



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 12

#### REAL ESTATE INVESTMENT TRUSTS

### CHAPTER 3

#### TAX TREATMENT OF PROFITS AND GAINS OF UK REITS

#### 535 Gains

- (1) A gain on the disposal of an asset is not a chargeable gain if—
  - (a) the gain accrues to a company which is, or is a member of, a UK REIT, and
  - (b) condition A or B is met in relation to the asset.
- (2) Condition A is that the asset was used wholly and exclusively for the purposes of property rental business of the company.
- (3) Condition B is that the asset was used during one or more periods of (in total) less than a year—
  - (a) partly for the purposes of property rental business of the company, and
  - (b) partly for the purposes of residual business of the company,but was otherwise used as mentioned in subsection (2).
- (4) Subsection (5) applies if a gain accrues to a company which is, or is a member of, a UK REIT on the disposal of an asset which for one or more periods of (in total) at least a year has been used—
  - (a) partly for the purposes of property rental business of the company, and
  - (b) partly for the purposes of residual business of the company.
- (5) Such part of the gain as may reasonably be attributed to property rental business of the company, having regard to—
  - (a) the extent to which the asset was used for the different purposes, and

*Status: Point in time view as at 10/06/2021.*

*Changes to legislation: Corporation Tax Act 2010, Section 535 is up to date with all changes known to be in force on or before 05 July 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)*

(b) the length of the periods during which it was used for those purposes, is not a chargeable gain.

[<sup>F1</sup>(6) Gains which—

(a) accrue to residual business of a company which is, or is a member of, a UK REIT, and

(b) are charged to corporation tax,

are to be charged at a rate determined without reference to sections 18A and 18B (companies with small profits).]

<sup>F2</sup>(6) .....

(7) If a percentage of the gains of property rental business of a member of a group UK REIT is excluded from a financial statement in accordance with section 533(3), that percentage of those gains is to be treated for corporation tax purposes as gains of the member's residual business.

(8) This section has effect in relation to a non-UK member of a group UK REIT as if references to property rental business of the member were to its UK property rental business.

(9) This section is to be read as if it were contained in TCGA 1992.

#### Textual Amendments

**F1** S. 535(6) inserted (with effect in accordance with Sch. 1 para. 34 of the amending Act) by [Finance Act 2021 \(c. 26\)](#), [Sch. 1 para. 23](#)

**F2** S. 535(6) omitted (with effect in accordance with Sch. 1 para. 22 of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 1 para. 14\(3\)](#)

#### Modifications etc. (not altering text)

**C1** S. 535(1) excluded by 2010 c. 8, s. 452(4) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 5 para. 1](#) (with [Sch. 5 paras. 27, 32-34](#)))

**C2** S. 535(5) excluded by 2010 c. 8, s. 452(4) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 5 para. 1](#) (with [Sch. 5 paras. 27, 32-34](#)))

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