

Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Relationship between rules in this Part and REIT rules in Part 12 of CTA 2010 is up to date with all changes known to be in force on or before 13 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) View outstanding changes

SCHEDULES

[^{F1}SCHEDULE 5AAA

UK PROPERTY RICH COLLECTIVE INVESTMENT VEHICLES ETC

Textual Amendments

- F1** Sch. 5AAA inserted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by Finance Act 2019 (c. 1), [Sch. 1 para. 21](#)

PART 4

EXEMPTION

Relationship between rules in this Part and REIT rules in Part 12 of CTA 2010

- 35 (1) Nothing in this Part of this Schedule is to exempt so much of any qualifying REIT gain as accrues on a disposal made by a company which is, or is a member of, a UK REIT.
- (2) A chargeable gain is a “qualifying REIT gain” so far as—
- (a) the gain is not a chargeable gain as a result of section 535 or 535A of CTA 2010, and
 - (b) the gain is not one falling to be exempted as a result of the application of either of those sections following a notice given under section 586(1) or 587(1) of that Act (venturing group).
- (3) In this paragraph “UK REIT” has the same meaning as in Part 12 of CTA 2010.
- 36 (1) This paragraph applies if—
- (a) a gain accrues on a disposal made by a company (“the JV company”) which is a member of a group UK REIT,
 - (b) the gain is one falling to be exempted as a result of the application of section 535 or 535A of CTA 2010 following a notice given under section 586(1) or 587(1) of that Act (venturing group),
 - (c) the principal company of the group UK REIT that gave the notice is covered by an election made under paragraph 12 in respect of a qualifying fund, and
 - (d) the JV company is also covered by the election.
- (2) The amount of the gain accruing to the JV company which is not a chargeable gain as a result of the operation, by reference to the election, of the rules in this Part of this Schedule—
- (a) is found by first taking the two steps mentioned below (which require the application of each of the exemption rules without regard to the other), and

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- (b) once those two steps are taken, is so much of the amount found by the first step as exceeds the amount found by the second step.
- (3) The first step is, ignoring the effect of Part 12 of CTA 2010, to apply the rules in this Part of this Schedule that operate by reference to the election to identify the amount of the gain which (but for this paragraph) would not be chargeable.
- (4) The second step is, ignoring the effect of this Part of this Schedule, to apply the rules in Part 12 of CTA 2010 that operate in relation to the group UK REIT to identify the amount of the gain accruing to the JV company which falls to be exempted as mentioned in sub-paragraph (1)(b).
- (5) In the case of a disposal, a company is “covered by an election made under paragraph 12” for the purposes of this paragraph if the disposal is one to which paragraph 16 applies where the election concerned is the one referred to in this paragraph.
- (6) In this paragraph “group UK REIT” has the same meaning as in Part 12 of CTA 2010.]

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied by [1997 c. 16 Sch. 12 para. 12\(7\)](#)[1314](#)
- Act applied by [2002 c. 23 Sch. 16 para. 48\(1\)\(2\)](#)
- Act construed as one with reg. 37 by [S.I. 2006/575 reg. 37\(2\)](#)
- Act construed as one with reg. 38 by [S.I. 2006/575 reg. 38\(3\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 4(10)(11) inserted by [2016 c. 11 s. 15\(4\)](#)
- s. 4(10) words inserted by [2016 c. 24 s. 83\(11\)](#)
- s. 35(3)(d)(xviii) added by [2008 c. 17 Sch. 7 para. 9](#)
- s. 35(3)(d)(xviii) inserted by [2008 c. 18 Sch. 13 para. 46](#)
- s. 35(3)(d)(xviii) repealed by [S.I. 2008/3002 Sch. 1 para. 42](#)[Sch. 3](#) (This amendment comes into force on the day 2008 c. 4, s. 5 comes into force, see art. 1(2). That provision was brought into force on 1.12.2008 by S.I. 2008/3068, art. 2(1)(b))
- s. 104(4)(b)(i) words substituted by S.I. 1989/469, reg. 27(2) (as amended) by [S.I. 1997/1716 reg. 13\(1\)\(b\)](#)
- s. 107(11) words substituted by S.I. 1989/469, reg. 27(2A) (as amended) by [S.I. 1997/1716 reg. 13\(2\)\(b\)](#)
- s. 169S(4A) inserted by [2015 c. 11 s. 43\(2\)](#)
- s. 587B inserted by [2000 c. 17 s. 43\(1\)](#)
- Sch. 5C para. 3(1) modified by [S.I. 2004/2199 reg. 7\(1\)](#)
- Sch. 5C para. 3(6) modified by [S.I. 2004/2199 reg. 7\(2\)](#)
- Sch. 5C para. 5(1) modified by [S.I. 2004/2199 reg. 7\(3\)](#)
- Sch. 5C para. 3 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 5 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 6 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 3(1)(f) words substituted by [2007 c. 3 Sch. 1 para. 347](#)