STATUTORY INSTRUMENTS

2026 No. 347

DOMESTIC TOP-UP TAX
MULTINATIONAL TOP-UP TAX

The Taxes (Interest Rate) (Amendment) Regulations 2026

Made - - - -	*24th March 2026*
Laid before the House of Commons - - - -	*26th March 2026*
Coming into force - -	*17th April 2026*

The Treasury make these Regulations in exercise of the powers conferred by section 178(1), (2)(x) and (y) and (3)(a) to (c), (e) and (f) of the Finance Act 1989(**1**).

Citation and commencement

1. These Regulations may be cited as the Taxes (Interest Rate) (Amendment) Regulations 2026 and come into force on 17th April 2026.

Amendment of the Taxes (Interest Rate) Regulations 1989

2.—(1) The Taxes (Interest Rate) Regulations 1989(**2**) are amended as follows.

(2) After regulation 3ZE, insert—

"**Applicable rate of interest on unpaid multinational top-up tax and domestic top-up tax**

3ZF.—(1) For the purposes of paragraph 33 of Schedule 14 to the Finance (No. 2) Act 2023(**3**), with respect to unpaid multinational top-up tax(**4**) and domestic top-up tax(**5**), the rate applicable under section 178 shall, subject to paragraph (2), be 7.75% per annum.

(2) Where on a reference date after 17th April 2026 the reference rate found on that date differs from the established rate, the rate applicable under section 178 for the purposes

(**1**) 1989 c. 26. Section 178(2)(x) was added by paragraph 68(2) of schedule 14 to the Finance (No. 2) Act 2023 c. 30 and was amended by paragraph 52 of Schedule 8 to the Finance Act 2026 c. 11. Section 178(3)(f) was amended by section 88(2)(b) of the Finance Act 2019 c. 1.

(**2**) S.I. 1989/1297; relevant amending instruments are S.I. 2008/3234, 2009/2032.

(**3**) 2023 c. 30.

(**4**) Multinational top-up tax is defined in section 121 of the Finance (No. 2) Act 2023.

(**5**) Domestic top-up tax is defined in section 265 of the Finance (No. 2) Act 2023. Paragraph 4 of Schedule 18 to the Finance (No. 2) Act 2023 applies paragraph 33 of Schedule 14 to domestic top-up tax.

mentioned in paragraph (1) shall, on and after the next operative date, be the percentage per annum found by applying the formula specified in paragraph (3).

(3) The formula specified in this paragraph is—

$$RR + 4,$$

where RR is the reference rate referred to in paragraph (2).

Applicable rate of interest on overpaid multinational top-up tax and domestic top-up tax

3ZG.—(1) For the purposes of paragraph 33A of Schedule 14 to the Finance Act (No. 2) 2023(**6**), with respect to overpaid multinational top-up tax and domestic top-up tax(**7**), the rate applicable under section 178 shall, subject to paragraph (2), be 2.75% per annum.

(2) Where on a reference date after 17th April 2026 the reference rate found on that date differs from the established rate, the rate applicable under section 178 for the purposes mentioned in paragraph (1) shall, on and after the next operative date, be the higher of—

(a) 0.5% per annum, and

(b) the percentage per annum found by applying the formula specified in paragraph (3).

(3) The formula specified in this paragraph is—

$$RR - 1,$$

where RR is the reference rate referred to in paragraph (2).".

Taiwo Owatemi
Stephen Morgan
Two of the Lords Commissioners of His Majesty's Treasury

24th March 2026

(**6**) Paragraph 33A was inserted into Schedule 14 to the Finance (No. 2) Act 2023 by paragraph 37(3) of Schedule 12 to the Finance Act 2024.

(**7**) Paragraph 4 of Schedule 18 to the Finance (No. 2) Act 2023 applies paragraph 33A of Schedule 14 to the Finance (No. 2) Act 2023 to domestic top-up tax.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Taxes (Interest Rate) Regulations 1989/1297 ("1989 Regulations"). The 1989 regulations specify rates of interest for the purposes of the enactments specified in section 178(2) of the Finance Act 1989 (c. 26). The amendments made by these Regulations specify the applicable rates of interest for unpaid and overpaid amounts of multinational top-tax and domestic top-up tax.

Multinational top-up tax was introduced by Part 3 of the Finance (No. 2) Act 2023 (c. 30).

Domestic top-up tax was introduced by Part 4 of the Finance (No. 2) Act 2023 (c. 30).

Regulation 2 inserts new regulations 3ZF and 3ZG which specify the interest rate applicable under section 178 of the Finance Act 1989 (c. 26) in relation to unpaid and overpaid multinational top-up tax and domestic top-up tax.

A Tax Information and Impact Note covering this instrument was published on 15th March 2023 entitled 'Multinational top-up tax and Domestic top-up tax: UK adoption of OECD Pillar 2' alongside the Autumn Finance Bill 2023, and is available on the government website at https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins. It remains an accurate summary of the impacts that apply to this instrument.