
STATUTORY INSTRUMENTS

2006 No. 2866

The Real Estate Investment Trusts
(Joint Ventures) Regulations 2006

PART 3

Group Real Estate Investment Trusts

Joint ventures - entry charges

14.—(1) Where a venturing company to which Part 2 of these Regulations applies—

- (a) becomes the principal company of a group to which Part 4 applies, and
- (b) gives a new joint venture look through notice under regulation 9 (a “new notice”) in respect of that group and the joint venture company to which Part 2 previously applied, and
- (c) the venturing company’s shareholding in that joint venture company remains the same

sections 111, 112 and 131 shall not operate to impose a charge to corporation tax under section 112(1) in respect of the assets involved in the property rental business of the joint venture company.

(2) Where a venturing company to which Part 2 of these Regulations applies—

- (a) becomes the principal company of a group to which Part 4 applies, and
- (b) gives a new notice in respect of that group and the joint venture company to which Part 2 previously applied, and
- (c) the venturing company’s shareholding in the joint venture company had increased in the period between the date on which the venturing company first gave a joint venture look through notice under regulation 2 (“the first notice”) and the date on which the new notice was given

the provisions of paragraph (3) shall apply.

(3) The notional income calculated under sections 111 and 112 (as modified by paragraphs 9 to 11 of Schedule 17 and further modified by regulation 13(3) and (4)), shall be reduced by the amount of notional income that was calculated under sections 111 and 112 (as modified by regulation 7(2) and (3)) in respect of the assets involved in the property rental business of the joint venture company at the time the first notice was given.

(4) Where a venturing company to which Part 2 of these Regulations applies—

- (a) becomes the principal company of a group to which Part 4 applies, and
- (b) gives a new notice in respect of that group and the joint venture company to which Part 2 previously applied, and
- (c) increases its share holding in the joint venture company to 75% or more, and
- (d) gives a notice under section 109 (as modified by paragraph 8 of Schedule 17) making the venturing company and the joint venture company members of a group to which Part 4 applies,

sections 111 and 112 (as modified by paragraphs 9 to 11 of Schedule 17) shall continue to apply with the modifications set out in paragraph (5).

(5) The notional income shall be reduced by the amount of notional income that was calculated as arising under sections 111 and 112 (as modified by regulation 7(2) and (3)) in respect of the assets involved in the property rental business of the joint venture company at the time the venturing company gave the first notice.

(6) Where a venturing group to which Part 2 of these Regulations applies—

(a) increases its share holding in the joint venture company to 75% or more, and

(b) the joint venture company becomes a member of the group to which Part 4 applies

sections 111 and 112 (as modified by paragraphs 9 to 11 of Schedule 17) shall continue to apply with the modifications set out in paragraph (7).

(7) The notional income shall be reduced by the amount of notional income that was calculated as arising under sections 111 and 112 (as modified by regulation 13(3) and (4)) in respect of the assets involved in the property rental business of the joint venture company at the time the venturing group gave the first notice under regulation 9 in respect of that company.