

**2007 No. 3536**

**CORPORATION TAX**

**The Real Estate Investment Trusts (Financial Statements of  
Group Real Estate Investment Trusts) (Amendment) Regulations  
2007**

|   |         |                           |
|---|---------|---------------------------|
| <i>Made</i>                             | - - - - | <i>14th December 2007</i> |
| <i>Laid before the House of Commons</i> |         | <i>17th December 2007</i> |
| <i>Coming into force</i>                | - -     | <i>7th January 2008</i>   |

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 144 of, and paragraph 31(7) of Schedule 17 to, the Finance Act 2006(a).

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Real Estate Investment Trusts (Financial Statements of Group Real Estate Investment Trusts) (Amendment) Regulations 2007 and shall come into force on 7th January 2008.

(2) These Regulations have effect in relation to accounting periods—

- (a) beginning on or after 1st January 2008, and
- (b) ending on or after the day on which these Regulations come into force.

**Amendments to the principal Regulations**

2. The Real Estate Investment Trusts (Financial Statements of Group Real Estate Investment Trusts) Regulations 2006(b) are amended as follows.

**Substitution of regulation 7**

3. For regulation 7 (treatment of certain exceptional items) substitute—

**“Treatment of certain exceptional items**

7.—(1) This regulation applies to the items specified in sub-paragraphs (ii) and (iii) of section 108(2)(b)(c) (the “specified items”).

(2) The financial statement for G (property rental business) for an accounting period and the financial statement for G (residual) for an accounting period must show the specified items.

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(a) 2006 c. 25.

(b) S.I. 2006/2865.

(c) Paragraph (b) of section 108(2) was substituted by paragraph 4 of Schedule 17 to the Finance Act 2007 (c. 11).

(3) For the purposes of paragraph 7 of Schedule 17 (which modifies section 108 (conditions for balance of business)), the specified items are excluded from—

- (a) the amount of the income, expenses and profits accruing from any business, and
- (b) the amount of the assets involved in any business.”.

### **Substitution of regulation 9**

4. For regulation 9 (joint ventures) substitute—

#### **“Joint ventures**

9.—(1) This regulation applies if—

- (a) a member of a group (the “venturing group”) is a venturer in a joint venture, and
- (b) notice has been given—
  - (i) in accordance with the Joint Ventures Regulations for those Regulations to apply to the joint venture, or
  - (ii) in accordance with the Real Estate Investment Trusts (Joint Venture Groups) Regulations 2007<sup>(a)</sup> for those Regulations to apply to the joint venture.

(2) If the joint venture takes the form of a company, the joint venture must be treated, for accounting purposes, as a member of the venturing group for the purposes of the financial statements specified in regulation 4(2).

(3) If the joint venture takes the form of another group (“the joint venture group”), the principal company of the venturing group must reflect the relevant information in its financial statements.

(4) In paragraph (3) the “relevant information” means the information specified in subparagraphs (3) and (4) of paragraph 31 as set out in the financial statements of the principal company of the joint venture group.”.

*Dave Hartnett*  
*Mike Hanson*

14th December 2007

Two of the Commissioners for Her Majesty’s Revenue and Customs

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(a) S.I. 2007/3425.

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the Real Estate Investment Trusts (Financial Statements of Group Real Estate Investment Trusts) Regulations 2006 (S.I. 2006/2865) (“the principal Regulations”).

These Regulations substitute a new regulation 7 of the principal Regulations, dealing with the treatment of certain exceptional items. Following an amendment made by the Finance Act 2007, regulation 7 now applies to the items specified in sub-paragraphs (ii) and (iii) of section 108(2)(b) of the Finance Act 2006.

These Regulations also substitute a new regulation 9 of the principal Regulations, dealing with joint ventures. The substituted regulation contains additional provisions which apply if the joint venture takes the form of a group of companies.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.