



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 5

#### MISCELLANEOUS INCOME

#### CHAPTER 5

##### SETTLEMENTS: AMOUNTS TREATED AS INCOME OF SETTLOR

##### *Income treated as income of settlor: retained interests*

#### **625 Settlor's retained interest**

- (1) A settlor is treated for the purposes of section 624 as having an interest in property if there are any circumstances in which the property or any related property—
- (a) is payable to the settlor or the settlor's spouse,
  - (b) is applicable for the benefit of the settlor or the settlor's spouse, or
  - (c) will, or may, become so payable or applicable.
- (2) Subsection (1) does not apply if the only circumstances are one or more of—
- (a) the bankruptcy of a person who is, or may become, beneficially entitled to the property or any related property,
  - (b) the assignment of the property or any related property by such a person,
  - (c) the charging of (or, in Scotland, the granting of a right in security over) the property or any related property by such a person,
  - (d) in the case of a marriage settlement, the death of both parties to the marriage and of all or any of the children of the marriage, and
  - (e) the death of a child of the settlor who had become beneficially entitled to the property or any related property at not more than 25 years old.

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*Status: Point in time view as at 06/04/2005. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 625. (See end of Document for details)*

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- (3) Subsection (1) does not apply if—
- (a) there are no circumstances in which the property or any related property can become payable or applicable as mentioned in that subsection during the life of a person other than—
    - (i) the bankruptcy of the person, or
    - (ii) the assignment or charging of the person's interest in the property or any related property, and
  - (b) the person is alive and under 25 years old.
- (4) In subsection (1) “the settlor's spouse” does not include—
- (a) a spouse from whom the settlor is separated under an order of a court or a separation agreement,
  - (b) a spouse from whom the settlor is separated where the separation is likely to be permanent,
  - (c) the widow or widower of the settlor, or
  - (d) a person to whom the settlor is not married but may later marry.
- (5) In this section “related property”, in relation to any property, means income from that property or any other property directly or indirectly representing proceeds of, or of income from, that property or income from it.

**Status:**

Point in time view as at 06/04/2005. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 625.