

## SCHEDULES

### SCHEDULE 17

#### REAL ESTATE INVESTMENT TRUSTS

- 16 (1) Schedule 17 (modifications for groups) is amended as follows.
- (2) In paragraph 2(b), for “Conditions 1 to 3” substitute “Conditions 1 and 2”.
- (3) Omit paragraph 6(2) and (3).
- (4) In paragraph 6(4) and (5), for “Condition 4” substitute “Condition 3”.
- (5) In paragraph 14, in the substituted subsection (2)—
- (a) in the formula in the opening words, omit “+ Financing Costs (all)”,
- (b) in paragraph (a), after “allowances” insert “, of losses from a previous accounting period and of amounts taken into account under section 120(3)”, and
- (c) omit paragraph (b).
- (6) after paragraph 33 insert—

#### *“Demergers*

- 34 (1) This paragraph applies in relation to a company if—
- (a) the company ceases to be a member of a group (“Group 1”) to which Part 4 applies,
- (b) at the time immediately after it ceases to be a member of Group 1, either—
- (i) it satisfies Conditions 1 and 2 of section 106 and the conditions specified in sections 107 and 108, or
- (ii) it is a member of another group (“Group 2”) which satisfies those conditions as modified by the provisions of paragraphs 5 to 7 above,
- (c) the company (or the principal company of Group 2) gives a notice under section 109 (or that section as modified by paragraph 8 above) no later than the date on which it ceases to be a member of Group 1, and
- (d) the notice specifies an accounting period which begins on the day on which the company ceases to be a member of Group 1.
- (2) A company may give a notice under section 109 (or that section as modified by paragraph 8 above) in accordance with sub-paragraph (1) (c) even if it does not expect to satisfy Conditions 3 to 6 of section 106 throughout the accounting period specified in the notice.
- (3) Where this paragraph applies, the company shall be treated as a company to which Part 4 applies (or as a member of a group to which Part 4

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*Status: This is the original version (as it was originally enacted).*

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applies) during the period of six months beginning with the time when it ceases to be a member of Group 1.

- (4) Where this paragraph applies, the following provisions of Part 4 shall not have effect—
- (a) section 111 (or that section as modified by paragraphs 9 and 10 above),
  - (b) section 112 (or that section as modified by paragraph 11 above), and
  - (c) section 131 (as modified by paragraphs 25 and 26 above).
- (5) But if, at the end of the period of six months mentioned in subparagraph (3), Conditions 3 to 6 of section 106 are not satisfied in relation to the company, this paragraph shall not have effect and the company shall be treated as having ceased to be a company to which Part 4 applies (or a member of a group to which Part 4 applies) on the date on which it ceased to be a member of Group 1.”