



Finance Act 2016

2016 CHAPTER 24

PART 1

INCOME TAX

Trading and other income

27 Individual investment plans of deceased investors

- (1) In Chapter 3 of Part 6 of ITTOIA 2005 (power to exempt income from individual investment plans from income tax), after section 694 insert—

“694A Deceased investors

- (1) In section 694(1) “income of an individual from investments under a plan” includes—
- (a) income (of any person) from administration-period investments under a plan, and
 - (b) income (of any person) from the estate of a deceased person (“D”) where the whole or any part of the income of D’s personal representatives is income from administration-period investments under a plan.
- (2) For the purposes of sections 694(3)(a) and (4) and 695(1) “individual”, in relation to investments that are administration-period investments, includes—
- (a) the personal representatives of the deceased individual concerned, and
 - (b) any other person on whose directions plan managers agree to act in relation to the investments.
- (3) In sections 699 and 701 “investor” includes a person entitled to an exemption given by investment plan regulations by virtue of subsection (1) of this section.

Status: Point in time view as at 15/09/2016.

Changes to legislation: Finance Act 2016, Section 27 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (4) Investments are “administration-period investments” if—
- (a) an individual dies, and
 - (b) immediately before the individual's death—
 - (i) the investments were held under a plan,
 - (ii) the individual was entitled to the income from the investments, and
 - (iii) as a result of investment plan regulations, the individual's income from investments under the plan was exempt from income tax (either wholly or to an extent specified in the regulations).
- (5) Investments are also “administration-period investments” if (directly or indirectly) they represent investments that are administration-period investments as a result of subsection (4).
- (6) Investment plan regulations may provide that investments are administration-period investments as a result of subsection (4) or (5) only at times specified in, or ascertained in accordance with, the regulations.
- (7) Provision under subsection (6) may (in particular) be framed by reference to the completion of the administration of a deceased individual's estate.
- (8) In the application of subsection (7) in relation to Scotland, the reference to the completion of the administration is to be read in accordance with section 653(2).”
- (2) In section 151(2) of TCGA 1992 (Chapter 3 of Part 6 of ITTOIA 2005 applies with modifications in relation to regulations giving relief from capital gains tax in respect of investments under plans)—
- (a) in the words before paragraph (a), for “section 694(1) to (2)” substitute “sections 694(1) to (2) and 694A(1)”, and
 - (b) after paragraph (a) insert—
 - “(aa) section 694A(2) applies also for the purposes of subsection (1) of this section,
 - (ab) the reference in section 694A(3) to section 694A(1) is to be read as a reference to paragraph (aa) of this subsection,
 - (ac) the reference in section 694A(4)(b)(iii) to the individual's income from investments under the plan being exempt from income tax is to be read as a reference to the individual being entitled to relief from capital gains tax in respect of the investments,”.
- (3) In section 62 of TCGA 1992 (death: general provisions), after subsection (4) (acquisition of asset as legatee) insert—
- “(4A) The Treasury may by regulations make provision having effect in place of subsection (4)(b) above in a case where there has been a time when the personal representatives—
- (a) held the asset acquired by the legatee, and
 - (b) would, if they had disposed of the asset at that time—
 - (i) by way of a bargain at arm's length, and
 - (ii) otherwise than to a legatee,

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have been entitled as a result of regulations under section 151 (investments under plans) to relief from capital gains tax in respect of any chargeable gain accruing on the disposal.

(4B) Provision made by regulations under subsection (4A) above may (in particular) treat a person who acquires an asset as legatee as doing so at a time or for a consideration, or at a time and for a consideration, ascertained as specified by the regulations.”

(4) In consequence of subsection (2)(a), in FA 2011 omit section 40(6)(a).

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