 - (c) not be submitted at the same time as a self-assessment return.
- (3) The overpayment claim date is the date four years after the end of the accounting period in respect of which the amount was paid.
- (4) The Commissioners must give effect to a claim as made, unless—
- (a) a condition in [sub-paragraph \(2\)](#) is not met in relation to the claim,
 - (b) [paragraph 52](#) applies, or
 - (c) the claim is amended following an enquiry under [paragraph 53](#).

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- (5) The Commissioners are not ^{F16}... liable to repay any amount paid by way of multinational top-up tax by reason of the fact it was not tax due [^{F17}otherwise than—
- (a) pursuant to a claim under this paragraph, or
 - (b) in accordance with another provision of this Schedule.]

^{F18}(6)

^{F19}(7)

- (8) Paragraph 54 makes further provision in relation to amounts repaid.

Textual Amendments

- F16** Words in [Sch. 14 para. 51\(5\)](#) omitted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by virtue of [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 37\(2\)\(a\)\(i\)](#)
- F17** Words in [Sch. 14 para. 51\(5\)](#) inserted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 37\(2\)\(a\)\(ii\)](#)
- F18** [Sch. 14 para. 51\(6\)](#) omitted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by virtue of [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 37\(2\)\(b\)](#)
- F19** [Sch. 14 para. 51\(7\)](#) omitted (22.2.2024 with effect for accounting periods beginning on or after 31.12.2023 in accordance with Sch. 12 para. 1(2) of the amending Act) by virtue of [Finance Act 2024 \(c. 3\)](#), [Sch. 12 para. 37\(2\)\(b\)](#)

- 52 (1) [This paragraph](#) applies where one or more of Cases A to D apply.
- (2) Case A applies where a member of the claimant’s group has an unpaid liability to tax.
- (3) Case B applies where the claimant is seeking or will be able to seek relief by taking other steps under [this Part](#) of this Act.
- (4) Case C applies where the claimant—
- (a) could have sought relief by taking such steps within a period that has now expired, and
 - (b) knew, or ought reasonably to have known, before the end of that period that such relief was available.
- (5) Case D applies where—
- (a) the amount paid is excessive by reason of a mistake in calculating the amount of tax payable by members of the claimant’s group for the accounting period, and
 - (b) the amount was calculated in accordance with the practice generally prevailing at the time.
- (6) Where [this paragraph](#) applies, the Commissioners are not liable to repay any amount paid by way of multinational top-up tax by reason of the fact it was not tax due.

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- 53
- (1) An officer of Revenue and Customs may enquire into a claim if, within the time allowed, the officer gives notice to the claimant of the officer's intention to do so.
 - (2) The time allowed is the period ending with the quarter day next following the first anniversary of the day on which the claim was made.
 - (3) The quarter days are 31 January, 30 April, 31 July and 31 October.
 - (4) A claim enquired into under [sub-paragraph \(1\)](#) may not be the subject of a further notice under that sub-paragraph.
 - (5) An enquiry is completed when the officer by notice (a “closure notice”) informs the claimant that the enquiry is complete and states the conclusion reached in the enquiry.
 - (6) The conclusion must be one of the following—
 - (a) that no amendment of the claim is required, or
 - (b) that the amendments of the claim specified in the notice are to be made.
 - (7) A closure notice takes effect when it is issued.
 - (8) The officer must give effect to any amendments made by the closure notice by making such adjustments as may be necessary whether—
 - (a) by way of assessment, or
 - (b) by discharge or repayment of tax.
 - (9) The adjustments must be made within 30 days of the date of issue of the closure notice.
 - (10) [Paragraph 23](#) (direction to complete enquiry) applies in relation to an enquiry under [this paragraph](#) as it applies in relation to an enquiry under [paragraph 16](#).
- 54
- (1) [This paragraph](#) applies where—
 - (a) an amount has been paid by way of a repayment of tax, and
 - (b) the amount paid exceeded the amount which the Commissioners were or could be liable at that time to repay.
 - (2) The Commissioners may—
 - (a) to the best of their judgment, assess the amount of the excess, and
 - (b) notify the amount to the person to whom the repayment was made.
 - (3) [Sub-paragraph \(4\)](#) applies where—
 - (a) an assessment has been notified under [sub-paragraph \(2\)](#), and
 - (b) it appears to the Commissioners that the amount which ought to have been assessed as due exceeds the amount that has already been assessed.
 - (4) The Commissioners may—
 - (a) on or before the last day on which the assessment could have been made, make a supplementary assessment of the amount of tax due, and
 - (b) notify the amount to the person to whom the repayment was made.
 - (5) An amount assessed and notified under [sub-paragraph \(2\)](#) or [\(4\)](#) counts as a liability to multinational top-up tax for the purposes of [this Part](#) of this Act.

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- (6) But [sub-paragraph \(5\)](#) does not have effect if, or to the extent that, the assessment has been withdrawn or reduced.
- (7) An assessment under [this paragraph](#) may not be made more than 4 years after the end of the accounting period in which evidence of facts sufficient in the opinion of the Commissioners to justify making the assessment comes to their knowledge.

Appeals of decisions: general

- 55 (1) An appeal may be brought against—
- (a) an amendment of a self-assessment return under [paragraph 19](#) (amendment during enquiry to prevent loss of tax);
 - (b) an amendment made by a closure notice under [paragraph 22](#);
 - (c) a discovery assessment;
 - (d) an assessment of a penalty under [paragraph 42, 43 or 46](#);
 - (e) an amendment made by a closure notice under [paragraph 53](#);
 - (f) an assessment made under [paragraph 54](#).
- (2) Any such appeal is to be brought by the filing member (“the appellant”).
- (3) Notice of the appeal must be given to HMRC—
- (a) in writing, and
 - (b) within 30 days after the specified date.
- (4) “Specified date” means—
- (a) in relation to an appeal under [sub-paragraph \(1\)\(a\)](#), the date on which the notice of amendment was issued;
 - (b) in relation to an appeal under [sub-paragraph \(1\)\(b\) or \(e\)](#), the date on which the closure notice was issued;
 - (c) in relation to an appeal under [sub-paragraph \(1\)\(c\), \(d\) or \(f\)](#), the date on which the notice of assessment was issued.
- (5) The notice of appeal must specify the grounds of appeal.
- (6) Notice may be given after the time limit in [sub-paragraph \(3\)\(b\)](#) if—
- (a) HMRC agrees, or
 - (b) where HMRC does not agree, the tribunal gives permission.
- (7) HMRC must agree to notice being given after the time limit if the appellant has requested in writing that HMRC do so and HMRC is satisfied—
- (a) that there was a reasonable excuse for not giving the notice before the time limit, and
 - (b) that the request has been made without unreasonable delay.
- (8) If a request of the kind mentioned in [sub-paragraph \(7\)](#) is made, HMRC must notify the appellant of whether or not HMRC agrees to the request.
- 56 (1) The effect of a notice of appeal being given is that—
- (a) a review may be conducted by HMRC into the matter to which the appeal relates;
 - (b) HMRC and the appellant may settle the appeal by agreement;

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Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- (c) the appeal may be determined by the tribunal;
 - (d) a payment of multinational top-up tax may be postponed pending determination of the appeal.
- (2) But if—
- (a) the appeal is an appeal under paragraph 55(1)(a) against an amendment of a self-assessment, and
 - (b) the appeal is made while an enquiry into the return is in progress,
- sub-paragraphs (1)(a) and (c) do not apply in relation to the appeal until the enquiry is completed.
- (3) See also paragraph 67 for special provision relating to the appeal of a penalty under paragraph 42, 43 or 46.

Reviews by HMRC

- 57 (1) A review is to be conducted by HMRC if—
- (a) the appellant notifies HMRC that it requires HMRC to review the matter, or
 - (b) HMRC offers to review the matter and the appellant accepts the offer within the period of 30 days beginning with the date of the offer (the “acceptance period”).
- (2) The appellant may not notify HMRC that the appellant requires HMRC to review the matter if—
- (a) the appellant has already done so in relation to the same matter,
 - (b) HMRC has offered to review the matter, or
 - (c) the appellant has notified the appeal to the tribunal.
- (3) HMRC may not offer to review the matter if—
- (a) HMRC has already done so in relation to the same matter,
 - (b) the appellant has notified HMRC that the appellant requires HMRC to review the matter, or
 - (c) the appellant has notified the appeal to the tribunal.
- (4) An offer by HMRC to review the matter must—
- (a) be made in writing, and
 - (b) contain a statement of HMRC’s view of the matter.
- (5) If the appellant does not accept the offer within the acceptance period—
- (a) HMRC's view of the matter is to be treated as if it were contained in a settlement agreement under paragraph 61, but
 - (b) the right to withdraw from such an agreement does not apply in relation to that notional agreement.
- (6) Sub-paragraph (5) does not apply to the matter if, or to the extent that, the appellant notifies the appeal to the tribunal.
- (7) The appellant may notify the appeal to the tribunal—
- (a) within the acceptance period;
 - (b) after the end of that period only if the tribunal gives permission.

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- 58 (1) The review is to be conducted as follows.
- (2) If the appellant required the review, HMRC must notify the appellant of HMRC's view of the matter within—
- (a) the period of 30 days beginning with the day on which HMRC received notification of the requirement to review from the appellant, or
 - (b) such longer period as is reasonable.
- (3) The nature and extent of the review are to be such as appear appropriate to HMRC in the circumstances.
- (4) For the purpose of [sub-paragraph \(3\)](#), HMRC must, in particular, have regard to steps taken before the beginning of the review—
- (a) by HMRC in deciding the matter, and
 - (b) by any person in seeking to resolve disagreement about the matter.
- (5) The review must take account of any representations made by the appellant at a stage which gives HMRC a reasonable opportunity to consider them.
- 59 (1) The review may conclude that HMRC's view of the matter (as notified to the appellant under [paragraph 57\(4\)](#) or [58\(2\)](#)) is to be—
- (a) upheld,
 - (b) varied, or
 - (c) cancelled.
- (2) HMRC must notify the appellant of the conclusions of the review and the reasoning for those conclusions within—
- (a) the period of 45 days beginning with the relevant day, or
 - (b) such other period as may be agreed.
- (3) In [sub-paragraph \(2\)](#) “relevant day” means—
- (a) in a case where the appellant required the review, the day when HMRC notified the appellant of HMRC's view of the matter;
 - (b) in a case where HMRC offered the review, the day when HMRC received notification of the appellant's acceptance of the offer.
- (4) If HMRC do not give notice of the conclusions of the review within the period specified in [sub-paragraph \(3\)](#), the review is treated as having concluded that HMRC's view of the matter in question is upheld.
- (5) If [sub-paragraph \(4\)](#) applies, HMRC must notify the appellant of the conclusions which the review is treated as having reached.
- (6) The conclusions of a review are to be treated as if they were contained in a settlement agreement under [paragraph 61](#), but the right to withdraw from such an agreement does not apply in relation to that notional agreement.
- (7) [Sub-paragraph \(6\)](#) does not apply to the matter if, or to the extent that, the appellant notifies the appeal to the tribunal.
- (8) The appellant may notify the appeal to the tribunal—
- (a) within the post-review period;
 - (b) after the end of that period only if the tribunal gives permission.

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- (9) The post-review period is—
- (a) if HMRC has notified the appellant of the conclusions of the review in accordance with [sub-paragraph \(2\)](#), the period of 30 days beginning with that notice;
 - (b) if HMRC has not so notified the appellant, the period beginning with the day following the last day of the period specified in [sub-paragraph \(2\)](#) and ending 30 days after the date on which HMRC gives notice in accordance with [sub-paragraph \(5\)](#).
- 60 (1) In [paragraphs 57 to 59](#), a reference to the appellant includes a person acting on behalf of the appellant except in relation to—
- (a) notification by HMRC of an offer of review (and of their view of the matter) under [paragraph 57](#);
 - (b) notification of HMRC's view under [paragraph 58\(2\)\(a\)](#);
 - (c) notification of the conclusions of a review under [paragraph 59\(2\)](#) or [\(5\)](#).
- (2) But if any such notification is given to the appellant, a copy of the notification may also be given to a person acting on behalf of the appellant.
- (3) A notification in connection with a review must be given in writing.

Settlement agreements

- 61 (1) “Settlement agreement” means an agreement in writing between the appellant and an officer of Revenue and Customs that is—
- (a) entered into before the appeal is determined, and
 - (b) to the effect that the decision appealed against should be upheld without variation, varied in a particular manner or discharged or cancelled.
- (2) Where a settlement agreement is entered into in relation to an appeal, the consequences are to be the same (for all purposes) as if, at the time the agreement was entered into, the tribunal had decided the appeal and had upheld the decision without variation, varied it in that manner or discharged or cancelled it, as the case may be.
- (3) [Sub-paragraph \(2\)](#) does not apply if, within 30 days beginning with the date on which the settlement agreement was entered into, the appellant gives notice in writing to HMRC that it wishes to withdraw from the agreement.
- (4) [Sub-paragraph \(5\)](#) applies where notice of an appeal has been given and—
- (a) the appellant notifies HMRC, orally or in writing, that the appellant does not wish to proceed with the appeal, and
 - (b) HMRC does not, within 30 days after that notification, give the appellant notice in writing indicating that HMRC is unwilling that the appeal should be withdrawn.
- (5) [Sub-paragraphs \(1\) to \(3\)](#) have effect as if, at the date of the appellant's notification, the appellant and an officer of Revenue and Customs had agreed that the decision under appeal should be upheld without variation.

Determination by tribunal

- 62 (1) The appellant may notify the appeal to the tribunal.

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

- (2) If the tribunal decides that a person is overcharged to multinational top-up tax, the assessment must be reduced accordingly.
- (3) If the tribunal decides that a person is undercharged to multinational top-up tax, the assessment must be increased accordingly.
- (4) In a case where neither [sub-paragraph \(2\)](#) or [\(3\)](#) apply, the assessment is to stand good.
- (5) On the determination of the appeal—
 - (a) any tax overpaid must be repaid as if a claim had been made under [paragraph 51](#) on the day notice of the appeal was given to HMRC;
 - (b) any tax payable in accordance with the determination is payable in accordance with [paragraph 32](#).
- (6) Interest is to be incurred on amounts payable in accordance with those paragraphs.
- (7) Where a party to an appeal to the tribunal makes a further appeal, tax is to be payable or repayable in accordance with the determination of the tribunal or court (as the case may be), even though the further appeal is pending.
- (8) But if the amount charged by the assessment is altered by the order or judgment of the Upper Tribunal or court, then—
 - (a) if too much tax has been paid, the amount overpaid must be refunded, with any interest allowed by the order or judgment, and
 - (b) if too little tax has been charged, the tax is payable in accordance with [paragraph 32](#).
- (9) The determination of the tribunal is final and conclusive except as otherwise provided in sections 10 to 16 of the Tribunals, Courts and Enforcement Act 2007.

Postponement of payment pending appeal

- 63 (1) The general rule is that an appeal under [this Part](#) of [this Schedule](#) does not postpone any liability to pay multinational top-up tax.
 - (2) Accordingly, the periods within which tax is payable under [paragraph 32](#) continue to apply notwithstanding an appeal.
 - (3) But a liability may be postponed if—
 - (a) a determination is made by HMRC to that effect;
 - (b) a direction is made by a tribunal to that effect;
 - (c) HMRC and the appellant agree to a postponement.
 - (4) The effect of a liability being postponed is that the period within which the tax is payable is extended by the period of the postponement.
 - (5) The period of the postponement—
 - (a) may not begin after the date the appeal is determined;
 - (b) is to end on the date the appeal is determined.
-
- 64 (1) The appellant may apply to HMRC for a determination if the appellant has grounds to believe that—

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- (a) a person has been overcharged to multinational top-up tax;
 - (b) an amount of tax postponed under a previous determination is excessive or insufficient.
 - (2) An application must be made within 30 days after the specified date (see [paragraph 55\(4\)](#)), unless [sub-paragraph \(3\)](#) applies.
 - (3) This sub-paragraph applies if—
 - (a) there is a change in the circumstances of the case as a result of which the appellant has grounds to believe the matter in [sub-paragraph \(1\)](#), or
 - (b) the application could, if it were a notice of appeal, be given at a later date under [paragraph 55\(6\)](#).
 - (4) The application must state the amount believed to be overcharged and the grounds for that belief.
 - (5) HMRC may determine—
 - (a) whether any amount of tax is to be postponed, and
 - (b) the amount of any tax postponed.
 - (6) The amount of any tax postponed is to be determined as the amount (if any) by which it appears that there are reasonable grounds for believing that the person is overcharged.
- 65
- (1) The appellant may apply to the tribunal for a direction if—
 - (a) the appellant has applied to HMRC for a determination,
 - (b) HMRC has made a determination, and
 - (c) the appellant does not agree with the determination.
 - (2) The tribunal may direct whether the determination of HMRC was correct.
 - (3) A decision of the tribunal under [this paragraph](#) is final and conclusive (despite the provisions of sections 12 and 15 of the Tribunals, Courts and Enforcement Act 2007).
- 66
- (1) HMRC and the appellant may agree that payment of an amount of tax should be postponed pending the determination of the appeal.
 - (2) The agreement may modify a determination by HMRC under [paragraph 64](#).
 - (3) Where the agreement does so, it is to be treated in the same way as a settlement agreement under [paragraph 61](#).
 - (4) The consequences of an agreement are to be the same as if the tribunal had, at the time when the agreement was entered into, made a direction to the same effect as the agreement.
 - (5) The existence of an agreement does not preclude a further determination by HMRC or direction by the tribunal modifying the agreement.
 - (6) An agreement—
 - (a) must be made in writing;
 - (b) may be made with a person acting on behalf of the appellant in relation to the appeal.

Status: Point in time view as at 22/02/2024.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14. (See end of Document for details)

Special provisions as to penalties

- 67 (1) **This paragraph** applies to an appeal as to—
- (a) whether a penalty under **paragraph 42, 43 or 46** is payable;
 - (b) the amount of such a penalty.
- (2) Payment of the penalty is always postponed pending determination of the appeal.
- (3) Accordingly—
- (a) **paragraphs 63(1) to (3) and 64 to 66** do not apply to such an appeal;
 - (b) **paragraphs 63(4) and (5)** always apply to such an appeal.
- (4) If the appeal is notified to the tribunal, the tribunal may—
- (a) confirm a decision of HMRC;
 - (b) substitute for the decision another decision that HMRC had power to make.
- (5) The tribunal may only make a decision that HMRC had power to make under **paragraph 49** (reduction of penalties) if the tribunal considers HMRC's decision to have been flawed when considered in light of the principles applicable in proceedings for judicial review.
- (6) On determination of the appeal, where a penalty is payable it is to be paid before the end of 30 days beginning with the day on which the determination was issued.

PART 13

OTHER AMENDMENTS

- 68 (1) In section 1(1) of the Provisional Collection of Taxes Act 1968 (temporary statutory effect of House of Commons resolutions affecting income tax etc) after “digital services tax,” insert “multinational top-up tax,”.
- (2) In section 178(2) of FA 1989 (setting of interest rates), at the end insert—
“(x) **paragraphs 33 and 51 of Schedule 14** to the Finance Act 2023.”.
- (3) In paragraph 63(1) of Schedule 36 to FA 2008 (information and inspection powers), after paragraph (cc) insert—
“(cd) multinational top-up tax;”.
- (4) In section 206(3) of FA 2013, at the end insert—
“(h) multinational top-up tax.”.

Status:

Point in time view as at 22/02/2024.

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Schedule 14.