

SCHEDULES

SCHEDULE 7

REAL ESTATE INVESTMENT TRUSTS

Paragraph 4: transitional provision

- 5 (1) **Sub-paragraph (2)** applies where—
- (a) immediately before the day on which this Act is passed, a company that is a company UK REIT or the principal member of a group UK REIT, met the conditions in section 528 of CTA 2010, and
 - (b) the company ceases to meet one or more of those conditions on that day as a result of one or more persons ceasing to be regarded as institutional investors as a result of the amendments made by **paragraph 4**.
- (2) Part 12 of CTA 2010 has effect in relation to such a person for the purposes of determining whether the company meets those conditions as if the amendments made by **paragraph 4** had not been made for so long as the person’s interest in the company as a proportion of all interests in the company—
- (a) does not increase as a result of the acquisition by the person of further interests in the company, and
 - (b) continuously remains relevant to the question of whether those conditions are met.
- (3) **Sub-paragraph (4)** applies where—
- (a) immediately before the day on which this Act is passed, a collective investment vehicle, or a company that is not a collective investment vehicle, (“the reliant entity”) relied on its having a qualifying investor as a direct or indirect participator for the purpose of any provision of Schedule 5AAA to TCGA 1992 (“a qualifying purpose”), and
 - (b) the qualifying investor (“the former qualifying investor”) ceased to be a qualifying investor a result of the amendments made by **paragraph 4**.
- (4) That Schedule has effect in relation to the former qualifying investor for a qualifying purpose as if the amendments made by **paragraph 4** had not been made for so long as—
- (a) the investor’s interest in the reliant entity as a proportion of all interests in the entity does not increase as a result of the acquisition by the investor of further interests in the reliant entity, and
 - (b) the investor being a direct or indirect participator in the reliant entity continuously remains relevant for at least one qualifying purpose.
- (5) **Sub-paragraph (6)** applies when determining whether a collective investment scheme constituted before the day on which this Act is passed meets the genuine diversity of ownership condition for the purposes of any of paragraphs (a) to (c) of section 528(4A).

Status: This is the original version (as it was originally enacted).

- (6) Regulation 75(2) of the Offshore Funds (Tax) Regulations 2009 (including as it applies for the purposes of regulation 75(5) of those Regulations) has effect, for those purposes, as if it referred to a statement prepared by the manager of the scheme (instead of the documents referred to in that paragraph) which—
- (a) is available to HMRC,
 - (b) specifies the intended categories of investor when the scheme was marketed,
 - (c) confirms that the interests in the scheme were made widely available, and
 - (d) confirms that interests in the scheme were marketed and made available in accordance with the requirements of regulation 75(4)(a) of those Regulations (and that provision is to be read accordingly).