

Status: Point in time view as at 19/07/2006.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Condition as to settlor interest in the settlement is up to date with all changes known to be in force on or before 15 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)

SCHEDULES

[^{F1}SCHEDULE 4A U.K.]

DISPOSAL OF INTEREST IN SETTLED PROPERTY: DEEMED DISPOSAL OF UNDERLYING ASSETS

Textual Amendments

- F1** Sch. 4A inserted (with application in accordance with s. 91(3) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), s. 91(2), [Sch. 24](#)

Condition as to settlor interest in the settlement

- 7 (1) The condition as to settlor interest in the settlement is that at any time in the relevant period the settlement—
- was a settlor-interested settlement, or
 - comprised property derived, directly or indirectly, from a settlement that at any time in that period was a settlor-interested settlement.

- (2) The relevant period for this purpose is the period—
- beginning two years before the beginning of the relevant year of assessment, and
 - ending with the date of the disposal of the interest in settled property.

This is subject to paragraph 13(3)(d) where the beginning of the disposal and its effective completion fall in different years of assessment.

- (3) The relevant period shall not be treated as beginning before 6th April 1999.

If the rule in sub-paragraph (2) (or, where relevant, that in paragraph 13(3)(d)) would produce that result, the relevant period shall be treated as beginning on that date.

- (4) For the purposes of this paragraph a “settlor-interested settlement” means a settlement in which a person who is a settlor in relation to the settlement has an interest or had an interest at any time in the relevant period.

The provisions of section 77(2) to (5) and (8) apply to determine for the purposes of this paragraph whether a settlor has (or had) an interest in the settlement.

- (5) The condition as to settlor interest in the settlement is treated as not met in a year of assessment—
- where the settlor dies during the year, ^{F2}...
 - in a case where the settlor is regarded as having an interest in the settlement by reason only of—
 - the fact that property is, or will or may become, payable to or applicable for the benefit of his spouse [^{F3}or civil partner], or
 - the fact that a benefit is enjoyed by his spouse [^{F3}or civil partner],

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- where the spouse [^{F3}or civil partner] dies, or the settlor and the spouse [^{F3}or civil partner] cease to be married [^{F4}or to be civil partners of each other], during the year^{F5}, or
- (c) in a case where the settlor is regarded as having an interest in a settlement by reason only of—
- (i) the fact that property is, or will or may become, payable to or applicable for the benefit of a dependent child of his, or
 - (ii) the fact that a benefit is enjoyed by such a child,
- where the settlor ceases during the year to have (and does not in that year subsequently come to have) any dependent child in relation to whom section 77(2A)(a) or (b) applies.]]

Textual Amendments

- F2** Word in Sch. 4A para. 7(5)(a) repealed (with effect in accordance with Sch. 12 para. 5(2) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 12 para. 5\(1\)\(a\)](#), [Sch. 26 Pt. 3\(15\)](#)
- F3** Words in Sch. 4A para. 7(5)(b) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\)](#), [125\(a\)](#)
- F4** Words in Sch. 4A para. 7(5)(b) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\)](#), [125\(b\)](#)
- F5** Sch. 4A para. 7(5)(c) and preceding word inserted (with effect in accordance with Sch. 12 para. 5(2) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 12 para. 5\(1\)\(b\)](#)

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