



Corporation Tax Act 2010

2010 CHAPTER 4

PART 12

REAL ESTATE INVESTMENT TRUSTS

CHAPTER 5

ASSETS ETC

Funds awaiting reinvestment

547 Funds awaiting reinvestment

- (1) This section applies if a—
 - (a) company UK REIT or a member of a group UK REIT disposes of an asset used wholly and exclusively for the purposes of property rental business, and
 - (b) the company UK REIT or any member of the group UK REIT holds the proceeds in cash.
- (2) Profits or losses arising from a loan relationship entered into in connection with the proceeds—
 - (a) are to be ignored for the purposes of section 599 (calculation of profits), and
 - (b) are to be treated for all tax purposes as arising from a loan relationship entered into in connection with residual business.

^{F1}(3)

- (4) For the purposes of this section proceeds are held in cash if—
 - (a) held on deposit (whether or not in sterling),
 - (b) invested in stocks or bonds of any of the descriptions included in Part 1 of Schedule 11 to FA 1942 (gilts), or

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Funds awaiting reinvestment. (See end of Document for details)

- (c) held or invested in such other form as the Commissioners for Her Majesty's Revenue and Customs may specify for the purposes of this section in regulations.
- (5) In the case of the disposal of an asset which, for one or more periods of (in total) at least a year, has been used—
- (a) partly for the purposes of property rental business of the company, and
 - (b) partly for the purposes of residual business of the company,
- this section applies to such part of the proceeds as may reasonably be attributed to the property rental business (having regard to the extent to which, and the length of the periods during which, the asset was used for the different purposes).
- [^{F2}(6) This section also applies to proceeds held in cash by a company on a disposal of an asset so far as section 535A secures that the appropriate proportion of a gain or loss accruing on the disposal is not a chargeable gain or allowable loss.]

Textual Amendments

- F1** S. 547(3) omitted (with effect in accordance with Sch. 4 para. 32(1) of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 4 para. 28](#)
- F2** S. 547(6) inserted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), [Sch. 1 para. 116](#)

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