



Corporation Tax Act 2010

2010 CHAPTER 4

PART 19

SALE AND LEASE-BACK ETC

CHAPTER 3

LEASED TRADING ASSETS

Relief: restriction and carrying forward

867 Commercial rent

- (1) Subsection (3) applies for the purpose of making a comparison under rule 4 of section 865(3).
- (2) In this section “the actual lease” means the lease mentioned in section 864(2)(a).
- (3) The commercial rent is the rent which might at the relevant time be expected to be paid under a lease of the asset if—
 - (a) the lease were for the rest of the asset's expected normal working life,
 - (b) the rent were payable at uniform intervals and at a uniform rate, and
 - (c) the rent gave a reasonable return for the asset's market value at the relevant time, taking account of the actual lease's terms and conditions.
- (4) The relevant time is the time when the actual lease was created.
- (5) An asset's expected normal working life is the period which might be expected, when it is first put into use, to pass before it is finally put out of use as being unfit for further use.
- (6) In applying subsection (5) it must be assumed that the asset will be used in the normal way, and to the normal extent, throughout the period.

Status: Point in time view as at 17/07/2012.

Changes to legislation: Corporation Tax Act 2010, Section 867 is up to date with all changes known to be in force on or before 25 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)

- (7) If the asset is used at the same time partly for the purposes of the trade mentioned in section 864(2)(b) and partly for other purposes, the commercial rent as defined in subsection (3) is to be determined by reference to what would be paid for such partial use.

Status:

Point in time view as at 17/07/2012.

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