

*Status: Point in time view as at 19/07/2006.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, SCHEDULE 16. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 16

Section 104

#### REAL ESTATE INVESTMENT TRUSTS: EXCLUDED BUSINESS AND INCOME

##### PART 1

##### CLASSES OF BUSINESS

- 1 Incidental letting of property (whether in the United Kingdom or outside) which is held in connection with a trade in property.
- 2 Letting of property which is held for use for administrative purposes in carrying on property rental business but is temporarily surplus to requirements for those purposes, provided that—
  - (a) the space let is comparatively small compared to the space occupied for administrative purposes, and
  - (b) the letting is for a term of not more than three years.
- 3
  - (1) Letting of property if the following two conditions are satisfied.
  - (2) Condition 1 is that the property is let—
    - (a) by one member of a group to another, or
    - (b) by a member of a group to a company the shares in which are stapled to the shares of a member of the group.
  - (3) Condition 2 is that the property would fall in accordance with generally accepted accounting practice to be described as owner-occupied.
  - (4) For the purpose of sub-paragraph (2)(b), shares of one company are stapled to shares of another if in consequence of the nature of the rights attaching to the shares of the one company (including any terms or conditions attaching to the right to transfer the shares) it is necessary or advantageous for a person who has, disposes of or acquires shares of that company also to have, to dispose of or to acquire a holding of shares of the other company.
- 4 The provision of services in connection with property outside the United Kingdom where the services would not fall within Schedule A if provided in connection with property in the United Kingdom.
- 5 Entering into structured finance arrangements to which section 774B or 774D of ICTA applies (factoring of rent and other income receipts).

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## PART 2

### CLASSES OF INCOME OR PROFIT

- 6 All income in connection with the operation of a caravan site, if section 20(1) of ITTOIA 2005 (caravan sites) would apply in respect of any receipts in connection with the operation of the site.
- 7 Rent in respect of an electric-line wayleave.
- 8 Rent in respect of the siting of a pipeline for gas.
- 9 Rent in respect of the siting of a pipeline for oil.
- 10 Rent in respect of the siting of a mast or similar structure designed for use in a mobile telephone network or other system of electronic communication.
- 11 Rent in respect of the siting of a wind turbine.
- 12 Dividends from shares in a company to which this Part of this Act applies.
- 13 Income arising out of an interest in a limited liability partnership where section 118ZA(4) of ICTA (winding-up) applies.

## PART 3

### POWER TO AMEND

- 14 The Commissioners for Her Majesty's Revenue and Customs may by regulations—
  - (a) add a paragraph to Part 1 or 2 of this Schedule,
  - (b) amend a paragraph of Part 1 or 2 of this Schedule, or
  - (c) repeal a paragraph of Part 1 or 2 of this Schedule.

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