
STATUTORY INSTRUMENTS

2020 No. 315

**The UK Property Rich Collective Investment
Vehicles (Amendment of the Taxation of
Chargeable Gains Act 1992) Regulations 2020**

Amendment of Schedule 5AAA to the Taxation of Chargeable Gains Act 1992

3. In paragraph 1 (meaning of collective investment vehicle etc)—
- (a) in sub-paragraph (1)(c), for “a UK REIT” substitute “a company UK REIT or is the principal company of a group UK REIT”,
 - (b) in sub-paragraph (1), for paragraph (d) (and the “or” before it) substitute—
 - “(d) a company which—
 - (i) is resident outside the United Kingdom,
 - (ii) is not a member of a group, and
 - (iii) meets the property income condition,
 - (e) a company which—
 - (i) is resident outside the United Kingdom,
 - (ii) is the principal company of a group,
 - (iii) is not a close company or is a close company but only because it has a qualifying investor as a direct or indirect participator, and
 - (iv) meets the property income condition, or
 - (f) a company which—
 - (i) is resident outside the United Kingdom,
 - (ii) is a member of a group but is not the principal company of the group,
 - (iii) is a close company but only because it has a qualifying investor, or a company wholly (or almost wholly) owned by qualifying investors, as a direct participator, and
 - (iv) meets the property income condition.”,
 - (c) in sub-paragraph (2)—
 - (i) in the opening words, after “property income condition” insert “for the purposes of sub-paragraph (1)(d)”,
 - (ii) in paragraph (b), for “is property income from long-term investments” substitute “derives directly or indirectly from long-term property investments”,
 - (iii) in paragraph (c), for “property income from long-term investments and does so” substitute “profits from long-term property investments”, and
 - (iv) in paragraph (d) for “that income” to the end substitute “its profits under the law of any territory in which it is resident so far as the profits derive directly or indirectly from long-term property investments.”,

- (d) after that sub-paragraph insert—
 - “(2A) A company meets the property income condition for the purposes of sub-paragraph (1)(e) or (f) if—
 - (a) at least half of the income of the group derives directly or indirectly from long-term property investments,
 - (b) all, or substantially all, of the group’s profits from long-term property investments are distributed on an annual basis, and
 - (c) the company is not liable to tax on its profits under the law of any territory in which it is resident so far as the profits derive directly or indirectly from long-term property investments.”,
- (e) in sub-paragraph (3) for “sub-paragraph (2)(a)” substitute “this paragraph but, for the purposes of sub-paragraph (1)(f)(iii), paragraph 46 has effect as if sub-paragraph (3)(c) were omitted”,
- (f) in sub-paragraph (4), for the words from the beginning to “deriving from” substitute “For the purposes of this paragraph “long-term property investments” means”,
- (g) in sub-paragraph (7)—
 - (i) after the “and” following the definition of “AIF” insert—
 - ““profits” does not include profits of a capital nature.”
 - , and
 - (ii) omit the definition of “UK REIT”, and
- (h) after that sub-paragraph insert—
 - “(8) For the purposes of this paragraph whether a company is a member of a group, or is the principal company of a group, is determined in accordance with section 170.”.