
Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

SCHEDULES :

SCHEDULE 5

SETTLED PROPERTY

Further property added by settlor

- 9 (1) The following provisions of this paragraph apply where, by a transfer of value made by the settlor at any time after the making of the settlement and after 26th March 1974 (in this paragraph referred to as " the subsequent transfer ") further property is added to the property comprised in the settlement immediately before the subsequent transfer (in this paragraph referred to as " the previous property ").
- (2) The subsequent transfer shall be treated for the purposes of paragraphs 6 to 8 above as the making of a separate settlement and the further property as property comprised in that separate settlement, and the following provisions of this paragraph shall apply for determining the property out of which any capital distributions made after the subsequent transfer are to be treated as made.
- (3) If paragraph 7 above would have applied to a capital distribution made immediately before the subsequent transfer, any capital distribution made after the subsequent transfer shall be treated as made—
- (a) out of the previous property, if or to the extent that the amount of the distribution, when added to the amount of all previous distribution payments made out of the settled property, does not exceed the previous value defined in sub-paragraph (4) below; and
 - (b) out of the further property in any other case.
- (4) For the purposes of sub-paragraph (3) above the previous value is the initial value, increased, if there was an earlier transfer which is a " subsequent transfer " as defined above, by the value, immediately after the earlier transfer, of any property added by it to the settled property.
- (5) If paragraph 7 above would not have applied to a capital distribution made immediately before the subsequent transfer, any capital distribution made after the subsequent transfer shall be treated as made—
- (a) out of the previous property, if or to the extent that the amount of the distribution, when added to the amount of any previous distribution payment made since the subsequent transfer, does not exceed the value of the settled property immediately before the subsequent transfer ; and
 - (b) out of the further property in any other case ;

and accordingly, where paragraph (b) above applies, the rate or rates chargeable shall be determined in accordance with paragraph 7 above (and, where there is a further subsequent transfer, in accordance with sub-paragraphs (3) and (4) above).