

SCHEDULES

SCHEDULE 39

ENACTMENT OF CERTAIN INLAND REVENUE EXTRA-STATUTORY CONCESSIONS

PART II

CHARGEABLE GAINS

Settled Property

- 5 (1) Section 72 of the Taxation of Chargeable Gains Act 1992 (termination of life interest on death of person entitled) shall be amended as follows.
- (2) In subsections (1), (2) and (5), for the words “a life” wherever they occur, there shall be substituted “an” and, in subsection (5), the word “life”, in the third place where it occurs, shall be omitted.
- (3) For subsections (3) and (4) there shall be substituted the following subsections:
- “(3) This section shall apply on the death of the person entitled to any annuity payable out of, or charged on, settled property or the income of settled property as it applies on the death of a person whose interest in possession in the whole or any part of settled property terminates on his death.
- (4) Where, in the case of any entitlement to an annuity created by a settlement some of the settled property is appropriated by the trustees as a fund out of which the annuity is payable, and there is no right of recourse to, or to the income of, settled property not so appropriated, then without prejudice to subsection (5) below, the settled property so appropriated shall, while the annuity is payable, and on the occasion of the death of the person entitled to the annuity, be treated for the purposes of this section as being settled property under a separate settlement.”
- (4) The amendments made by this paragraph shall have effect in relation to deaths occurring on or after 6th April 1996.