
STATUTORY INSTRUMENTS

2007 No. 3425

**The Real Estate Investment Trusts (Joint
Venture Groups) Regulations 2007**

PART 2

Joint Venture Groups: Single Company Real Estate Investment Trusts

Tax charges and exemptions: single company real estate investment trusts

13.—(1) This regulation specifies charges to, and exemptions from, tax which apply in the case of a venturing company and the members of a joint venture group to which these Regulations apply.

(2) Section 111 (effects of entry), as modified by paragraph 9 of Schedule 17, shall apply in relation to a member of a joint venture group with the following further modifications—

- (a) references in paragraph 9 of Schedule 17 to G (pre-entry) shall be treated as references to the joint venture group before these Regulations applied to the group,
- (b) references in paragraph 9 of Schedule 17 to G (property rental business) shall be treated as references to JVG (property rental business), and
- (c) section 111(1) to (4) shall be treated as applying to the assets and business of the member only to the extent of the percentage of the beneficial interest which the venturing company has in the principal company of the joint venture group.

(3) Section 112 (entry charge), as modified by paragraph 11 of Schedule 17, shall apply in relation to a member of a joint venture group with the following further modifications—

- (a) a reference to each member of a group to which Part 4 applies shall be treated as a reference to each member of the joint venture group to which these Regulations apply,
- (b) references to G (residual) shall be treated as references to JVG (residual),
- (c) the reference in subsection (3)(a) to the aggregate market value of assets shall be treated as a reference to the amount of the aggregate market value of the assets of the property rental business of the member to the extent of the percentage of the beneficial interest which the venturing company has in the principal company of the joint venture group, and
- (d) the reference in paragraph 11(2) of Schedule 17 to a company which joins a group to which Part 4 applies shall be treated as a reference to a company which joins a joint venture group in respect of which a notice under regulation 5 has been given.

(4) Section 117 (cancellation of tax advantage)⁽¹⁾, as modified by paragraph 15 of Schedule 17, shall apply to the members of a joint venture group as it applies to members of a group to which Part 4 applies.

(5) Section 119(1) (profits exemption from corporation tax), as modified by paragraph 17 of Schedule 17, shall apply in relation to a UK resident member of a joint venture group with the following further modifications—

(1) Section 117 of the Finance Act 2006 was amended by paragraph 8 of Schedule 17 to the Finance Act 2007.

- (a) references to G (property rental business) shall be treated as references to JVG (property rental business),
 - (b) references to G (residual) shall be treated as references to JVG (residual),
 - (c) references to C (tax-exempt) shall be treated as references to the member if or in so far as it is a member of JVG (property rental business), and
 - (d) the reference in section 119(1) to profits arising from the business of C (tax-exempt) shall be treated as a reference to the profits arising from the member's property rental business to which the venturing company is beneficially entitled.
- (6) Section 120 (calculation of profits)(2) shall apply in relation to a member of a joint venture group.
- (7) Section 124(1) and (2) (gains exempt from corporation tax), as modified by paragraph 21 of Schedule 17, shall apply in relation to a member of a joint venture group to the extent of the percentage of the beneficial interest which the venturing company has in the principal company of the joint venture group with the following further modifications—
- (a) references to G (property rental business) shall be treated as references to JVG (property rental business),
 - (b) references to G (residual) shall be treated as references to JVG (residual), and
 - (c) the reference in paragraph 21(2) of Schedule 17 to paragraph 31(5) shall be treated as a reference to that paragraph as substituted by regulation 9(4).
- (8) Section 125 (movement of assets out of ring-fence) and section 126 (movement of assets into ring-fence), as modified by paragraphs 21 and 22 of Schedule 17, shall apply in relation to a UK resident member of the joint venture group to the extent of the percentage of the beneficial interest which the venturing company has in the principal company of the joint venture group with the following further modifications—
- (a) references to G (property rental business) shall be treated as references to JVG (property rental business),
 - (b) references to G (residual) shall be treated as references to JVG (residual), and
 - (c) the reference in paragraph 21(2) of Schedule 17 to paragraph 31(5) shall be treated as a reference to that paragraph as substituted by regulation 9(4).
- (9) Section 131 (effects of cessation), as modified by paragraph 25 of Schedule 17, shall apply in relation to a member of a joint venture group with the following further modifications—
- (a) references in paragraph 25 of Schedule 17 to G (property rental business) shall be treated as references to JVG (property rental business),
 - (b) the reference in paragraph 25 of Schedule 17 to G (residual) shall be treated as a reference to JVG (residual)
 - (c) the reference in paragraph 25 of Schedule 17 to G (post-cessation) shall be treated as a reference to the joint venture group after these Regulations (other than regulation 16 (early exit)) cease to apply to the group, and
 - (d) section 131(1) to (4) shall be treated as applying to the assets and business of the member only to the extent of the percentage of the beneficial interest which the venturing company has in the principal company of the joint venture group.
- (10) For the purposes of this regulation the percentage of the beneficial interest which a venturing company has in the principal company of the joint venture group is the percentage of the profits of the principal company available for distribution to equity holders to which the venturing company is beneficially entitled.

(2) Section 120 of the Finance Act 2006 was amended by paragraph 9 of Schedule 17 to the Finance Act 2007.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.
