



Finance Act 1981

1981 CHAPTER 35

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER V

CAPITAL GAINS

89 Trusts for the disabled

- (1) Paragraph 5 of Schedule 1 to the Capital Gains Tax Act 1979 (which extends to certain trusts for the disabled the £3,000 exemption given to individuals by section 5) shall be amended as follows.
- (2) In sub-paragraph (1) for the words from "any of the property" to "that person" there shall be substituted the words—
 - “(a) not less than half of the property which is applied is applied for the benefit of that person, and
 - (b) that person is entitled to not less than half of the income arising from the property, or no such income may be applied for the benefit of any other person.”
- (3) After sub-paragraph (1) there shall be inserted—
 - “(1A) The trusts on which settled property is held shall not be treated as falling outside sub-paragraph (1) above by reason only of the powers conferred on the trustees by section 32 of the Trustee Act 1925 or section 33 of the Trustee Act (Northern Ireland) 1958 (powers of advancement) ; and the reference in that sub-paragraph to the lifetime of a person shall, where the income from the settled property is held for his benefit on trusts of the kind described in section 33 of the Trustee Act 1925 (protective trusts), be construed as a reference to the period during which the income is held on trust for him.

Status: This is the original version (as it was originally enacted).

- (1B) In relation to a settlement which is one of two or more qualifying settlements comprised in a group, this paragraph shall have effect as if for the references in section 5 of this Act to £3,000 there were substituted references to £300 or, if it is more, to such amount as results from dividing £3,000 by the number of settlements in the group.
- (1C) For the purposes of sub-paragraph (1B) above—
- (a) a qualifying settlement is any settlement (other than an excluded settlement) which is made on or after 10th March 1981 and to the trustees of which this paragraph applies for the year of assessment; and
 - (b) all qualifying settlements in relation to which the same person is the settlor constitute a group.
- (1D) If, in consequence of two or more persons being settlors in relation to it, a settlement is comprised in two or more groups comprising different numbers of settlements, sub-paragraph (1B) above shall apply to it as if the number by which the amount of £3,000 is to be divided were the number of settlements in the largest group.”
- (4) At the end of sub-paragraph (2) there shall be added the words " ; and " settlor " and " excluded settlement" have the same meanings as in paragraph 6 below " .
- (5) After sub-paragraph (2) there shall be added—
- “(3) An inspector may by notice in writing require any person, being a party to a settlement, to furnish him within such time as he may direct (not being less than twenty-eight days) with such particulars as he thinks necessary for the purposes of this paragraph.”
- (6) This section has effect for the year 1981-82 and subsequent years of assessment.