

Amendment 13 to Clause 223: Multinational top-up tax: adjustments

Summary

1. This amendment to clause 223 prevents a double restriction of certain covered taxes in relation to investment entities, and so ensure the correct allocation of covered taxes in relation to such entities.

Details of the amendment

2. This amendment inserts new subsection (10) into clause 223. This subsection applies to amounts of controlled foreign company taxes that are allocated as covered taxes to an investment entity under clause 179 (1) or clause 180 (3)(a). Such amounts are not subject to further adjustment under clause 223.
3. The effect of this amendment is to ensure that where the allocation of amounts of controlled foreign company taxes is determined under clause 179 or clause 180, no further adjustment or restriction to such amounts is required under clause 223 in respect of ownership interests in investment entities held by non-group entities.

Background note

4. This amendment amends clause 223 of the new multinational top-up tax regime in order to ensure that the rules for allocating certain covered taxes to investment entities operate as intended.