



# Finance (No. 2) Act 2023

## 2023 CHAPTER 30

### PART 3

#### MULTINATIONAL TOP-UP TAX

#### CHAPTER 10

#### DEFINITIONS ETC

#### *Miscellaneous*

#### **[<sup>F1</sup>256A Qualifying domestic top-up tax treated as not accruing where contested etc**

- (1) Subsection (2) applies for the purposes of sections 194(2) to (7), 203(3) to (7) and 206(4) to (8) (application of QDT credits in determination of top-up amounts).
- (2) An amount of qualifying domestic tax accruing to a member of a multinational group is to be treated as not accruing to the member where the enforceability of the amount is in question.
- (3) For the purposes of this section, the enforceability of an amount of qualifying domestic top-up tax accruing to a member of a multinational group is in question if—
  - (a) the member disputes its enforceability on any of the grounds set out in subsection (4), or
  - (b) the tax authority of the territory in which the qualifying domestic top-up tax is imposed considers the amount unenforceable on the basis of any of those grounds.
- (4) Those grounds are that—
  - (a) the amount is unenforceable on constitutional grounds or as a result of other superior law applying in the territory in which the qualifying domestic top-up tax is imposed, or

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**Changes to legislation:** There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Section 256A. (See end of Document for details)

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- (b) the amount is unenforceable as a result of a specific agreement with the government of that territory as to the tax liability of the member or the group.
- (5) Subsection (2) ceases to apply where the enforceability of an amount of qualifying domestic top-up tax ceases to be in question.
- (6) Where the enforceability of an amount of qualifying domestic top-up tax was in question, it ceases to be in question where—
  - (a) the amount has been paid, and
  - (b) the enforceability of the amount may no longer be disputed as a result of—
    - (i) a settlement,
    - (ii) the time for any appeal having passed and there being no reasonable prospect of the time being extended, or
    - (iii) the exhaustion of any rights to appeal.]

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**Textual Amendments**

- F1** [S. 256A](#) 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. 35\(1\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Section 256A.