



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 3

MULTINATIONAL TOP-UP TAX

CHAPTER 11

GENERAL AND MISCELLANEOUS PROVISION

262 Power to amend to ensure consistency with Pillar Two

- (1) Where the Treasury consider it necessary for the purpose of ensuring consistency with the Pillar Two rules, the Treasury may by regulations—
- (a) make further provision about the application of provisions of [this Part](#)^[F1], Part 4 or any of Schedules 14 to 16A and 18], or
 - (b) amend [this Part](#)^[F2], Part 4 or any of Schedules 14 to 18].

^[F3](1A) The provision that may be made by regulations under subsection (1) includes provision designed to secure the effective implementation of the Pillar Two rules including—

- (a) provision to ensure consistency with commentaries or guidance published by the OECD that has effect from a time before the commentary or guidance was published;
- (b) provision that the Treasury consider necessary to secure the effective operation of multinational top-up tax or domestic top-up tax (see Part 4) where—
 - (i) the provision does not, at the time of making it, reflect the Pillar Two rules, but
 - (ii) it is reasonable for the Treasury to believe that changes will be made to the rules that are consistent with, or are similar to, the provision.

(1B) Provision made by regulations under subsection (1) may not have effect—

Status: Point in time view as at 22/02/2024.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, Section 262. (See end of Document for details)

- (a) in the case of provision falling within subsection (1A)(a), in relation to accounting periods ending before the commentary or guidance was published, or
 - (b) in the case of any other provision, in relation to accounting periods ending before the regulations are made.
- (1C) Provision that has effect in relation to accounting periods that begin before the regulations are made may only be made if the Treasury consider that the provision is generally beneficial to—
- (a) persons affected by the implementation of the Pillar Two rules, or
 - (b) persons affected by the provision.
- (1D) The reference in subsection (1C) to provision being generally beneficial includes the provision being beneficial by reference to it—
- (a) simplifying, or reducing the costs of, compliance with—
 - (i) multinational top-up tax or domestic top-up tax, or
 - (ii) taxes imposed under the law of a territory outside the United Kingdom that correspond to multinational top-up tax or domestic top-up tax;
 - (b) generally (but not necessarily in every case) resulting in a reduction or elimination of a liability to—
 - (i) multinational top-up tax or domestic top-up tax, or
 - (ii) taxes imposed under the law of a territory outside the United Kingdom that correspond to multinational top-up tax or domestic top-up tax.]
- (2) The power in this section may not be exercised after 31 December 2026.

Textual Amendments

- F1** Words in [s. 262\(1\)\(a\)](#) 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. 47\(1\)\(a\)](#)
- F2** Words in [s. 262\(1\)\(b\)](#) 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. 47\(1\)\(b\)](#)
- F3** [S. 262\(1A\)-\(1D\)](#) 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. 36](#)

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, Section 262.