



Finance Act 1998

1998 CHAPTER 36

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER II

TAXATION OF CHARGEABLE GAINS

Non-residents etc.

128 Disposal of interests in a settlement

(1) In section 76 of the Taxation of Chargeable Gains Act 1992 (disposal of interests in settled property)—

- (a) in subsection (1), at the beginning there shall be inserted “Subject to subsection (1A) below”;
- (b) after that subsection there shall be inserted the subsections set out in subsection (2) below; and
- (c) after subsection (2) there shall be inserted the subsection set out in subsection (3) below.

(2) The subsections inserted after subsection (1) are as follows—

“(1A) Subject to subsection (3) below, subsection (1) above does not apply if—

- (a) the settlement falls within subsection (1B) below; or
- (b) the property comprised in the settlement is or includes property deriving directly or indirectly from a settlement falling within that subsection.

(1B) A settlement falls within this subsection if there has been a time when the trustees of that settlement—

- (a) were not resident or ordinarily resident in the United Kingdom; or

Status: This is the original version (as it was originally enacted).

- (b) fell to be regarded for the purposes of any double taxation relief arrangements as resident in a territory outside the United Kingdom.”
- (3) The subsection inserted after subsection (2) is as follows—
 - “(3) Subsection (1A) above shall not prevent subsection (1) above from applying where the disposal in question is a disposal in consideration of obtaining settled property that is treated as made under subsection (2) above.”
- (4) This section has effect in relation to any disposal on or after 6th March 1998.