



Corporation Tax Act 2010

2010 CHAPTER 4

PART 12

REAL ESTATE INVESTMENT TRUSTS

CHAPTER 7

GAINS ETC

Movement of assets

557 Movement of assets into ring fence

- (1) Subsection (2) applies if—
 - (a) an asset has been used wholly and exclusively for the purposes of residual business of a company which is, or is a member of, a UK REIT, and
 - (b) the asset begins to be used wholly and exclusively for the purposes of the company so far as it carries on property rental business.
- (2) The asset is to be treated as having been at that time—
 - (a) disposed of by the company so far as it carries on residual business, and
 - (b) immediately reacquired by the company so far as it carries on property rental business.
- (3) The sale and reacquisition deemed under subsection (2) is to be treated as being for a consideration equal to the market value of the asset.
- (4) For the purposes of CAA 2001—
 - (a) a sale and reacquisition deemed under subsection (2)—
 - (i) does not give rise to allowances or charges, and
 - (ii) does not make it possible to make an election under section 198 or 199 of that Act (apportionment),

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 557. (See end of Document for details)

- (b) subsection (3) does not apply, and
 - (c) anything done by or to the company so far as it carries on residual business before the deemed sale and reacquisition is to be treated after the deemed sale and reacquisition as having been done by or to the company so far as it carries on property rental business.
- (5) If a percentage of the gains of property rental business of a member of a group UK REIT is excluded from a financial statement in accordance with section 533(3), that percentage of those gains is to be treated for corporation tax purposes as gains of the member's residual business.
- (6) This section has effect in relation to a non-UK member of a group UK REIT as if references to property rental business were references to UK property rental business.
- (7) Section 535 is relevant to the tax treatment of any gain arising to a company under this section.

Changes to legislation:

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