

**1 Pillar two**

Schedule 1 contains amendments to F(No.2)A 2023 relating to multinational top-up tax and domestic top-up tax.

## SCHEDULE 1

Section 1

## PILLAR TWO

*Introduction*

- 1 F(No.2)A 2023 (multinational top-up tax) is amended in accordance with this Schedule.

*Application of the income inclusion rule to cases involving permanent establishments*

- 2 In section 128 (responsible members), in each of subsections (4) and (6) –
  - (a) omit the “and” at the end of paragraph (a);
  - (b) at the end insert “, and
  - (c) every permanent establishment of a member of the group mentioned in paragraph (b).”
- 3 (1) Section 237 (intermediate and partially-owned parent members) is amended as follows.
  - (2) For subsection (1)(b) substitute –
    - “(b) it has –
      - (i) a direct or indirect ownership interest in another member of the group, or
      - (ii) a permanent establishment, and”.
  - (3) For subsection (2)(b) substitute –
    - “(b) it has –
      - (i) a direct or indirect ownership interest in another member of the group, or
      - (ii) a permanent establishment.”

*Demerged groups*

- 4 In section 131 (whether de-merged groups meet the revenue threshold), in subsection (3)(b), at the end insert “, or would do ignoring any transitional safe harbour election”.

*Intragroup accounting discrepancies*

- 5 After section 150 insert –
 

**“150A Instruments held intragroup: issuer’s accounting treatment to prevail**

If –

  - (a) a member of a multinational group (“the holder”) holds an interest (of any description) in another member of the group (“the issuer”), and

- (b) the interest is accounted for as equity in the underlying profits accounts of one of the members and as debt in the underlying profits accounts of the other,  
the underlying profits of the holder are to be adjusted to what they would be if the interest were accounted for in the holder's underlying profits accounts in the same way as it is accounted for in the issuer's."

*Definition of "ownership interest"*

- 6 In section 242 (ownership interests and controlling interests), in subsection (2), for paragraph (b) substitute—
  - “(b) that interest is accounted for as equity in—
    - (i) where B is a member of a consolidated group, the consolidated financial statements of the ultimate parent of the group (ignoring any requirement to consolidate the assets, liabilities, income, expenses and cash flows of B in those statements), or
    - (ii) otherwise, B's financial statements.”

*Intragroup transactions*

- 7 For section 164 (election to exclude intra-group transactions) substitute—

**“164 Intragroup transactions: election to apply consolidation adjustments**

  - (1) The filing member of a multinational group may make an election under this section if two or more standard members of the group—
    - (a) are located in the same territory, and
    - (b) are included in a tax consolidation group.
  - (2) In an accounting period for which an election under this section has effect, the underlying profits of a standard member of the group are to be adjusted so that they do not include an amount of income, an expense, a gain or a loss, in each case so far as arising from a transaction—
    - (a) that takes place between two or more standard members of the group located in the same territory, and
    - (b) that is given tax-neutral treatment under the law of the territory as a result of the tax consolidation group.
  - (3) For the purposes of this section, members of a multinational group in a territory are included in a “tax consolidation group” if, by virtue of a connection between the members, the law of the territory permits or requires—
    - (a) transactions between the members to be given tax-neutral treatment, or
    - (b) any income, expenses, gains or losses of the members to be aggregated, surrendered between the members, or otherwise

shared or transferred between the members, for the purposes of any covered tax.

- (4) For the purposes of this section, a transaction is “given tax-neutral treatment” under the law of a territory if the law permits or requires the transaction to be disregarded, or treated in such a way that it gives rise to no consequences, for the purposes of any covered tax.
- (5) Paragraph 1 of Schedule 15 (long-term elections) applies to an election under this section.”

8 In section 175 (amounts excluded from qualifying current tax expense), at the end insert –

“(3) The reference in subsection (2)(a) to income or gains that are not included in the member’s adjusted profits does not include any income or gains that are not included in its adjusted profits solely because of an election under section 164 (intra-group transactions).”

9 In section 182 (total deferred tax adjustment amount), in subsection (2)(a), at the end insert “(other than items that are not reflected solely because of an election under section 164 (intra-group transactions))”.

10 In section 220 (top-up amount of investment entity), at the end insert –

“(4) Subsection (3) does not apply to the reference to standard members in section 164 (intra-group transactions).”

11 In section 227 (application of Part to joint venture groups), at the end insert –

“(4) Despite subsection (1), section 164 (intra-group transactions) does not apply to a joint venture group.”

12 In section 228 (minority owned members), in subsection (5), for “the reference to “standard member” in section 199(2A)” substitute “the references to standard members in section 164 (intra-group transactions) or 199(2A)”.

*Tax equity partnerships: calculation of excess return for clawback*

13 In section 176G (clawback of earlier qualifying flow-through tax benefits), for subsection (4) substitute –

“(4) For the purposes of this section, an investor has an “excess return” from an arrangement in an accounting period (“the current period”) if the total relevant return exceeds the amount of capital investment provided by the investor to the arrangement at its commencement. The amount of the excess return is the amount of the excess.

- (5) In subsection (4) “the total relevant return” means the sum of –
  - (a) the amounts of the qualifying flow-through tax benefits provided to the investor under the arrangement that have been excluded under section 176D(1) in the current period or any earlier accounting period,

- (b) the amounts of any distributions made to the investor under the arrangement in the current period or any earlier accounting period,
  - (c) the amounts received by the investor for the sale of any part of its investment in the arrangement in the current period or any earlier accounting period, and
  - (d) the amounts of any qualifying refundable tax credits and marketable transferable tax credits made available to be used by the investor under the arrangement in the current period or any earlier accounting period,
- less the amount of any excess return that the investor had from the arrangement in any earlier accounting period.”

*Adjustments for ultimate parent that is a flow-through entity*

- 14 (1) Section 170 (adjustments for ultimate parent that is a flow-through entity) is amended as follows.
- (2) In subsection (1), in the words after paragraph (b), for “its profits” substitute “those profits”.
  - (3) In subsection (2) –
    - (a) in the words before paragraph (a), for “profits” substitute “those profits”;
    - (b) in paragraph (a), for “the ultimate parent’s profits” substitute “those profits”.
  - (4) For subsection (2A) substitute –

“(2A) For the purposes of this section –

    - (a) each holder of a direct ownership interest in the ultimate parent is treated as entitled as a result of that interest to a proportion of the ultimate parent’s adjusted profits (that is to say, its adjusted profits ignoring this section), and
    - (b) the proportion of those adjusted profits to which each holder is treated as entitled is the proportion of those profits to which it would have been entitled had the actual amount of profits accruing to the ultimate parent been equal to its adjusted profits.”
  - (5) In subsection (3), in the words before paragraph (a), for “of the group” substitute “mentioned in subsection (1)(b)”.
  - (6) After subsection (5) insert –

“(5A) Subsections (5B) and (5C) apply where –

    - (a) the holder of the ownership interest is not subject to tax on an amount of the ultimate parent’s profits for a taxable period that ends within 12 months of the accounting period mentioned in subsection (1)(b), and

- (b) the holder would be subject to tax on the amount for a taxable period ending within that 12-month period but for a difference which will be eliminated over time between—
  - (i) the time when any income, expense, gain or loss is recognised in the ultimate parent’s financial statements, and
  - (ii) the time when that income, expense, gain or loss is reflected in the profits of the ultimate parent on which the holder is subject to tax (“the holder’s taxable profits”).
- (5B) Condition A has effect, for each accounting period up to and including the period in which that timing difference is eliminated, as if the income, expense, gain or loss were instead reflected in the holder’s taxable profits in the taxable period in which it is recognised in the ultimate parent’s financial statements.
- (5C) In a period for which, under subsection (5B), the holder’s taxable profits of a particular type are treated for the purposes of condition A as greater or less than what they actually are, it is to be assumed—
  - (a) that any excess is subject to tax at the same nominal rate at which the holder’s taxable profits of that type are actually subject to tax,
  - (b) that the holder pays tax on any excess at that rate,
  - (c) that any shortfall is not subject to tax, and
  - (d) that the holder pays no tax on any shortfall.”

*Deferred tax assets and liabilities: exclusions*

- 15 (1) Section 185 (inclusion of existing deferred tax assets and liabilities on entry into regime) is amended as follows.
  - (2) In subsection (1), for “that is reflected” substitute “that are reflected”.
  - (3) In subsection (6), in the words before paragraph (a), omit “qualifying”.
  - (4) After subsection (7) insert—
 

“(7A) Subsection (7D) applies to a deferred tax asset of a member of a multinational group that arises as a result of the occurrence of either of the following after 30 November 2021 and before the commencement of the first accounting period for which Pillar Two rules apply to the member—

    - (a) the making available of a tax credit, or other tax relief, by virtue of the exercise of a discretion in relation to a member of the group by a national, regional or local government or by a governmental entity;
    - (b) the making (or modifying) of an election or of another choice by a member of the group where the effect of the election or choice is to change the taxable income attributable to an earlier transaction retrospectively.

- (7B) Subsection (7D) also applies to a deferred tax asset or a deferred tax liability of a member of a multinational group that arises—
    - (a) after 30 November 2021 and before the commencement of the first accounting period for which Pillar Two rules apply to the member,
    - (b) because of a difference between the value (or base cost) of an asset or liability for the purposes of a corporate income tax and its value for accounting purposes, and
    - (c) in circumstances where the corporate income tax mentioned in paragraph (b) was introduced on or after 1 December 2021 in a territory that did not previously have a corporate income tax.
  - (7C) That subsection also applies to a deferred tax asset of a member of a multinational group that arises before the commencement of the first accounting period for which Pillar Two rules apply to the member if—
    - (a) where the member is located in a territory which did not have a corporate income tax before 1 December 2021 and in which one is introduced on or after that date, the deferred tax asset is attributable to a loss occurring before the fifth accounting period before the accounting period in which that tax came into force,
    - (b) the deferred tax asset arises in relation to non-economic expenses or losses (within the meaning of the Pillar Two rules) incurred after 30 November 2021,
    - (c) the deferred tax asset arises in relation to a prepayment of tax made after 30 November 2021 where the tax is in respect of income that is not included in the adjusted profits of the member, or
    - (d) the deferred tax asset arises in respect of tax credits granted after 30 November 2021 if those credits—
      - (i) are conditional on an agreement to carry out particular activities or to incur particular expenses, but
      - (ii) are provided (to any extent) before the carrying out of those activities or the incurring of those expenses.
  - (7D) A deferred tax asset or deferred tax liability to which this subsection applies is to be ignored in determining the member’s deferred tax expense.”
  - (5) In subsection (8), omit “qualifying”.
- 16 (1) Schedule 16 (transitional provision) is amended as follows.
- (2) In paragraph 2 (intra-group transfers before entry into regime), in sub-paragraph (3)—
    - (a) omit the “and” after paragraph (a);

- (b) at the end insert “, and
- (c) a deferred tax asset is ignored if it is a relevant excluded deferred tax asset.”
- (3) In paragraph 5 (general transitional safe harbour election: qualifying income tax expense) –
  - (a) in sub-paragraph (1) –
    - (i) omit the “and” after paragraph (a);
    - (ii) at the end insert “, and
    - (c) any amount that relates to a relevant excluded deferred tax asset or a relevant excluded deferred tax liability.”.
- (4) At the end insert –

#### **“PART 4**

##### EXCLUDED DEFERRED TAX ASSETS

##### *Straddle periods*

- 14 (1) This paragraph applies in relation to an accounting period of a member of a multinational group if –
  - (a) section 185(7D) comes into force during the period (but not on the first day of the period),
  - (b) the member has a relevant excluded deferred tax asset or a relevant excluded deferred tax liability, and
  - (c) the asset or liability is reversed (to any extent) in the period.
- (2) Despite section 185(7D) and paragraph 5 of this Schedule, an amount in respect of the reversal may be reflected in –
  - (a) the member’s deferred tax expense, or
  - (b) the member’s qualifying income tax expense for the purposes of Part 1 of this Schedule.
- (3) The amount that may be reflected in respect of the reversal is the pre-commencement proportion of the amount that could be so reflected if section 185(7D) or paragraph 5 of this Schedule (as the case may be) did not apply to the asset or liability.
- (4) In this paragraph, “the pre-commencement proportion” means –
  - (a) the number of days in the accounting period before the day on which section 185(7D) comes into force, divided by
  - (b) the total number of days in the accounting period.



*Grace period*

- 15 (1) This paragraph applies for an accounting period in relation to a relevant excluded deferred tax asset of a member of a multinational group if –
- (a) the accounting period falls within the applicable grace period,
  - (b) the relevant excluded tax asset is a deferred tax asset that arises as described in section 185(7A) or (7B), and
  - (c) the action that results in the assets arising (that is to say, the action referred to in section 185(7A)(a) or (b) or (7B)) takes place on or before 18 November 2024.
- (2) If any relevant excluded deferred tax asset falling within a particular category are reversed, an amount in respect of that reversal may, despite section 185(7D) and paragraph 5 of this Schedule, be reflected in –
- (a) the member’s deferred tax expense, or
  - (b) the member’s qualifying income tax expense for the purposes of Part 1 of this Schedule,
- so far as it does not exceed the available grace period amount in relation to the category.
- (3) But an amount may not be reflected in respect of the reversal of a deferred tax asset so far as the reversal takes place as a result of (and would not have taken place but for) any action taken by any person after 18 November 2024.
- (4) Take the following steps to find the “available grace period amount” (if any) in relation to a category of deferred tax asset for an accounting period.

*Step 1*

Determine, in relation to each deferred tax asset of the member falling within the category, the carrying value of the asset as at the time when it was first reflected in the underlying profits of the member.

For that purpose, determine the carrying value of the asset on the basis of the lower of –

- (a) the nominal tax rate that applied in relation to it at that time, and
- (b) a tax rate of 15%.

*Step 2*

Find the sum of the values determined at Step 1.

*Step 3*

Multiply the result of Step 2 by 20%.

*Step 4*

Deduct any amount –

- (a) that has been taken into account in determining the deferred tax expense of the member –
    - (i) in relation to assets falling within the category, and
    - (ii) in an accounting period that falls within the applicable grace period, or
  - (b) that would have been so taken into account in such a period had the Pillar Two rules applied to the member in question for that period.
- (5) For the purposes of this paragraph, each of following is a “category” of relevant excluded deferred tax asset –
  - (a) assets falling within section 185(7A)(a);
  - (b) assets falling within section 185(7A)(b);
  - (c) assets falling within section 185(7B).
- (6) For the purposes of this paragraph, an accounting period “falls within the applicable grace period” –
  - (a) in relation to the categories of asset mentioned in sub-paragraph (5)(a) and (b), if –
    - (i) it begins on or after 1 January 2024 and before 1 January 2026, and
    - (ii) it ends before 1 July 2027;
  - (b) in relation to the category of asset mentioned in sub-paragraph (5)(c), if –
    - (i) it begins on or after 1 January 2025 and before 1 January 2027, and
    - (ii) it ends before 1 July 2028.
- (7) This paragraph is subject to paragraph 14 (and accordingly, that paragraph is to be applied in precedence to this in determining for the purposes of Step 4 in sub-paragraph (5) whether an amount has been taken into account in an accounting period in relation to a deferred tax asset).

#### *General*

- 16 (1) In this Schedule –
- “relevant excluded deferred tax asset” means a deferred tax asset that arises as described in section 185(7A), (7B) or (7C) (whether or not section 185 applies to it);
  - “relevant excluded deferred tax liability” means a deferred tax liability that arises as described in section 185(7B) (whether or not section 185 applies to it).
- (2) For the purposes of those definitions, the references in section 185(7A) to (7C) to an accounting period for which Pillar Two rules apply to a member include an accounting period for which the Pillar Two rules would have applied to the member but for a transitional safe harbour election.”

- 17 (1) Schedule 16A (safe harbours) is amended as follows.
- (2) In paragraph 3 (disqualifying conditions) –
- (a) in sub-paragraph (1), for “D” substitute “E”;
  - (b) after sub-paragraph (5) insert –
    - “(5A) Condition E is that –
      - (a) a member of the group has a relevant excluded deferred tax asset or excluded deferred tax liability, and
      - (b) the qualifying domestic top-up tax applying in the territory either –
        - (i) does not make provision corresponding to section 185(7A) to (7D) (exclusion for deferred tax assets arising as a result of government arrangements etc) in relation to excluded deferred tax assets and liabilities, or
        - (ii) makes such corresponding provision in a way that is inconsistent with the Pillar Two commentary in relation to excluded deferred tax assets or excluded deferred tax liabilities.
    - (5B) In subsection (5A), “relevant excluded deferred tax asset” and “relevant excluded deferred tax liability” have the same meaning as in Schedule 16.”
- 18 The amendments made by paragraphs 15 to 17 of this Schedule are treated as having come into force on 21 July 2025.

*Other permanent-establishment-related matters*

- 19 (1) Section 232 (permanent establishments) is amended as follows.
- (2) In the heading, omit “treated as entities”.
- (3) In subsection (1) –
- (a) in the words before paragraph (a), omit “that”;
  - (b) for paragraph (a) substitute –
    - “(a) any profits in relation to which are reflected in the underlying profits accounts of the main entity, and”;
  - (c) in paragraph (b), at the beginning insert “which”.
- (4) In subsection (2) –
- (a) in paragraph (a), after “permanent establishment” insert “of the main entity”;
  - (b) in paragraph (b), for “is in” substitute “is situated in”;
  - (c) in paragraph (c) –
    - (i) for “is in” substitute “is situated in”;

- (ii) after “permanent establishment” insert “of the main entity”.

*Domestic top-up tax: exchange rates*

- 20 In section 270 (domestic top-up tax: amount charged), at the end insert –
- “(4) The exchange rate to be used for a conversion to sterling required by Step 2 in subsection (A1) or Step 3 in subsection (1) is –
- (a) the average exchange rate published by the European Central Bank for the accounting period in question;
  - (b) where no such rate is published by the European Central Bank, the average exchange rate published by the Bank of England for the accounting period in question;
  - (c) where no such rate is published by either the European Central Bank or the Bank of England, such rate as appears, on a just and reasonable basis, to reflect the average exchange rate for the accounting period in question.”

*Domestic top-up tax: payments in respect of group relief*

- 21 In section 272 (domestic top-up tax: determining top-up amounts of group member), in subsection (3A), at the end of the section 193 contained in that subsection, insert –
- “(3) Where section 183 of CTA 2010 (payments for group relief) applies to an entity in relation to a payment made in an accounting period, the entity’s covered tax balance for the purposes of Step 2(b) in subsection (2) is treated as increased by whichever is lower of –
- (a) the payment, and
  - (b) the amount by which the entity’s current tax expense, as reflected in its underlying profits, is lower than it would have been without the group relief to which the payment relates.
- In paragraph (b), “group relief” has the same meaning as in CTA 2010.”

*Simplified calculations for non-material members*

- 22 In Schedule 16A (safe harbours), at the end insert –

**“PART 3**

SIMPLIFIED CALCULATIONS FOR NON-MATERIAL MEMBERS OF GROUP

*Election in respect of non-material members*

- 8 (1) The filing member of a multinational group may for an accounting period make an election under this paragraph in respect of one or more members of the group in a territory.
- (2) An election may be made only if for the accounting period in question –

- (a) the specified members are non-material members of the group,
  - (b) the accounting conditions are met, and
  - (c) any of the following is met –
    - (i) the routine profits test;
    - (ii) the de minimis test;
    - (iii) the effective tax rate test.
- (3) Where an election is made, the total top-up amount for the accounting period for the territory is assumed to be nil for the purpose of determining the liability of any member of the group to multinational top-up tax.
- (4) Paragraph 2 of Schedule 15 (annual elections) applies to an election under this paragraph.

*“Non-material member”*

- 9 For the purposes of paragraph 8(2)(a), a member of a multinational group is a “non-material member” of the group for an accounting period if for the period in question –
- (a) the member’s assets, liabilities, income, expenses and cash flows are not included in the consolidated financial statements of the ultimate parent on a line-by-line basis,
  - (b) their non-inclusion in those statements is solely on the grounds of size or materiality, and
  - (c) an external auditor has agreed (without qualification) to their non-inclusion in those statements on those grounds,
- or if for the period in question the member is a permanent establishment of a member that meets the conditions in paragraphs (a) to (c).

*Accounting conditions*

- 10 (1) For the purposes of paragraph 8(2)(b), “the accounting conditions” for an accounting period are –
- (a) that consolidated financial statements falling within section 249(1)(a) or (c) have been prepared by the ultimate parent of the group,
  - (b) that those consolidated financial statements have been externally audited, and
  - (c) that financial statements have been prepared in accordance with an acceptable accounting standard or an authorised accounting standard in respect of any specified member whose revenue exceeds 50 million euros.
- (2) The reference in sub-paragraph (1)(c) to the revenue of a specified member is to its revenue as it would be determined under the country-by-country reporting rules.

*Routine profits test*

- 11 (1) For the purposes of paragraph 8(2)(c), “the routine profits test” is met for an accounting period if, on the assumption in sub-paragraph (2), the result of Step 4 in section 194 would be nil or less for the period for the relevant territory.
- (2) The assumption is that for the period in question the adjusted profits of each specified member are equal to the revenue of that member as it would be determined under the country-by-country reporting rules.

*De minimis test*

- 12 (1) For the purposes of paragraph 8(2)(c), “the de minimis test” is met for an accounting period if, on the assumption in sub-paragraph (2), an election under section 199 (de minimis exclusion) could be made for the period for the relevant territory.
- (2) The assumption is that for the period in question—
- (a) the revenue of each specified member, and
  - (b) the adjusted profits of each specified member,
- is or are equal to the revenue of that member as it would be determined under the country-by-country reporting rules.

*Effective tax rate test*

- 13 (1) For the purposes of paragraph 8(2)(c), “the effective tax rate test” is met for an accounting period if, on the assumption in sub-paragraph (2), the effective tax rate of the standard members of the group in the relevant territory for the period would be 15% or more.
- (2) The assumption is that for the period in question—
- (a) the adjusted profits of each specified member are equal to the revenue of the member as it would be determined under the country-by-country reporting rules, and
  - (b) the covered tax balance of each specified member is equal to the member’s income tax expense as it would be determined under the country-by-country reporting rules.

*Interpretation etc*

- 14 In this Part of this Schedule, in relation to an election under paragraph 8—
- “the country-by-country reporting rules” means—
- (a) where legislation implementing the OECD’s guidance on country-by-country reporting has effect in the relevant territory, that legislation;
  - (b) otherwise, that guidance;

“the relevant territory” means the territory in which the specified members are located;

“the specified members” means the members of the group in respect of which the election is made.

15        Nothing in this Part of this Schedule requires a country-by-country report actually to be filed in respect of a multinational group in order for an election under paragraph 8 to be made.”

23        The amendment made by paragraph 22 has effect in relation to accounting periods beginning on or after 31 December 2023.

*Minor amendments*

24        In section 197A (operating leases), in subsections (2) and (3), for “operating lease” substitute “property”.

25        In section 247 (timing of transfers of interests), in subsection (1), in the words after paragraph (b), for “earlier time when the transfer is effective” substitute “other time”.

26        In section 132 (effective tax rate), in subsection (1), in Step 7, at the end insert “and rounded to the nearest fourth decimal place (if it would otherwise have more than four)”.

27        In section 273 (domestic top-up tax: determining top-up amounts of entity that is not a member of a group), in the section 132 contained in subsection (2) –

        (a) in each of Steps 1 to 3, for “member” substitute “entity”;

        (b) in Step 6, at the end insert “and rounded to the nearest fourth decimal place (if it would otherwise have more than four)”.

28        In section 144 (adjustments for asymmetric foreign currency income and losses), in subsection (4)(b), for “income” substitute “gain”.

29        In section 174 (amount of covered tax balance), in subsection (5), in the definition of “qualifying current tax expense”, after “profits” insert “accounts,”.

30        In section 182 (total deferred tax adjustment amount), in subsection (1), after “profits” insert “accounts”.

31        In section 210 (transfer of assets or liabilities from a member of a multinational group), in subsection (2), for “transferee” (in each place it occurs) substitute “transferor”.

32        In section 217 (post filing adjustments of covered taxes) –

        (a) in subsection (2), for “that liability”, in both places it occurs, substitute “the aggregate covered tax balance of the standard members of the group in the territory of the member for the prior period”;

        (b) in subsection (3), for “that liability” substitute “the aggregate covered tax balance of the standard members of the group in the territory of the member for the prior period”.

- 33 (1) Section 267 (DTT excluded entities) is amended as follows.
- (2) In subsection (3C) –
- (a) in the words before paragraph (a), for “An investment entity that” substitute “Where an investment entity”;
  - (b) in paragraph (a), at the beginning insert “that entity”;
  - (c) in paragraph (b), for “272(8)(e)” substitute “272(3A)”.
- (3) In subsection (3D)(c) –
- (a) omit “(8)(e)”;
  - (b) at the end insert “and the section 193A(2) contained in subsection (3A) of that section”.
- 34 In section 272 (determining top-up amounts of entity that is a member of a group), in subsection (10)(a), for “(8)(e)” substitute “(3A)”.
- 35 In Schedule 14 (administration of multinational top-up tax) –
- (a) in the italic heading before paragraph 50, after “Multiple” insert “tax-gear”;
  - (b) in paragraph 50 –
    - (i) in sub-paragraph (1), for “in”, in the second place it occurs, substitute “whose amount falls to be determined by reference to the tax payable in relation to”;
    - (ii) in sub-paragraph (2), after “penalties” insert “, so far as determined by reference to any particular part of the tax,”;
    - (iii) in that sub-paragraph, after “penalty”, in the second place it occurs, insert “(so far as so determined)”.
- 36 In Schedule 15 (elections) in each of paragraphs 1(1) and 2(1), for the words before paragraph (a) substitute “For the elections to which this paragraph applies, see –”.
- 37 In section 178 of FA 1989 (setting of rates of interest), in subsection (1)(x) after “Finance” insert “(No.2)”.