



Corporation Tax Act 2010

2010 CHAPTER 4

PART 12

REAL ESTATE INVESTMENT TRUSTS

CHAPTER 4

ENTERING THE UK REIT REGIME

538 Entry charge

- (1) An amount of notional income calculated in accordance with section 539 (“the notional amount”) is treated as arising to a company at entry.
- (2) The notional amount is treated as arising to the company’s residual business.
- (3) If the company is a UK company, it is chargeable to corporation tax under the charge to corporation tax on income on the notional amount (which is accordingly charged at the rate mentioned in section 534(3)).
- (4) If the company is a non-UK company, it is chargeable to income tax on the notional amount (which is accordingly charged at the basic rate in accordance with section 11 of ITA 2007).
- (5) No loss, deficit, expense or allowance may be set off against the notional amount or against tax arising under this section.
- (6) This section does not apply if a company—
 - (a) which was a member of one group UK REIT becomes a member of another group UK REIT, or
 - (b) which was a company UK REIT becomes a member of a group UK REIT.
- (7) This section is subject to section 559 (demergers: company leaving group UK REIT).