

SCHEDULES

SCHEDULE 1

CHARGEABLE GAINS ACCRUING TO NON-RESIDENTS ETC

PART 2

CONSEQUENTIAL AMENDMENTS

CTA 2010

- 118 (1) Section 556 (disposal of assets) is amended as follows.
- (2) After subsection (3) insert—
- “(3A) Subsection (3B) applies in the case of a company (“C”) which is, or is a member of, a UK REIT if—
- (a) one or more properties acquired (directly or indirectly) by a relevant UK property rich company have been developed since acquisition,
 - (b) the cost of the development exceeds 30% of the fair value of the property (determined in accordance with international accounting standards) at entry or at acquisition, whichever is later,
 - (c) C disposes of any of its rights or interests in the relevant UK property rich company,
 - (d) the disposal is made within the period of 3 years beginning with the completion of the development, and
 - (e) if C is a member of a UK REIT, the disposal is not to another member of the UK REIT.
- (3B) If this subsection applies, section 535A is not to apply in relation to so much of the amount of a gain accruing on the disposal as relates to the property which has been developed.
- (3C) For the purposes of subsection (3A)—
- (a) a company is a “relevant UK property rich company” if, as a result of section 535A, any part of a gain accruing to C on a disposal of a right or interest in the company would not be a chargeable gain, and
 - (b) a relevant UK property rich company acquires property “indirectly” if property is acquired by someone other than the relevant UK property rich company and the property is taken into account in determining the value of the assets of the relevant UK property rich company.”
- (3) In subsection (7), for “Section 535 is” substitute “Sections 535 and 535A are”.