

*Status: Point in time view as at 06/04/2007.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995, Part II. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 17

#### SETTLEMENTS: LIABILITY OF SETTLOR

#### PART II

#### MINOR AND CONSEQUENTIAL AMENDMENTS OF THE TAXES ACT 1988

<sup>F1</sup>2 .....

#### Textual Amendments

**F1** Sch. 17 para. 2 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 3](#) (with [Sch. 2](#))

3 In section 339(1)(a) of the Taxes Act 1988, for “section 660(3)” substitute “section 347A(7)”.

4 <sup>F2</sup>(1) .....

(2) In section 347A of the Taxes Act 1988, after subsection (6) add—

“(7) In subsection (2)(b) above “a covenanted payment to charity” means a payment made under a covenant made otherwise than for consideration in money or money’s worth in favour of a body of persons or trust established for charitable purposes only whereby the like annual payments (of which the payment in question is one) become payable for a period which may exceed three years and is not capable of earlier termination under any power exercisable without the consent of the persons for the time being entitled to the payments.

(8) For the purposes of subsection (7) above the bodies mentioned in section 507 shall each be treated as a body of persons established for charitable purposes only.”

#### Textual Amendments

**F2** Sch. 17 para. 4(1) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(6) Note of the amending Act) by [1999 c. 16, s. 139, Sch. 20 Pt. III\(6\)](#) Note

<sup>F3</sup>5 .....

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**Textual Amendments**

**F3** Sch. 17 para. 5 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

**F4**<sup>6</sup> .....

**Textual Amendments**

**F4** Sch. 17 para. 6 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

7 In section 505(6) of the Taxes Act 1988, for “section 660(3)” substitute “section 347A(7)”.

**F5**<sup>8</sup> .....

**Textual Amendments**

**F5** Sch. 17 para. 8 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

**F6**<sup>9</sup> .....

**Textual Amendments**

**F6** Sch. 17 para. 9 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

10 In section 678 of the Taxes Act 1988, omit subsection (7).

**F7**<sup>11</sup> .....

**Textual Amendments**

**F7** Sch. 17 para. 11 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

12 For the heading before section 686 of the Taxes Act 1988 substitute—

“CHAPTER IC  
LIABILITY OF TRUSTEES”.

**F8**<sup>13</sup> .....

**Textual Amendments**

**F8** Sch. 17 para. 13 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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F<sup>9</sup>14 .....

**Textual Amendments**

**F9** Sch. 17 para. 14 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

15 Omit section 689 of the Taxes Act 1988 (recovery from trustees of discretionary trusts of higher rate tax due from beneficiaries).

F<sup>10</sup>16 .....

**Textual Amendments**

**F10** Sch. 17 para. 16 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

F<sup>11</sup>17 .....

**Textual Amendments**

**F11** Sch. 17 para. 17 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F<sup>12</sup>18 .....

**Textual Amendments**

**F12** Sch. 17 para. 18 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

F<sup>13</sup>19 .....

**Textual Amendments**

**F13** Sch. 17 para. 19 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

20 In section 839(3) of the Taxes Act 1988, 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 (see section 660G(1) and (2)).

(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

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- (b) it is controlled (within the meaning of section 840) by a company falling within paragraph (a) above.”.

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