



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 4

SAVINGS AND INVESTMENT INCOME

CHAPTER 9

GAINS FROM CONTRACTS FOR LIFE INSURANCE ETC.

Person liable etc.

467 Person liable: UK resident trustees

- (1) Trustees are liable for tax under this Chapter if immediately before the chargeable event in question occurs they are UK resident and condition A, B, C or D is met.

[^{F1}(1A) If trustees are liable for tax under this Chapter, the gain is treated for income tax purposes as income of the trustees.]

- (2) Condition A is that the rights under the policy or contract are held by the trustees on charitable trusts.

- (3) Condition B is that—

- (a) those rights are held by the trustees on non-charitable trusts, and
- (b) one or more of the absent settlor conditions is met.

- (4) The absent settlor conditions are that the person who created the trusts—

- (a) is non-UK resident,
- [^{F2}(aa) is UK resident but the gain arises in the overseas part of a tax year that is, as respects the person who created the trusts, a split year,]
- (b) has died, or

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 467. (See end of Document for details)

- (c) in the case of a company or foreign institution (see section 468(5)), has been dissolved or wound up or has otherwise come to an end.
- (5) Condition C is that—
- (a) the rights under the policy or contract are held by the trustees on non-charitable trusts,
 - (b) condition B does not apply, and
 - [^{F3}(c) neither section 465 nor section 466 applies.]
- (6) Condition D is that the rights under the policy or contract are held as security for a debt owed by the trustees.
- [^{F4}(7) If trustees are liable for tax under this Chapter, it is charged at the [^{F5}basic rate] if—
- (a) condition A is met, or
 - (b) condition D is met and the trustees are trustees of a charitable trust.]

Textual Amendments

- F1** S. 467(1A) inserted (with effect as stated in s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1034, [Sch. 1 para. 531\(2\)](#) (with transitional provisions and savings in [Sch. 2](#))
- F2** S. 467(4)(aa) inserted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 45 para. 85](#)
- F3** S. 467(5)(c) substituted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 11](#)
- F4** S. 467(7) substituted (with effect as stated in s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1034, [Sch. 1 para. 531\(3\)](#) (with transitional provisions and savings in [Sch. 2](#))
- F5** Words in s. 467(7) substituted (with effect in accordance with Sch. 1 para. 65 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 53](#)

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 467.