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SCHEDULES

SCHEDULE 12

PILLAR TWO

PART 2

MULTINATIONAL TOP-UP TAX

Partnerships

- 2 (1) In section 122 (chargeable persons)—
- (a) in subsection (1)(a)(ii), omit “that is not a body corporate”,
 - (b) in subsection (2)(c)(ii), omit “that is not a body corporate”, and
 - (c) omit subsections (4) to (6).
- (2) After section 232, insert—

“232A Partnerships

- (1) A partnership is to be regarded for the purposes of this Part as continuing to be the same partnership regardless of a change in membership, provided that a person who was a member before the change remains a member after the change.
 - (2) Where—
 - (a) ownership interests in a partnership are transferred to more than one individual or entity, and
 - (b) the result is a partnership of which none of the original partners are members,that new partnership is to be treated as if it were the same partnership as the old partnership.
 - (3) Where a partnership is otherwise dissolved in an accounting period—
 - (a) the partnership is to be treated as a continuing entity for the purpose of dealing with its rights and obligations under this Part in respect of that accounting period and previous accounting periods, and
 - (b) for the purposes of Schedule 14 (administration) each person who was a partner in that accounting period (before the partnership’s dissolution) is to be treated as a partner of the continuing entity.
 - (4) The reference in [subsection \(2\)](#) to a transfer of ownership interests includes any series of transactions having the effect of a transfer (including by way of the cancellation of interests and the issue of corresponding interests).”
- (3) In section 259 (other definitions), in subsection (1) at the appropriate place insert—

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““partnership” does not include anything that is a body corporate;”

(4) After section 268 insert—

“268A Partnerships

Section 232A (partnerships) applies for the purposes of this Part as it applies for the purposes of Part 3.”

(5) In section 269 (chargeable persons for domestic top-up tax)—

- (a) in subsection (1)—
 - (i) in paragraph (a), omit “that is not a body corporate”, and
 - (ii) in paragraph (b), omit “that is not a body corporate” in the second place it occurs, and
- (b) omit subsections (4) to (6).

(6) In Schedule 14 (administration of multinational top-up tax)—

- (a) in paragraph 3—
 - (i) in paragraph (a) of sub-paragraph (2), omit “or a limited liability partnership”,
 - (ii) in that sub-paragraph, omit paragraph (c), and
 - (iii) for sub-paragraph (3) substitute—

“(3) In this Schedule—

- (a) “limited partnership” includes an entity established under the law of a territory outside the United Kingdom that is equivalent to a limited partnership, and
- (b) “general partner” includes a partner of such an entity that corresponds to a general partner.

(4) See also section 232A, which contains provision about the continuity of partnerships which is relevant to this paragraph.

(5) Where an obligation of a partnership may be met by one of its partners and the partnership does not comply with that obligation—

- (a) an officer of Revenue and Customs may by notice require any such partner to meet the obligation, and
- (b) that partner is to be treated for that purpose as the filing member (and accordingly may be subject to any penalty for a failure to comply).”

(b) after paragraph 37 insert—

“Partnership payment notices

- 37A (1) An officer of Revenue and Customs may issue a partnership payment notice if an amount of multinational top-up tax payable by a member of a multinational group that is a partnership (including any interest on that amount) is not paid by the end of

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the period of three months beginning with the relevant date (see paragraph 34(7) to (9)).

- (2) A partnership payment notice may be issued to any person (wherever in the world they are located) who—
 - (a) is a partner, or
 - (b) was a partner at any time in the accounting period to which the amount payable relates.
- (3) A partnership payment notice is a notice requiring the recipient to pay an outstanding amount of multinational top-up tax payable by a member of the group that is a partnership by a date specified in the notice.
- (4) Sub-paragraphs (4) to (9) of paragraph 34 and paragraph 36 apply to a partnership payment notice as they apply to a group payment notice.
- (5) In this paragraph and in [paragraph 37B](#), reference to a partner, in the case of a limited partnership, is to a general partner.

Recovery of partnership payment and effect for tax purposes etc

- 37B
- (1) This paragraph applies where a partner of a member of a multinational group that is a partnership (the “payer”) makes a payment in respect of the liability to pay multinational top-up tax of the partnership (whether or not in consequence of a partnership payment notice).
 - (2) The payer may recover the amount from the other partners.
 - (3) In calculating the payer's income, profits or losses for tax purposes—
 - (a) the payment is not allowed as a deduction, and
 - (b) the reimbursement of any such payment is not to be regarded as a receipt.
 - (4) The payment or its reimbursement—
 - (a) is not (otherwise) to be taken into account in calculating the profits or losses of for corporation tax or income tax purposes of either the payer or the other partners, and
 - (b) is not to be regarded as a distribution for income tax or corporation tax purposes.
 - (5) The amount paid by the payer is to be taken into account in calculating—
 - (a) the amount of multinational top-up tax unpaid by the partnership, and
 - (b) the amount due by virtue of a partnership payment notice relating to the amount unpaid.
 - (6) Similarly, any payment by the partnership or by any of the other partners of any of the amount unpaid is to be taken into account in calculating the amount due by virtue of a partnership payment

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notice (or by virtue of any other partnership payment notice relating to the amount unpaid).

(7) In this paragraph, “for tax purposes” means for the purposes of income tax, corporation tax, multinational top-up tax or domestic top-up tax.”, and

(c) in paragraph 39—

(i) omit the “or” after paragraph (a) in sub-paragraph (1),

(ii) after that paragraph insert—

“(aa) a partner of a partnership makes a payment on behalf of the partnership or another partner, or”, and

(iii) in sub-paragraph (2), after paragraph (a) insert—

“(aa) deeming a payment made by a partner of a partnership to have been made by the partnership or another partner;”.

(7) In Schedule 17 (index of defined expressions), in the table, at the appropriate places insert—

“general partner (in Schedule 14)	paragraph 3(3) of Schedule 14”;
“limited partnership (in Schedule 14)	paragraph 3(3) of Schedule 14”;
“partnership	section 259(1);”.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 9 para. 132(1) Sch. 9 para. 132 renumbered as Sch. 9 para. 132(1) by [S.I. 2024/356 reg. 4\(23\)\(a\)](#)
- Sch. 9 para. 125(1)(c) and word inserted by [S.I. 2024/356 reg. 4\(3\)\(b\)](#)
- Sch. 9 para. 125(3A) inserted by [S.I. 2024/356 reg. 4\(6\)](#)
- Sch. 9 para. 126(1)(c) inserted by [S.I. 2024/356 reg. 4\(9\)\(c\)](#)
- Sch. 9 para. 126(3A) inserted by [S.I. 2024/356 reg. 4\(10\)](#)
- Sch. 9 para. 127A and cross-heading inserted by [S.I. 2024/356 reg. 4\(12\)](#)
- Sch. 9 para. 128(6)(a)(zi) inserted by [S.I. 2024/356 reg. 4\(13\)](#)
- Sch. 9 para. 129(1)(c)(d) inserted by [S.I. 2024/356 reg. 4\(15\)\(b\)](#)
- Sch. 9 para. 129(2)(c) and word inserted by [S.I. 2024/356 reg. 4\(16\)\(b\)](#)
- Sch. 9 para. 130A and cross-heading inserted by [S.I. 2024/356 reg. 4\(21\)](#)
- Sch. 9 para. 132(2)-(5) inserted by [S.I. 2024/356 reg. 4\(23\)\(c\)](#)
- Sch. 9 para. 132A and cross-heading inserted by [S.I. 2024/356 reg. 4\(24\)](#)
- Sch. 9 para. 132(1) words inserted by [S.I. 2024/356 reg. 4\(23\)\(b\)](#)