# Finance Act 1965

**1965 CHAPTER 25**

## PART III

CAPITAL GAINS.

*Exemptions and reliefs.*

### 38 Unit trusts for exempt unit holders.

(1) If throughout a year of assessment all the issued units in a unit trust scheme as defined in section 26(1) of the Prevention of Fraud (Investments) Act 1958 or section 22 of the Prevention of Fraud (Investments) Act (Northern Ireland) 1940 are assets such that any gain accruing if they were disposed of by the unit holder would be wholly exempt from capital gains tax or corporation tax (otherwise than by reason of residence) gains accruing to the unit trust scheme in that year of assessment shall not be chargeable gains.

(2) If throughout a year of assessment all the issued units in a unit trust scheme as so defined constitute investments to which section 36(1) of this Act applies, each being an investment such that any gain accruing if it were disposed of by the unit holder would either be wholly exempt from capital gains tax or corporation tax, or be so exempt as to not less than eighty-five per cent., then of all the gains accruing to the unit trust scheme in that year of assessment one-tenth (that is one-tenth of what would apart from this subsection be chargeable gains) shall be chargeable gains; and section 37 of this Act, with the provisions of section 67 applying for the purposes of the said section 37, shall apply in relation to chargeable gains accruing to the unit trust scheme in that year of assessment (as reduced under this subsection) where the unit trust scheme is not within section 67(1) of this Act, as well as where it is.