



# Finance (No. 2) Act 2023

## 2023 CHAPTER 30

### PART 3

#### MULTINATIONAL TOP-UP TAX

### CHAPTER 8

#### FURTHER ADJUSTMENTS

##### *Additional top-up amounts on recalculations*

#### **206 Additional top-up amounts where recalculations required**

- (1) **This section** applies to the standard members of a multinational group in an accounting period (“the current period”) in a territory where—
  - (a) a recalculation is required in the current period in relation to one or more previous accounting periods (each a “prior period”) as a result of any of the following sections—
    - (i) [section 163\(4\)](#);
    - (ii) [section 184\(2\)](#);
    - (iii) [section 217\(5\)](#);
    - (iv) [section 219\(1\)](#), or
  - (b) the members have a special additional top-up tax amount under [section 192](#) for the current period.
- (2) Where—
  - (a) the sum of the top-up amounts that those members would have for a prior period, determined in accordance with a recalculation required under one of the sections mentioned in [subsection \(1\)\(a\)](#), is greater than the sum of the top-up amounts those members had for that prior period, or
  - (b) **this section** applies as a result of [subsection \(1\)\(b\)](#) (whether or not it also applies as a result of [subsection \(1\)\(a\)](#)),

---

*Status: This is the original version (as it was originally enacted).*

---

the members collectively have an additional top-up amount (a “collective additional amount”) under [this section](#) for the current period.

- (3) Take the following steps to determine the collective additional amount under [this section](#)—

*Step 1*

Where one or more recalculations are required in accordance with any of the sections mentioned in [subsection \(1\)\(a\)](#), for each prior period carry out the recalculation or recalculations required in respect of that period to establish the top-up amounts those members would have had for the prior period (taking account of all recalculations required for that period).

*Step 2*

For each prior period, subtract the sum of the top-up amounts those members had for that prior period from the sum of top-up amounts that those members would have for that period.

*Step 3*

Add together all of the results of Step 2 that are greater than nil.

*Step 4*

Where the members have a special additional top-up tax amount under [section 192](#) for the current period, add that amount to the result of Step 2 (which may be nil).

- (4) Where those members have a QDT credit for the accounting period, the collective additional amount under [this section](#) is to be reduced in accordance with [subsections \(5\) to \(8\)](#).

- (5) Where—

- (a) the standard members do not have a collective additional amount under [section 203](#) for the period,
- (b) the total top-up amount for the current period for the members for the members’ territory is nil, and
- (c) the collective additional amount under [this section](#) (before reduction by relevant QDT credit) is equal to or greater than the sum of amounts of qualifying domestic top-up tax accrued by those members in that period,

the collective additional amount under [this section](#) is to be reduced by the sum of those accrued amounts.

- (6) Where—

- (a) the standard members do not have a collective additional amount under [section 203](#) for the period,
- (b) the total top-up amount for the current period for the standard members in the territory is nil, and
- (c) the collective additional amount under [this section](#) (before reduction by relevant QDT credit) is less than the sum of amounts of qualifying domestic top-up tax accrued by those members in that period,

the collective additional amount under [this section](#) is to be reduced to nil.

- (7) Where—

- (a) the standard members have a collective additional amount under [section 203](#) for the period or the total top-up amount for the current period for members for the members’ territory is greater than nil, and

---

*Status: This is the original version (as it was originally enacted).*

---

(b) the sum of the collective additional amount under [this section](#) (before reduction by relevant QDT credit), any collective additional amount under [section 203](#) and the total top-up amount for the current period for the members for the member's territory is less than the sum of amounts of qualifying domestic top-up tax accrued by those members in that period,  
the collective additional amount under [this section](#) is to be reduced to nil.

(8) Where—

- (a) the standard members have a collective additional amount under [section 203](#) for the period or the total top-up amount for the current period for members for the members' territory is greater than nil, and
- (b) the sum of the collective additional amount under [this section](#) (before reduction by relevant QDT credit), any collective additional amount under [section 203](#) and the total top-up amount for the current period for the members for the member's territory is equal to or greater than the sum of amounts of qualifying domestic top-up tax accrued by those members in that period,

the collective additional amount under [this section](#) is to be reduced by the amount given by multiplying the sum of those amounts of qualifying domestic top-up tax by the amount given by dividing the collective additional amount under [this section](#) by the sum of that collective additional amount, any collective additional amount under [section 203](#) and the total-up up amount for the current period.