

SCHEDULES

SCHEDULE 17

SETTLEMENTS: LIABILITY OF SETTLOR

PART III

CONSEQUENTIAL AMENDMENTS OF OTHER ENACTMENTS

Taxation of Chargeable Gains Act 1992 (c. 12)

31 In section 286 of the Taxation of Chargeable Gains Act 1992, for subsection (3) substitute—

- “(3) A person, in his capacity as trustee of a settlement, is connected with—
- (a) any individual who in relation to the settlement is a settlor,
 - (b) any person who is connected with such an individual, and
 - (c) any body corporate which is connected with that settlement.

In this subsection “settlement” and “settlor” have the same meaning as in Chapter IA of Part XV of the Taxes Act (see section 660G(1) and (2) of that Act).

- (3A) For the purpose of subsection (3) above a body corporate is connected with a settlement if—
- (a) it is a close company (or only not a close company because it is not resident in the United Kingdom) and the participators include the trustees of the settlement; or
 - (b) it is controlled (within the meaning of section 840 of the Taxes Act) by a company falling within paragraph (a) above.”.