STATUTORY INSTRUMENTS

2013 No. 676 (C. 29)

TRUSTS, ENGLAND AND WALES

The Trusts (Capital and Income) Act 2013 (Commencement No.1) Order 2013

Made - - - - *18th March 2013*

The Secretary of State makes the following order in exercise of powers conferred by section 5 of the Trusts (Capital and Income) Act 2013(**a**).

Citation and interpretation

1. This Order may be cited as the Trusts (Capital and Income) Act 2013 (Commencement No.1) Order 2013.

2. In this Order, "the 2013 Act" means the Trusts (Capital and Income) Act 2013.

Provision coming into force on the 6th April 2013

3. Section 4 of the 2013 Act (total return investment by charities) comes into force on 6th April 2013 for the purpose only of exercising the power to make regulations in accordance with section 104B of the Charities Act 2011 as inserted by that provision.

Provisions coming into force on the 1st October 2013

4. The following provisions of the 2013 Act come into force on 1st October 2013—

(a) section 1 (disapplication of apportionment etc. rules);

(b) section 2 (classification of certain corporate distributions as capital);

(c) section 3 (power to compensate income beneficiary).

Signed by authority of the Secretary of State

Helen Grant
Parliamentary Under Secretary of State
Ministry of Justice

18th March 2013

(**a**) 2013 c.1.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order commences those provisions of the Trusts (Capital and Income) Act 2013 which did not come into force upon the day on which that Act was passed, with the exception of section 4 (which is only partially commenced).

Article 3 provides for section 4 to come into force on the 6th April 2013 for the purpose only of enabling the Charity Commission to exercise the power to make regulations relating to total return investment by charities under section 104B of the Charities Act 2011, inserted by section 4.

Article 4 provides for the following provisions to come into force on the 1st October 2013:

Section 1, which disapplies specified statutory and equitable rules of apportionment for new trusts (being those which are created or arise on or after the coming into force date of that section) subject to any contrary intention appearing in the trust instrument or the power under which the trust was created or arises;

Section 2, which classifies certain tax-exempt corporate distributions as capital in relation to all trusts, subject to any contrary intention appearing in the trust instrument or the power under which the trust was created or arises;

Section 3, which provides for a power to compensate an income beneficiary in certain circumstances where the trustees are satisfied that it is likely, had the distribution treated as capital under section 2 not been made, there would have been a receipt of income.

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