

---

**Changes to legislation:** There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)

---

## SCHEDULES

### SCHEDULE 1

#### MINOR AND CONSEQUENTIAL AMENDMENTS

#### PART 2

#### OTHER ENACTMENTS

##### *Income Tax Act 2007*

- 494 The Income Tax Act 2007 is amended as follows.
- 495 In section 69(7) (whether trade is same trade) for “has the same meaning as in Part 11 of ICTA (see section 416 of that Act)” substitute “ is to be read in accordance with sections 450 and 451 of CTA 2010 ”.
- 496 In section 136(2) (disposals of new shares) for “one of conditions A and B” substitute “ condition A or B ”.
- 497 In section 139(4) (the control and independence requirement) in the definition of “control” for “section 416(2) to (6) of ICTA” substitute “ sections 450 and 451 of CTA 2010 ”.
- 498 (1) Amend section 151 (interpretation of Chapter) as follows.
- (2) In subsection (1) for the definition of “investment company” substitute—
- ““investment company” means a company—
- (a) whose business consists wholly or mainly in the making of investments, and
- (b) which derives the principal part of its income from the making of investments,
- but does not include the holding company of a trading group,”.
- (3) In subsection (4) for “that definition” substitute “ the definition of shares in subsection (1) ”.
- 499 In section 170 (persons interested in capital etc of company)—
- (a) in subsection (3) for “paragraphs 1 and 3 of Schedule 18 to ICTA” substitute “ Chapter 6 of Part 5 of CTA 2010 ”,
- (b) in subsection (4)(a) for “paragraph 3 of that Schedule to the first company” substitute “ section 166 of that Act to company A ”, and
- (c) in subsection (4)(b) for “paragraph” substitute “ section ”.
- 500 In section 190 (meaning of “qualifying 90% subsidiary”)—
- (a) in subsection (3) for “paragraphs 1 and 3 of Schedule 18 to ICTA” substitute “ Chapter 6 of Part 5 of CTA 2010 ”,

---

*Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)*

---

- (b) in subsection (4)(a) for “paragraph 3 of that Schedule to the first company” substitute “ section 166 of that Act to company A ”, and
  - (c) in subsection (4)(b) for “paragraph” substitute “ section ”.
- 501 In section 199(3)(c) (excluded activities: provision of services or facilities for another business)—
- (a) for “section 344(2) of ICTA (persons to whom company's trade may be treated as belonging)” substitute “ section 942 of CTA 2010 ”, and
  - (b) for the words from “section 343” to the end substitute “ section 941 of that Act ”.
- 502 In section 232(4)(a) (acquisition of a trade or trading assets)—
- (a) at the beginning insert “ for the purpose of determining ”, and
  - (b) for the words from “that trade” to the end substitute “that trade—
    - (i) apply section 941(6) of CTA 2010, and
    - (ii) an interest in a trade belonging to a company may be treated in accordance with any of the options set out in section 942 of that Act, and”.
- 503 In section 257 (minor definitions)—
- (a) in subsection (1) in the definition of “director” for “section 417(5) of ICTA” substitute “ section 452 of CTA 2010 ”, and
  - (b) in subsection (3) for “section 416(2) to (6) of ICTA” substitute “ sections 450 and 451 of CTA 2010 ”.
- 504 In section 301 (meaning of “qualifying 90% subsidiary”)—
- (a) in subsection (3) for “paragraphs 1 and 3 of Schedule 18 to ICTA” substitute “ Chapter 6 of Part 5 of CTA 2010 ”,
  - (b) in subsection (4)(a) for “paragraph 3 of that Schedule to the first company” substitute “ section 166 of that Act to company A ”, and
  - (c) in subsection (4)(b) for “paragraph” substitute “ section ”.
- 505 In section 310(3)(c) (excluded activities: provision of services or facilities for another business)—
- (a) for “section 344(2) of ICTA (persons to whom company's trade may be treated as belonging)” substitute “ section 942 of CTA 2010 (options for purposes of ownership condition) ”, and
  - (b) for the words from “section 343” to the end substitute “ section 941 of that Act (trade transfers without change of ownership: ownership condition) ”.
- 506 In section 313 (interpretation)—
- (a) in subsection (4) for “section 416(2) to (6) of ICTA” substitute “ sections 450 and 451 of CTA 2010 ”,
  - (b) in subsection (5) for “section 416 of ICTA” substitute “ sections 450 and 451 of CTA 2010 ”, and
  - (c) in subsection (7) for “section 254 of ICTA” substitute “ section 1115 of CTA 2010 ”.
- 507 In section 332 (minor definitions etc) in the definition of “director” for “section 417(5) of ICTA” substitute “ section 452 of CTA 2010 ”.
- 508 In section 340 (application and criteria for accreditation) after subsection (5) insert—

---

**Changes to legislation:** There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)

---

- “(5A) Regulations under that paragraph may include provision for the purposes of Part 7 of CTA 2010 in addition to provision made for the purposes of this Part.”
- 509 In section 341 (terms and conditions of accreditation) after subsection (3) insert—
- “(3A) Regulations under this section may include provision for the purposes of Part 7 of CTA 2010 in addition to provision made for the purposes of this Part.”
- 510 In section 346 (conditions to be met in relation to securities) in subsection (3) for “Securities are not fully paid for the purposes of subsection (1)(b)” substitute “ For the purposes of subsection (1)(b), securities are not fully paid for ”.
- 511 (1) Amend section 348 (CITR: tax relief certificates) as follows.
- (2) In subsection (3)—
- (a) omit “which” where it first appears,
- (b) in paragraph (a) at the beginning insert “ which ”, and
- (c) in paragraph (b) for “paragraph 12 of Schedule 16 to FA 2002” substitute “ section 229 of CTA 2010 ”.
- (3) In subsection (7)—
- (a) for “the amount” substitute “ an amount ”, and
- (b) for “takes effect” substitute “ comes into force ”.
- 512 In section 355 (securities or shares: no claim after disposal or excessive receipts of value) in subsection (2) for “5” substitute “ 6 ”.
- 513 (1) Amend section 356 (no claim after loss of accreditation by the CDFI) as follows.
- (2) In subsection (1) omit “(“the relevant time”)”.
- (3) For subsection (2) substitute—
- “(2) To find the relevant tax year proceed under the rest of this section, in which references to the time of accreditation ceasing are to the time with effect from which the CDFI ceases to be accredited.
- (3) If the time of accreditation ceasing falls within the first year of the 5 year period, the relevant tax year is the year in which the investment date fell.
- (4) In any other case the relevant tax year is—
- (a) the year in which fell the last anniversary of the investment date before the time of accreditation ceasing, or
- (b) if the time of accreditation ceasing itself falls on an anniversary of the investment date, the year in which that anniversary falls.”
- 514 (1) Amend section 361 (disposal of securities or shares during 5 year period) as follows.
- (2) In subsection (3) for “for” (before “a tax year”) substitute “ in respect of ”.
- (3) In subsection (5) for “for” (before “any tax year”) substitute “ in respect of ”.
- 515 In section 363 (value received by investor during 6 year period: loans) in subsection (5) after “means an amount” insert “ of value ”.
- 516 In section 364 (value received by investor during 6 year period: securities or shares) in subsection (1)(d) omit “(“the excess”)”.

---

*Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)*

---

- 517 In section 365 (receipts of insignificant value to be added together) after subsection (7) insert—
- “(8) This section is subject to section 368 (value received if there is more than one investment).”
- 518 In section 368 (value received if more than one investment) in subsection (1)(c) for “falls” substitute “ is received ”.
- 519 In section 369 (effect of receipt of value on future claims for CITR) after subsection (4) insert—
- “(5) This section is subject to section 368 (value received if there is more than one investment).”
- 520 In section 373 (information to be provided by the investor) in subsection (1)(b) for “for” substitute “ in respect of ”.
- 521 In section 392(4) (loan to buy interest in close company)—
- (a) in the definition of “close investment-holding company”, for the words from “has” to “relief)” substitute “ is to be read in accordance with section 34 of CTA 2010 ”, and
- (b) in the definition of “associated company” for “section 416 of ICTA” substitute “ section 449 of CTA 2010 ”.
- 522 In section 394(5) (meaning of “material interest” in section 393)—
- (a) in the definition of “control” for “has the meaning given by section 416(2) to (6) of ICTA” substitute “ is to be read in accordance with sections 450 and 451 of CTA 2010 ”, and
- (b) in the definition of “participator” for “section 417(1) of ICTA” substitute “ section 454 of CTA 2010 ”.
- 523 In section 395(6) (meaning of “associate” in section 394) in the definition of “control” for “has the meaning given by section 416(2) to (6) of ICTA” substitute “ is to be read in accordance with sections 450 and 451 of CTA 2010 ”.
- 524 In section 413(5) (overview of Chapter) for the words from “this Act” to the end substitute “ this Act and Part 11 of CTA 2010. ”
- 525 In section 426(7) (election by donor: gift treated as made in previous tax year) for the words from “section 25(10)” to the end substitute “ and sections 471 and 475 of CTA 2010 (charitable companies and eligible bodies: income tax treated as paid etc). ”
- 526 In section 430(1)(d) (“charity” to include exempted bodies) for “Schedule 18 to FA 2002” substitute “ Chapter 9 of Part 13 of CTA 2010 ”.
- 527 In section 432(2) (meaning of “qualifying investment”), in the definition of “open-ended investment company” for “section 468A(2) to (4) of ICTA” substitute “ sections 613 and 615 of CTA 2010 ”.
- 528 In section 442(7)(b) (qualifying interests in land held jointly) for the words from “given” to “land” substitute “ given, because of the disposal of the qualifying interest in land, under this Chapter and as a result of Chapter 3 of Part 6 of CTA 2010 ”.
- 529 In section 443(5) (calculation of relievable amount where joint disposal of interest in land) for “section 587B of ICTA” substitute “ as a result of Chapter 3 of Part 6 of CTA 2010 ”.

*Changes to legislation:* There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)

530 In section 527(2)(a) for “section 214 of ICTA” substitute “ section 1086(2) of CTA 2010 ”.

531 In section 531(2A) (exemption for property income etc) for “section 121 of FA 2006” substitute “ section 548 of CTA 2010 ”.

F1532 .....

**Textual Amendments**

F1 Sch. 1 paras. 532-535 omitted (with effect in accordance with Sch. 3 para. 27 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 3 para. 24](#)

F1533 .....

**Textual Amendments**

F1 Sch. 1 paras. 532-535 omitted (with effect in accordance with Sch. 3 para. 27 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 3 para. 24](#)

F1534 .....

**Textual Amendments**

F1 Sch. 1 paras. 532-535 omitted (with effect in accordance with Sch. 3 para. 27 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 3 para. 24](#)

F1535 .....

**Textual Amendments**

F1 Sch. 1 paras. 532-535 omitted (with effect in accordance with Sch. 3 para. 27 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 3 para. 24](#)

536 In section 559(3) (securities which are approved charitable investments), in the definition of “open-ended investment company”, for “section 468A(2) to (4) of ICTA” substitute “ sections 613 and 615 of CTA 2010 ”.

F2537 .....

**Textual Amendments**

F2 Sch. 1 para. 537 omitted (1.1.2014) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 29 paras. 45, 52](#)

F3538 .....

**Textual Amendments**

F3 Sch. 1 para. 538 omitted (1.1.2014) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 29 paras. 45, 52](#)

539 In section 591(1) (interpretation of other terms used in Chapter)—

*Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)*

- (a) omit the definitions of “C (tax-exempt)” and “G (property rental business)”,
- <sup>F4</sup>(b) .....
- <sup>F4</sup>(c) .....

**Textual Amendments**

**F4** Sch. 1 para. 539(b)(c) omitted (1.1.2014) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 29 paras. 45, 52](#)

<sup>F5</sup>540 .....

**Textual Amendments**

**F5** Sch. 1 paras. 540-543 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 16](#)

<sup>F5</sup>541 .....

**Textual Amendments**

**F5** Sch. 1 paras. 540-543 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 16](#)

<sup>F5</sup>542 .....

**Textual Amendments**

**F5** Sch. 1 paras. 540-543 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 16](#)

<sup>F5</sup>543 .....

**Textual Amendments**

**F5** Sch. 1 paras. 540-543 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 16](#)

544 In section 606 (interpretation of Chapter)—

- <sup>F6</sup>(a) .....
- (b) omit subsection (4),
- <sup>F7</sup>(c) .....
- <sup>F7</sup>(d) .....

**Textual Amendments**

**F6** Sch. 1 para. 544(a) omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 16](#)

**F7** Sch. 1 para. 544(c)(d) omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 16](#)

*Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)*

F8 545 .....

**Textual Amendments**

**F8** Sch. 1 para. 545 omitted (retrospective to 1.4.2010) by virtue of [Finance Act 2010 \(c. 13\)](#), [Sch. 12 paras. 14, 15\(4\)](#)

F9 546 .....

**Textual Amendments**

**F9** Sch. 1 para. 546 omitted (retrospective to 1.4.2010) by virtue of [Finance Act 2010 \(c. 13\)](#), [Sch. 12 paras. 14, 15\(4\)](#)

547 In section 772(1) (interpretation of Chapter) for “section 776 of ICTA” substitute “Part 18 of CTA 2010 (transactions in land)”.

548 In section 809ZA (plant and machinery leases: capital receipts to be treated as income) for subsection (3) substitute—

“(3) If subsection (1)(a) applies, the income is treated as income for the period of account in which there is first an obligation of the kind mentioned there.

(4) If subsection (1)(b) applies, the income is treated as income for the period of account in which the capital payment is made.

(5) For the meaning of “capital payment” and “relevant capital payment”, see section 809ZE.

(6) For the meaning of other expressions used in this section or section 809ZC, 809ZD or 809ZE, see section 809ZF.”

549 Omit section 809ZB (section 809ZA: interpretation).

550 In section 809ZC(1) (section 809ZA: lease of plant and machinery and other property) for “section 809ZB(4)” substitute “section 809ZF(3)”.

551 After section 809ZD insert—

**“809ZE Capital payment”, “relevant capital payment” etc**

(1) This section gives the meaning of “capital payment”, “relevant capital payment” and references to payment for the purposes of sections 809ZA to 809ZD and this section.

(2) “Capital payment” means any payment except one which, if made to the lessor—

(a) would fall to be included in a calculation of the lessor's income for income tax purposes, or

(b) would so fall but for section 148A of ITTOIA 2005 (rental earnings under long funding finance lease).

(3) A capital payment, in relation to a lease or relevant arrangement, is “relevant” if condition A or B is met (but this is subject to subsections (6) and (7)).

---

*Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)*

---

- (4) Condition A is that the capital payment is payable (or paid), directly or indirectly, by or on behalf of the lessee to the lessor or another person on the lessor's behalf in connection with—
- (a) the grant, assignment, novation or termination of the lease, or
  - (b) any provision of the lease or relevant arrangement (including the variation or waiver of any such provision).
- (5) Condition B is that rentals payable under the lease are less than, or payable later than, they might reasonably be expected to be if there were no obligation to make the capital payment and it were not made.
- (6) A capital payment is not “relevant” so far as it—
- (a) reduces the amount of expenditure incurred by the lessor for the purposes of CAA 2001 in respect of the plant or machinery in question or would reduce it but for section 536 of that Act (contributions not made by public bodies and not eligible for tax relief), or
  - (b) is compensation for loss resulting from damage to, or damage caused by, the plant or machinery in question.
- (7) If—
- (a) a capital payment is an initial payment under a long funding lease for the purposes of Part 2 of CAA 2001 (see section 70YI of that Act), and
  - (b) under section 61 of that Act (disposal events and disposal values) the commencement of the term of the lease (as defined in section 70YI of that Act) is an event that requires the lessor to bring a disposal value into account,
- the capital payment is only “relevant” so far as it exceeds the amount that is the disposal value for the purposes of Part 2 of that Act.
- (8) References to payment include the provision of value by any means other than the making of a payment.
- (9) Accordingly—
- (a) references to the making of a payment include the passing of value by any other means, and
  - (b) references to the amount of the payment include the value passed.

### **809ZF Further interpretation of section 809ZA etc**

- (1) This section applies for the purposes of sections 809ZA to 809ZE and this section.
- (2) “Lease” includes—
- (a) a licence, and
  - (b) the letting of a ship or aircraft on charter or the letting of any other asset on hire,
- and “lessor” and “lessee” must be read accordingly.



---

**Changes to legislation:** There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)

---

- (3) “Lease of plant or machinery” includes a lease of plant or machinery and other property, but does not include a lease to which subsection (4) or (5) applies.
- (4) This subsection applies to a lease if any income attributable to it and received by the lessor would be chargeable to tax under Part 3 of ITTOIA 2005 (property income).
- (5) This subsection applies to a lease of plant or machinery if the lessor has incurred on the plant or machinery what would be qualifying expenditure within the meaning of Part 2 of CAA 2001 but for section 34A of that Act (expenditure on plant or machinery for long funding leasing not qualifying expenditure).
- (6) “Relevant arrangement” means any agreement or arrangement relating to a lease of plant or machinery, including one made before the lease is entered into or after it has ended.
- (7) Accordingly, “lessor” and “lessee” include prospective and former lessors and lessees.”
- 552 In section 809M(3) (meaning of “relevant person”)—
- (a) in paragraph (c) for “has the same meaning as in the Corporation Tax Acts (see sections 414 and 415 of ICTA)” substitute “ is to be read in accordance with Chapter 2 of Part 10 of CTA 2010 (see in particular section 439 of that Act) ”,
- (b) in paragraph (ca) for “section 419 of ICTA (see sections 417(1) and 419(7) of” substitute “ section 455 of CTA 2010 (see sections 454 and 455(5) of ”, and
- (c) in paragraph (cb) for “section 838 of ICTA” substitute “ Chapter 3 of Part 24 of CTA 2010 ”.
- 553 In section 836(3) (jointly held property) for “section 254 of ICTA” substitute “ section 1117 of CTA 2010 ”.
- 554 In section 899(5) (meaning of “qualifying annual payment”) for paragraph (b) substitute—
- “(b) a payment which is a qualifying payment for the purposes of Chapter 2 of Part 6 of CTA 2010 (certain payments to charity),”.
- 555 In section 918 (manufactured dividends on UK shares: Real Estate Investment Trusts)—
- (a) in subsection (1)(b) for sub-paragraphs (i) and (ii) substitute—
- “(i) paid by a company UK REIT in respect of profits or gains (or both) of the company's property rental business, or
- (ii) paid by the principal company of a group UK REIT in respect of profits or gains (or both) of property rental business of members of the group.”,
- (b) in subsection (3) for “company to which Part 4 of FA 2006 applies” substitute “ company UK REIT ”, and
- (c) after subsection (7) insert—

---

*Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)*

---

- “(8) In subsection (1) “gains” includes chargeable gains.”
- 556 (1) Amend section 928 (chargeable payments connected with exempt distributions) as follows.
- (2) In subsection (1) for “section 214(1) of ICTA” substitute “ section 1086 of CTA 2010 ”.
- (3) In subsection (5) for “section 214 of ICTA” substitute “ sections 1086 to 1090 of CTA 2010 (see section 1086(6) of that Act) ”.
- 557 In section 936(2) (recipients who are to be paid gross)—
- (a) in paragraph (b) for “section 519A(2) of ICTA” substitute “ section 986 of CTA 2010 ”,
- (b) in paragraph (e) for “section 507(1) of ICTA” substitute “ section 468 of CTA 2010 ”, and
- (c) for paragraph (f) substitute—
- “(f) a body which is an association for the purposes of section 469(1)(a) of CTA 2010 (scientific research associations) and complies with the conditions in subsections (2) and (3) of that section,”.
- 558 In section 953(6) (how a set-off claim works)—
- (a) in paragraph (a) for “section 7(2) of ICTA” substitute “ section 967 of CTA 2010 ”, and
- (b) in paragraph (b) for “section 11(3)” substitute “ section 968 ”.
- 559 In section 972(6) (regulations under section 971) for “section 121(2)(c) of FA 2006” substitute “ section 548(7) of CTA 2010, ”.
- 560 (1) Amend section 973 (income tax due in respect of distributions) as follows.
- (2) In subsection (1)(b) for “section 121(1) of FA 2006” substitute “ section 548(5) or (6) of CTA 2010 ”.
- (3) In subsection (2)—
- (a) for “company to which Part 4 of FA 2006 applies (Real Estate Investment Trusts)” substitute “ company UK REIT ”, and
- (b) for “C (tax-exempt)” substitute “ the company's property rental business ”.
- (4) In subsection (3)—
- (a) for “group to which Part 4 of FA 2006 applies” substitute “ group UK REIT ”, and
- (b) for paragraph (b) substitute—
- “(b) it is a distribution of amounts shown in the financial statement under section 532(2)(a) of CTA 2010 (statement of group's property rental business) as—
- (i) profits or gains (or both) of UK members of the group, or
- (ii) profits or gains (or both) of UK property rental business of non-UK members of the group.”
- (5) For subsection (4) substitute—
- “(4) In this section—

*Changes to legislation:* There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)

“company UK REIT” and “group UK REIT” have the same meaning as in Part 12 of CTA 2010 (see sections 523(5) and 524(5) of that Act),

“group” and “principal company” have the same meaning as in Part 12 of CTA 2010 (see section 606 of that Act), and

“property rental business” and “UK property rental business” have the same meaning as in Part 12 of CTA 2010 (see sections 519 and 520 of that Act).”

(6) In subsection (5) for the words from “UK resident” to the end substitute “;UK or non-UK company are to be read in accordance with Part 12 of CTA 2010”;see section 521 of that Act).

561 (1) Amend section 974 (regulations under section 973) as follows.

(2) In subsection (1)(j)(ii) for “tax-exempt business” substitute “ property rental business ”.

(3) In subsection (2)—

(a) for “tax-exempt business” substitute “ property rental business ”, and

(b) for “Part 4 of FA 2006 has ceased to apply to a company” substitute “ the company or group (as the case may be) has ceased to be a UK REIT ”.

(4) In subsection (3) for “section 107(9)(b) of FA 2006” substitute “ section 530(6) of CTA 2010 ”.

(5) For subsection (6) substitute—

“(6) In this section—

property rental business” has the same meaning as in Part 12 of CTA 2010 (see section 519 of that Act), and

“UK REIT” has the same meaning as in Part 12 of CTA 2010 (see section 518(4) of that Act).”

562 (1) Amend section 989 (definitions) as follows.

(2) In the definition of “authorised unit trust” for “section 468(6) to (9) of ICTA” substitute “ sections 616 and 619 of CTA 2010 ”.

(3) In the definition of “body of persons” for “or”, in the second place it appears (before “society”), substitute “ and ”.

(4) In the definition of “close company” for “has the same meaning as in the Corporation Tax Acts (see sections 414 and 415 of ICTA)” substitute “ is to be read in accordance with Chapter 2 of Part 10 of CTA 2010 (see in particular section 439 of that Act) ”.

(5) In the definition of “distribution” for the words from “same” to the end substitute “ meaning given by Chapters 2 to 5 of Part 23 of CTA 2010 ”.

<sup>F10</sup>(6) .....

<sup>F11</sup>(7) .....

(8) In the definition of “51% subsidiary” for “section 838 of ICTA” substitute “ Chapter 3 of Part 24 of CTA 2010 ”.

---

*Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)*

---

- (9) In the definition of “75% subsidiary” for “section 838 of ICTA” substitute “ Chapter 3 of Part 24 of CTA 2010 ”.
- (10) For the definition of “tax” substitute—  
“tax”, if neither income tax nor corporation tax is specified, means either of those taxes.”.
- (11) In the definition of “umbrella scheme” for “section 468(6) to (9) of ICTA” substitute “ section 619 of CTA 2010 ”.
- (12) In the definition of “unit holder” for “section 468(6) to (9) of ICTA” substitute “ sections 616 and 619 of CTA 2010 ”.

#### Textual Amendments

- F10** Sch. 1 para. 562(6) omitted (with effect in accordance with Sch. 2 paras. 7(3), 8 of the amending Act) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 2 para. 5](#); [S.I. 2011/662, art. 2](#)
- F11** Sch. 1 para. 562(7) omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [Sch. 1 para. 67](#)

- 563 In section 991 (meaning of “bank”) after subsection (4) insert—  
“(5) An order under subsection (2)(e) may include provision for a designation to have effect only in relation to the application of this section by a provision specified in the order.”
- 564 In section 992(2) (meaning of “company”) for “section 468 of ICTA (authorised unit trusts)” substitute “ section 617 of CTA 2010 (authorised unit trust treated as UK resident company) ”.
- 565 In section 994(1) (meaning of “connected” person: supplementary) in the definition of “control” for “section 416 of ICTA” substitute “ sections 450 and 451 of CTA 2010 ”.
- 566 In section 997(5) (meaning of “international accounting standards”) for “section 50(2) and (3) of FA 2004” substitute “ section 1127 of CTA 2010 ”.
- 567 (1) Amend section 999 (meaning of “local authority”) as follows.  
(2) In subsection (1)—  
(a) in paragraph (a) for “section 69” substitute “ section 1(2) ”, and  
(b) in paragraph (b) for “that section” substitute “ section 69(1) of that Act ”.  
(3) For subsection (3) substitute—  
“(3) In the Income Tax Acts “local authority”, in relation to Northern Ireland, means a district council constituted under section 1 of the Local Government Act (Northern Ireland) 1972 (c. 9 (N.I)).”
- 568 In section 1000 (meaning of “local authority association”) for subsections (4) and (5) substitute—  
“(4) For the purposes of condition A, if a member (“M”) of a local authority association is a representative of, or is appointed by, a local authority, group of local authorities or a local authority association, the authority, group

---

*Changes to legislation:* There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)

---

or association concerned (rather than M) is to be treated as a constituent member of the local authority association.”

569 In section 1016(2) (table of provisions to which that section applies), in Part 3 of the table—

- (a) omit the entry relating to section 214(1)(ab) of ICTA, and
- (b) at the end insert—

---

“Section 1086(2) of CTA 2010	Chargeable payments connected with exempt distributions”
------------------------------	--

---

570 In section 1017 (abbreviated references to Acts) at the appropriate place insert—  
“CTA 2010” means the Corporation Tax Act 2010, ”.

571 (1) Amend Schedule 2 (transitional and savings) as follows.

(2) In paragraph 51(1)(i) in the inserted subsection (6)—

- (a) for “paragraphs 1 and 3 of Schedule 18 to ICTA” substitute “ Chapter 6 of Part 5 of CTA 2010 ”, and
- (b) in paragraph (a) for “paragraph 3 to the first company” substitute “ section 166 of that Act to company A ”.

(3) After paragraph 57 insert (in Part 6)—

*“Application in relation to corresponding bonus shares*

57A(1) For the purposes of this Part of this Schedule, if—

- (a) any shares (“the original shares”) have been issued to an individual before a particular date, or are treated under this paragraph as having been issued to the individual before a particular date, and
- (b) any corresponding bonus shares are issued to the individual on or after that date,

the bonus shares are treated as having been issued at the time the original shares were issued to the individual or are treated as having been so issued.

(2) In this paragraph “bonus shares” and “corresponding bonus shares” have the same meaning as in Chapter 6 of Part 4.”

(4) In paragraph 80(f) in the inserted subsection (6)—

- (a) for “paragraphs 1 and 3 of Schedule 18 to ICTA” substitute “ Chapter 6 of Part 5 of CTA 2010 ”, and
- (b) in paragraph (a) for “paragraph 3 to the first company” substitute “ section 166 of that Act to company A ”.

572 In Schedule 4 (index of defined expressions)—

- (a) omit—
  - (i) the 3 entries relating to “C (tax-exempt)”, and
  - (ii) the 3 entries relating to “G (property rental business)”, and
- (b) at the appropriate places insert—

---

“company UK REIT (in Chapter 2 of section 591(1) Part 11)

---

*Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Income Tax Act 2007. (See end of Document for details)*

---

company UK REIT (in Chapter 4 of Part 11)	section 606(2)			
company UK REIT (in Chapter 9 of Part 15)	section 591(1) section 926(1))”	(as applied by		
“group UK REIT (in Chapter 2 of Part 11)	section 591(1)			
group UK REIT (in Chapter 4 of Part 11)	section 606(2)			
group UK REIT (in Chapter 9 of Part 15)	section 591(1) section 926(1))”	(as applied by		
“principal company (in Chapter 4 of Part 11)	section 606(5)”			
“property rental business (in Chapter 2 of Part 11)	section 591(1)			
property rental business (in Chapter 4 of Part 11)	section 606(6A)			
property rental business (in Chapter 9 of Part 15)	section 591(1) section 926(1))”	(as applied by		

**Changes to legislation:**

There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross  
Heading: Income Tax Act 2007.