



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 4

DOMESTIC TOP-UP TAX

CHAPTER 1

INTRODUCTION

267 DTT excluded entities

- (1) An entity is a DTT excluded entity if—
 - (a) it falls within [subsection \(3\)](#) of [section 127](#) in [Part 3](#) (excluded entities),
 - (b) it is a member of a multinational group and falls within [subsection \(4\)](#) of that section, or
 - (c) it is a member of a group that is not a multinational group, but would fall within that subsection if that group were a multinational group.
 - (2) A DTT excluded entity falling within subsection (1) [^{F1}or (3B)(b)] (as well as not being a qualifying entity) is, for the purposes of the provisions of [this Part](#) other than [section 266](#) and [this section](#), to be treated as not being a member of any group.
 - (3) A qualifying transformer vehicle that is not a member of a multinational group is also a DTT excluded entity.
- [^{F2}(3A) A securitisation company that is not a member of a group for the purposes of domestic top-up tax is a DTT excluded entity (and see [section 267A](#)).]
- [^{F3}(3B) An investment entity is a DTT excluded entity if—
- (a) it is not a member of a group, or
 - (b) it is a member of group that is comprised only of members located in the United Kingdom.

Status: Point in time view as at 22/02/2024.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 267. (See end of Document for details)

- (3C) An investment entity that is a member of a group that is not comprised only of members located in the United Kingdom—
- (a) is not to be regarded as a qualifying entity, but
 - (b) top-up amounts of that entity are to be determined under sections 220 to 224 (see also section 272(8)(e) which has the effect of attributing those amounts to standard members of the group that are qualifying entities and are located in the same territory as the investment entity).
- (3D) An investment entity that falls within subsection (3C) is not to be regarded as a member of any group for any purpose other than for the purposes of—
- (a) determining the top-up amounts of that entity under those sections,
 - (b) applying Condition C in section 266 in relation to other members of the group (revenue threshold for group), and
 - (c) subsections (8)(e) (9), (10) and (11) of section 272.]
- (4) In this section
- [^{F4} “qualifying transformer vehicle” means—
- (a) a qualifying transformer vehicle within the meaning of the Risk Transformation (Tax) Regulations 2017 (S.I. 2017/1271), or
 - (b) a part of a protected cell company that is a qualifying transformer vehicle within the meaning of those Regulations;]
- [^{F5} “securitisation company” has the meaning it has in the Taxation of Securitisation Companies Regulations 2006 (see regulation 4).]

Textual Amendments

- F1** Words in s. 267(2) 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. 43\(1\)\(a\)](#)
- F2** S. 267(3A) 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. 42\(1\)\(a\)](#)
- F3** S. 267(3B)-(3D) 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. 43\(1\)\(b\)](#)
- F4** Words in s. 267(4) reordered (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. 42\(1\)\(b\)\(i\)](#)
- F5** Words in s. 267(4) 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. 42\(1\)\(b\)\(ii\)](#)

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