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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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## SCHEDULES.

### SCHEDULE 18

#### SUPPLEMENTARY PROVISIONS ABOUT CLOSE COMPANIES.

##### PART II

##### PROVISIONS SPECIALLY RELATED TO SHORTFALLS IN OR APPORTIONMENT OF DISTRIBUTIONS.

###### *Transitional and consequential.*

- 15 (1) In relation to income arising in or after the year 1966-67 section 411(1)(b) of the Income Tax Act 1952 (which defines " income arising under a settlement " for certain purposes relating to revocable settlements etc.) shall have effect with the substitution for the reference to Chapter III of Part IX of that Act of a reference to section 78 of this Act; and in relation to that and subsequent years of assessment there shall be substituted for subsection (4) of that section—
- “(4) For the purposes of this Chapter, a body corporate shall be deemed to be connected with a settlement in any year of assessment if, within the meaning of Part IV of the Finance Act 1965, it is at any time in the year a close company (or only not a close company because it is not resident in the United Kingdom) and the participators then include the trustees of or a beneficiary under the settlement.”
- (2) In relation to the year 1966-67 and later years of assessment—
- (a) in section 412(8)(d) of the Income Tax Act 1952 (which provides for amounts apportioned to a person under Chapter III of Part IX of that Act to be treated as his income for certain purposes) for the words " Chapter III of Part IX of this Act" there shall be. substituted the words " section 78 of the Finance Act 1965 "; and
- (b) in section 414(4) of that Act (which relates to the information a solicitor may be required to furnish under that section about transactions resulting in transfers of income to persons abroad) for the words from " The bodies corporate " onwards there shall be substituted the words—
- “The bodies corporate mentioned in the preceding provisions of this section are bodies corporate resident or incorporated outside the United Kingdom which are, or if resident in the United Kingdom would be, close Companies, but not trading companies, within the meaning of Part IV of the Finance Act 1965.”.
- (3) Any amount apportioned under section 78 of this Act to the personal representatives of a deceased person shall be treated as included as regards surtax in the aggregate income of the estate for purposes of Part XIX of the Income Tax Act 1952.