

## SCHEDULES

### SCHEDULE 4

#### REAL ESTATE INVESTMENT TRUSTS

*Being a UK REIT: conditions for company - close companies*

9 After section 562 insert—

**“562A Breach of condition D in section 528 (conditions for company)**

- (1) This section makes provision about cases relating to breaches of condition D in section 528 in relation to—
  - (a) the principal company of a group UK REIT, or
  - (b) a company UK REIT.
- (2) In accordance with section 527(6) and (7), a breach of condition D during the first 3-year period is to be ignored.
- (3) If condition D is not met at the start of the first day after the end of the first 3-year period, the group or company (as the case may be) is to be treated as having ceased to be a UK REIT at the end of the first 3-year period.
- (4) If condition D is not met at any time after the start of the day mentioned in subsection (3), the group or company (as the case may be) is to be treated as having ceased to be a UK REIT at—
  - (a) the end of the accounting period preceding the accounting period in which the breach began, or
  - (b) if later, the end of the first 3-year period.
- (5) Neither subsection (3) nor subsection (4) applies if condition D is not met as a result of—
  - (a) the principal company of a group UK REIT becoming a member of another group UK REIT, or
  - (b) a company UK REIT becoming a member of a group UK REIT, and, accordingly, the breach is to be ignored.
- (6) Subsection (4) does not apply if—
  - (a) condition D is not met as a result of anything done (or not done) by a person other than the company in question, and
  - (b) the company remedies the breach not later than the end of the accounting period after that in which the breach began, and, accordingly, the breach is to be ignored.
- (7) But if, in a case within subsection (6), the breach of condition D is not remedied by the time mentioned in that subsection, the group or company

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*Status: This is the original version (as it was originally enacted).*

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(as the case may be) is treated as having ceased to be a UK REIT at the end of the accounting period in which the breach began.

(8) In this section “the first 3-year period” has the meaning given by section 527(8).”