



Corporation Tax Act 2010

2010 CHAPTER 4

PART 19

SALE AND LEASE-BACK ETC

CHAPTER 2

NEW LEASE OF LAND AFTER ASSIGNMENT OR SURRENDER

New lease treated as ending

854 New lease treated as ending

- (1) Sections 855 to 857 treat the new lease as ending in certain circumstances for the purposes of this Chapter.
- (2) If any of those provisions apply in a given case, and the new lease is treated as ending on different dates, it must be treated as ending on the earlier or earliest of them.

855 Position where rent reduces

- (1) If the rent for a relevant period exceeds the rent for the following comparable period, the term of the new lease must be treated as ending on the date when the relevant period ends.
- (2) For the purposes of this section—
 - (a) a relevant period is a rental period of the new lease ending before its fifteenth anniversary,
 - (b) the following comparable period (in relation to a relevant period) is the rental period which is of the same duration as the relevant period and which begins on the day following the end of the relevant period,
 - (c) the rent for a period is the total rent payable under the new lease in respect of the period,

Status: Point in time view as at 01/04/2012.

Changes to legislation: Corporation Tax Act 2010, Cross Heading: New lease treated as ending is up to date with all changes known to be in force on or before 05 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (d) a rental period is a period in respect of which a payment of rent is to be made, and
 - (e) the fifteenth anniversary of the new lease is the fifteenth anniversary of the date on which its term begins.
- (3) For the purposes of this section—
- (a) all rental periods of a quarter must be treated as being of the same duration, and
 - (b) all rental periods of a month must be treated as being of the same duration.

856 Position where lease may be ended

- (1) This section applies if under the new lease the lessor, or L or a person linked to L, has power to end the lease before the end of the term for which it was granted.
- (2) The term of the lease must be treated as ending on the earliest date with effect from which the lessor, or L or a person linked to L, could end the lease by exercising the power.

857 Position where lease may be varied

- (1) This section applies if under the new lease L, or a person linked to L, has power to vary, in a manner beneficial to L or a person linked to L, obligations under the lease that are obligations of L or a person linked to L.
- (2) The term of the lease must be treated as ending on the earliest date with effect from which L, or a person linked to L, could vary the obligations by exercising the power.

858 Lease treated as ending: rentcharge

- (1) Subsection (2) applies if a rentcharge payable by L, or a person linked to L, is secured on all or part of the property subject to the new lease.
- (2) For the purposes of sections 855 to 857 the rent payable under the new lease must be treated as equal to the sum of the rentcharge and the rent payable under the lease.

Status:

Point in time view as at 01/04/2012.

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