



# Finance Act 2006

## 2006 CHAPTER 25

### PART 4

#### REAL ESTATE INVESTMENT TRUSTS

##### *Introduction*

#### <sup>F1</sup>103 Real Estate Investment Trusts

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##### **Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

#### <sup>F1</sup>104 Property rental business

.....

##### **Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

#### <sup>F1</sup>105 Other key concepts

.....

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Part 4. (See end of Document for details)*

**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**F1 106 Conditions for company**

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**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**F1 107 Conditions for tax-exempt business**

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**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**F1 108 Conditions for balance of business**

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**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

*Entering Real Estate Investment Trust Regime*

**F1 109 Notice**

.....

**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**F1 110 Duration**

.....

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Part 4. (See end of Document for details)*

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>111 Effects of entry**

.....

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>112 Entry charge**

.....

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

*Assets etc*

**<sup>F1</sup>113 Ring-fencing of tax-exempt business**

.....

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>114 Maximum shareholding**

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**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>115 Profit: financing-cost ratio**

.....

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Part 4. (See end of Document for details)*

**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**F1 116 Minor or inadvertent breach**

.....

**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**F1 117 Cancellation of tax advantage**

.....

**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**F1 118 Funds awaiting re-investment**

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**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

*Profits*

**F1 119 Corporation tax**

.....

**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**F1 120 Calculation of profits**

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Part 4. (See end of Document for details)*

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>121 Distributions: liability to tax**

.....

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**122 Distributions: deduction of tax**

**F2** .....

**Textual Amendments**

- F2** S. 122 repealed (6.4.2007 with effect as mentioned in s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1031, Sch. 1 para. 620, **Sch. 3 Pt. 1** (with transitional provisions and savings in Sch. 2)

**<sup>F1</sup>123 Attribution of distributions**

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**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

*Capital gains*

**<sup>F1</sup>124 Corporation tax**

.....

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>125 Movement of assets out of ring-fence**

.....

*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 2006, Part 4. (See end of Document for details)*

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>126 Movement of assets into ring-fence**

.....

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>126A Demergers**

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**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>127 Interpretation**

.....

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

*Leaving Real Estate Investment Trust Regime*

**<sup>F1</sup>128 Termination by notice: company**

.....

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>129 Termination by notice: Commissioners**

.....

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Part 4. (See end of Document for details)*

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>130 Automatic termination for breach of requirement**

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**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>131 Effects of cessation**

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**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>132 Early exit by notice**

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**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F1</sup>133 Early exit**

.....

**Textual Amendments**

- F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

*Groups*

**<sup>F1</sup>134 Group Real Estate Investment Trusts**

.....

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Part 4. (See end of Document for details)*

**Textual Amendments**

**F1** Ss. 103-134 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(a), **Sch. 3 Pt. 1** (with Sch. 2)

**135 Transfer within group**

After section 171(2)(d) of TCGA 1992 (transfer within a group: exclusions) insert—

“; or

(da) a disposal by or to a company to which Part 4 of the Finance Act 2006 applies (Real Estate Investment Trusts);”.

**F3 136 Availability of group reliefs**

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**Textual Amendments**

**F3** S. 136 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(b), **Sch. 3 Pt. 1** (with Sch. 2)

*Miscellaneous*

**F4 136A Connected persons**

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**Textual Amendments**

**F4** S. 136A repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(c), **Sch. 3 Pt. 1** (with Sch. 2)

**137 Insurance companies**

In section 212(1) of TCGA 1992 (annual deemed disposal of holdings of certain assets) after paragraph (b) insert—

“; or

(c) shares in a company to which Part 4 of the Finance Act 2006 applies (Real Estate Investment Trusts);”.

**F5 138 Joint ventures**

.....



*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Part 4. (See end of Document for details)*

**Textual Amendments**

- F5** S. 138 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(d), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F6</sup>139 Manufactured dividends**

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**Textual Amendments**

- F6** S. 139 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(e), **Sch. 3 Pt. 1** (with Sch. 2)

**140 Penalties for failure to give notice, etc**

At the end of the second column of the Table in section 98(5) of TMA 1970 (penalties) add—

“Section 106 of FA 2006 as modified by Schedule 17 to that Act.

Section 116 of FA 2006.

Regulations under section 116 of FA 2006.

Regulations under section 122 of FA 2006.

Section 130 of FA 2006.”

**<sup>F7</sup>141 Effect of deemed disposal and re-acquisition**

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**Textual Amendments**

- F7** S. 142 repealed (with effect in accordance with s. 1184(1) of the amending Act, 1.4.2010) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(f), **Sch. 3 Pt. 1** (with Sch. 2)

**<sup>F7</sup>142 Interpretation**

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**Textual Amendments**

- F7** S. 142 repealed (with effect in accordance with s. 1184(1) of the amending Act, 1.4.2010) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(f), **Sch. 3 Pt. 1** (with Sch. 2)

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Part 4. (See end of Document for details)*

**143 Housing investment trusts: repeal**

Section 160 of, and Schedule 30 to, FA 1996 (housing investment trusts) shall cease to have effect (and accordingly—

- (a) sections 508A and 508B of ICTA shall cease to have effect,
- (b) the amendments of section 842(1)(a) and (e) of ICTA effected by paragraph 2(2) of Schedule 30 shall cease to have effect, and
- (c) section 842(1AA) of ICTA shall cease to have effect).

*General*

**F8 144 Regulations**

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**Textual Amendments**

**F8** S. 144 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(g), **Sch. 3 Pt. 1** (with Sch. 2)

**145 Commencement**

<sup>F9</sup>(1) .....

(2) Section 143 shall have effect in relation to accounting periods beginning on or after the day on which this Act is passed.

**Textual Amendments**

**F9** S. 145(1) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 483(h), **Sch. 3 Pt. 1** (with Sch. 2)

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2006, Part 4.