Finance Act 2005

2005 CHAPTER 7

PART 2

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 4

TRUSTS WITH VULNERABLE BENEFICIARY

Miscellaneous and supplementary

40   Power to make enquiries

(1) Where a vulnerable person election has been made the Inland Revenue may by notice require the trustees or the vulnerable person by whom the election was made to furnish them with such particulars as they may reasonably require for the purposes of determining—

    (a) whether the requirements mentioned in subsection (1)(a) and (b) of section 37 were met at the time the election was made, and

    (b) whether an event mentioned in subsection (5) of that section has occurred since the effective date.

(2) The notice must specify the time within which the information must be furnished (not being less than 60 days).

(3) If the Board of Inland Revenue determine—

    (a) that either or both of the requirements mentioned in subsection (1)(a) and (b) of section 37 were not met at the time the election was made, or

    (b) that an event mentioned in subsection (5) of that section has occurred since the effective date of the election,

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they may give notice to the trustees and the person in relation to whom the vulnerable person election was made that the election never had effect or ceased to have effect from a date specified in the notice.

(4) A person aggrieved by a determination of the Board of Inland Revenue under subsection (3) may by notice appeal to the General Commissioners.

(5) The notice of appeal must be given to the Board of Inland Revenue within 30 days after the notice of the determination was given under subsection (3).

(6) All such adjustments shall be made, whether by discharge or repayment of tax, the making of assessments or otherwise, as are required to give effect to a determination under subsection (3) (despite any limitation on the time within which any adjustment may be made).

(7) In subsection (6) "tax" means income tax or capital gains tax.