

SCHEDULES

SCHEDULE 4

REITs: STOCK DIVIDENDS

Amendment of TCGA 1992

1 After section 142 of TCGA 1992 (capital gains on stock dividends) insert—

“142A REITs: chargeable gains on stock dividends

- (1) This section applies if share capital issued in lieu of a cash dividend by—
 - (a) a company UK REIT, or
 - (b) the principal company of a group UK REIT,is attributed as mentioned in section 550(2)(a), (c) or (d) of CTA 2010 (attribution of distributions).
- (2) The case shall not constitute a reorganisation of the company’s share capital for the purposes of sections 126 to 128.
- (3) The person who acquires the share capital by means of its issue shall (notwithstanding section 17(1)) be treated for the purposes of section 38(1) (a) as having acquired that asset for a consideration equal to the cash equivalent of the share capital.
- (4) Section 414A(2) to (4) of ITTOIA 2005 (meaning of “share capital issued in lieu of a cash dividend”) applies for the purposes of this section as it applies for the purposes of Chapter 5 of Part 4 of that Act.
- (5) Section 412(1), (2), (4) and (5) of that Act (meaning of “cash equivalent of share capital”) applies for the purposes of this section as it applies in relation to share capital issued as mentioned in section 410(1)(a) of that Act.
- (6) In this section “company UK REIT” and “principal company of a group UK REIT” are to be read in accordance with Part 12 of CTA 2010 (Real Estate Investment Trusts).”