

Status: Point in time view as at 31/07/1998.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Paragraph 17 is up to date with all changes known to be in force on or before 09 August 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)

SCHEDULES

[^{F1}SCHEDULE A1

APPLICATION OF TAPER RELIEF

Textual Amendments

- F1** Sch. A1 inserted (with effect in accordance with s. 121(4) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), s. 121(2), [Sch. 20](#)

Special rule for property settled by a company

- 17 (1) No part of any chargeable gain accruing to the trustees of a settlement on the disposal of any asset shall be treated as a gain on the disposal of a business asset if—
- (a) the settlor is a company, and
 - (b) that company has an interest in the settlement at the time of the disposal.
- (2) Subject to the following provisions of this paragraph, a company which is a settlor in relation to any settlement shall be regarded as having an interest in a settlement if—
- (a) any property which may at any time be comprised in the settlement, or any derived property is, or will or may become, payable to or applicable for the benefit of that company or an associated company; or
 - (b) that company or an associated company enjoys a benefit deriving directly or indirectly from any property which is comprised in the settlement or any derived property.
- (3) This paragraph does not apply unless the settlor or an associated company is within the charge to corporation tax in respect of chargeable gains for the accounting period in which the chargeable gain accrues.
- (4) In this paragraph “derived property”, in relation to any property, means income from that property or any other property directly or indirectly representing proceeds of, or of income from, that property or income therefrom.
- (5) For the purposes of this paragraph a company is to be treated as another’s associated company at any time if at that time, or at another time within one year previously—
- (a) one of them has had control of the other; or
 - (b) both have been under the control of the same person or persons.
- (6) In this paragraph “settlor” has the meaning given by section 660G(1) and (2) of the Taxes Act.
- (7) This paragraph has effect subject to paragraph 20 below.]

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