

Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Special rules for qualifying UK settlements comprised in groups is up to date with all changes known to be in force on or before 23 June 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) View outstanding changes

SCHEDULES

[^{F1}SCHEDULE 1C

ANNUAL EXEMPT AMOUNT IN CASES INVOLVING SETTLED PROPERTY

Textual Amendments

- F1** Sch. 1C inserted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by Finance Act 2019 (c. 1), Sch. 1 para. 16

Special rules for qualifying UK settlements comprised in groups

- 6 (1) This paragraph reduces the annual exempt amount for trustees of a settlement for a tax year if the settlement is one of two or more qualifying UK settlements comprised in a group.
- (2) In the case of a settlement for the benefit of a disabled person for the year, the annual exempt amount for the year is to be reduced so that it is equal to—
- (a) one-tenth of an individual's amount for that year, or
 - (b) the amount resulting from dividing the individual's amount for that year by the number of settlements in the group,
- whichever is the greater.
- (3) In the case of any other settlement, the annual exempt amount for the year is to be reduced so that it is equal to—
- (a) one-tenth of an individual's amount for that year, or
 - (b) the amount resulting from dividing half of an individual's amount for that year by the number of settlements in the group,
- whichever is the greater.
- (4) In this paragraph “an individual's amount”, in relation to a tax year, means the annual exempt amount applying to an individual for the year under section 1K.
- (5) For the purposes of this paragraph all qualifying UK settlements in relation to which the same person is the settlor constitute a group.
- (6) If—
- (a) two or more persons are settlors in relation to a settlement, and
 - (b) a settlement is consequently comprised in two or more groups comprising different numbers of settlement,
- sub-paragraphs (2)(b) and (3)(b) have effect by reference to the largest group.
- 7 (1) In this Schedule “qualifying UK settlement”, in relation to a tax year, means any settlement in relation to which both of the following conditions are met—
- (a) the trustees of the settlement are resident in the United Kingdom during any part of the tax year, and

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- (b) the property comprised in the settlement is not held for a charitable or pensions purpose.
- (2) Property comprised in a settlement is held for a charitable purpose if (and only if)—
- (a) it is held for charitable purposes only, and
 - (b) it cannot become applicable for other purposes.
- (3) Property comprised in a settlement is held for a pensions purpose if (and only if) it is held for the purposes of—
- (a) a registered pension scheme,
 - (b) a superannuation fund to which section 615(3) of the Taxes Act applies, or
 - (c) an occupational pension scheme (within the meaning of section 150(5) of the Finance Act 2004) that is not a registered pension scheme.
- (4) For this purposes of any provision of this Schedule other than paragraph 8 a settlement is not a qualifying UK settlement if—
- (a) in the case of one for the benefit of a disabled person, it was made before 10 March 1981, or
 - (b) in any other case, it was made before 6 June 1978.]

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied by [1997 c. 16 Sch. 12 para. 12\(7\)](#)[1314](#)
- Act applied by [2002 c. 23 Sch. 16 para. 48\(1\)\(2\)](#)
- Act construed as one with reg. 37 by [S.I. 2006/575 reg. 37\(2\)](#)
- Act construed as one with reg. 38 by [S.I. 2006/575 reg. 38\(3\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 4(10)(11) inserted by [2016 c. 11 s. 15\(4\)](#)
- s. 4(10) words inserted by [2016 c. 24 s. 83\(11\)](#)
- s. 35(3)(d)(xviii) added by [2008 c. 17 Sch. 7 para. 9](#)
- s. 35(3)(d)(xviii) inserted by [2008 c. 18 Sch. 13 para. 46](#)
- s. 35(3)(d)(xviii) repealed by [S.I. 2008/3002 Sch. 1 para. 42](#)[Sch. 3](#) (This amendment comes into force on the day 2008 c. 4, s. 5 comes into force, see art. 1(2). That provision was brought into force on 1.12.2008 by S.I. 2008/3068, art. 2(1)(b))
- s. 104(4)(b)(i) words substituted by S.I. 1989/469, reg. 27(2) (as amended) by [S.I. 1997/1716 reg. 13\(1\)\(b\)](#)
- s. 107(11) words substituted by S.I. 1989/469, reg. 27(2A) (as amended) by [S.I. 1997/1716 reg. 13\(2\)\(b\)](#)
- s. 169S(4A) inserted by [2015 c. 11 s. 43\(2\)](#)
- s. 587B inserted by [2000 c. 17 s. 43\(1\)](#)
- Sch. 5C para. 3(1) modified by [S.I. 2004/2199 reg. 7\(1\)](#)
- Sch. 5C para. 3(6) modified by [S.I. 2004/2199 reg. 7\(2\)](#)
- Sch. 5C para. 5(1) modified by [S.I. 2004/2199 reg. 7\(3\)](#)
- Sch. 5C para. 3 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 5 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 6 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 3(1)(f) words substituted by [2007 c. 3 Sch. 1 para. 347](#)