

Status: Point in time view as at 01/04/2009.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Paragraph 32. (See end of Document for details)

SCHEDULES

SCHEDULE 17

GROUP REAL ESTATE INVESTMENT TRUSTS: MODIFICATIONS

Non-UK resident members

- 32 (1) This paragraph applies to a non-UK resident company which is a member of a group to which Part 4 applies if—
- (a) the company has property rental business in the United Kingdom (“the UK property rental business”), and
 - (b) the profits of that business would be chargeable to tax under Chapter 3 of Part 3 of ITTOIA 2005 [^{F1}or as profits of a UK property business under Chapter 3 of Part 4 of CTA 2009].
- (2) Business carried on by a non-UK resident company is property rental business for the purposes of this Part if the business would be property rental business within the meaning given by section 104 if it were carried on by a UK resident company.
- (3) The property rental business of the company in the United Kingdom shall be treated as if it were (subject to the application of this Part) chargeable to corporation tax.
- (4) Section 119(1) shall apply to the company as if the reference to the business of C (tax-exempt) were a reference to the UK property rental business.
- (5) Profits arising from the UK property rental business shall not be charged to income tax.
- (6) Sections 124 to 126 shall apply to the company as if—
- (a) a reference to C (tax-exempt) were a reference to the company in so far as it carries on the UK property rental business,
 - (b) a reference to tax-exempt business were a reference to the UK property rental business, and
 - (c) a reference to C (residual) were a reference to the company in so far as it carries on other business in the United Kingdom.
- (7) If a UK resident member of a group to which Part 4 applies receives a dividend which represents (wholly or partly and directly or indirectly) profits of UK property rental business of a non-UK resident member of the group, such proportion of the dividend as represents those profits shall be treated for the purposes of the Corporation Tax Acts as a dividend from a UK resident company.
- (8) Profits and gains of the UK property rental business shall be treated as profits and gains of a UK resident member of the group for the purposes of—
- (a) section 107(8) (as modified by paragraph 6),
 - (b) section 121 (as modified by paragraph 18),
 - (c) ^{F2}

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(d) a financial statement for G (property rental business) under paragraph 31.

Textual Amendments

- F1** Words in Sch. 17 para. 32(1)(b) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 1 para. 698(3)** (with Sch. 2 Pts. 1, 2)
- F2** Sch. 17 para. 32(8)(c) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1031, Sch. 1 para. 626(4), **Sch. 3 Pt. 1** (with transitional provisions and savings in Sch. 2)

Modifications etc. (not altering text)

- C1** Sch. 17 para. 32 applied (with modifications) (1.1.2007) by [The Real Estate Investment Trusts \(Joint Ventures\) Regulations 2006 \(S.I. 2006/2866\)](#), **reg. 8(2)**
 Sch. 17 para. 32 applied (with modifications) (1.1.2007) by [The Real Estate Investment Trusts \(Joint Ventures\) Regulations 2006 \(S.I. 2006/2866\)](#), **reg. 15(2)**
- C2** Sch. 17 para. 32 applied (with modifications) (31.12.2007) by [The Real Estate Investment Trusts \(Joint Venture Groups\) Regulations 2007 \(S.I. 2007/3425\)](#), **reg. 15(2)**
 Sch. 17 para. 32 applied (with modifications) (31.12.2007) by [The Real Estate Investment Trusts \(Joint Venture Groups\) Regulations 2007 \(S.I. 2007/3425\)](#), **reg. 25(2)**

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