

4. Map all subsidiaries of both "parents" as Constituent Entities

7. UPE Jurisdiction and Its Significance

The UPE's jurisdiction determines:

Factor	Why It Matters
IIR application	If the UPE jurisdiction has implemented a Qualified IIR, the UPE applies the IIR first *(Article 2.1.1)*
Filing obligations	GIR filing typically occurs in the UPE jurisdiction
UTPR exposure	If UPE jurisdiction has no IIR, UTPR in other jurisdictions may apply

Stratos example: The UK has implemented a Qualified IIR effective from 2024. Stratos Group plc (UK UPE) will apply the IIR and be responsible for UK Multinational Top-Up Tax on low-taxed jurisdictions.

8. Changes in UPE Status

8.1 Acquisition of the UPE

If another entity acquires the UPE:

- The acquiring entity's group becomes the new MNE group
- The former UPE becomes a Constituent Entity (likely an IPE) in the new group
- Reassess scope at the new group level

8.2 Demerger Creating New UPE

If the group demerges:

- Each resulting group has its own UPE
- Each group independently assesses the €750 million threshold
- CE registers must be prepared for each new group

9. Documentation Requirements

Add to your group structure documentation:

Document	Content
UPE confirmation memo	Entity name, jurisdiction, basis for UPE status
IPE schedule	List of IPEs with ownership chain
Group structure chart	Visual representation showing UPE, IPEs, and all CEs
IIR jurisdiction analysis	Whether UPE jurisdiction has Qualified IIR