



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 4

#### SAVINGS AND INVESTMENT INCOME

### CHAPTER 8

#### PROFITS FROM DEEPLY DISCOUNTED SECURITIES

#### *Trustees*

#### **457 Trustees**

- (1) This section applies if profits are taken to arise on a disposal of a deeply discounted security by trustees.
- (2) For the purposes of Chapter 5 of Part 5 (settlements: amounts treated as income of settlor), the profits are to be taken to be income arising under the settlement from the security.
- (3) For the purposes of Chapter 1C of Part 15 of ICTA (settlements: liability of trustees), the profits are to be taken to be income arising to the trustees.
- (4) Income tax that is charged on the trustees is to be charged at the rate applicable to trusts for the tax year in which the disposal occurs.
- (5) If the trustees are trustees of a scheme to which section 469 of ICTA applies (unauthorised unit trusts), subsections (2) to (4) do not apply to any profits treated as income in the scheme's accounts.

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*Status: This is the original version (as it was originally enacted).*

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**458 Non-UK resident trustees**

- (1) Tax is not charged under this Chapter if the disposal is made by the trustees of a settlement and they are non-UK resident.
- (2) The following provisions do not apply if the disposal falls within subsection (1)—  
section 446 (strips of government securities: relief for losses), and  
section 454 (listed securities held since 26th March 2003: relief for losses).
- (3) In this section “settlement” has the same meaning as in Chapter 5 of Part 5 (see section 620).