
Changes to legislation: There are currently no known outstanding effects for the Agriculture Act 1993, Cross Heading: Trusts for registered producers. (See end of Document for details)

SCHEDULES

SCHEDULE 2

PROVISIONS RELATING TO CARRYING OUT OF APPROVED SCHEME OF REORGANISATION

PART I

TAXATION PROVISIONS

Modifications etc. (not altering text)

C1 Sch. 2 Pt. I modified (retrospectively) by 1996 c. 8, s. 203(1)

Trusts for registered producers

- 21 (1) This paragraph applies where—
- (a) under an approved scheme, shares in, or securities of, a company are issued or transferred to trustees on terms which provide for the transfer of those shares or securities to persons by virtue of their being, or having been, registered producers, and
 - (b) the circumstances are such that in the hands of the trustees the shares or securities constitute settled property within the meaning of the ^{M1}Taxation of Chargeable Gains Act 1992.
- (2) For the purposes of tax on chargeable gains—
- (a) where the trustees acquire the shares or securities on a disposal, the person making the disposal shall be treated as if the consideration for the disposal were of such amount as would secure that on the disposal neither a gain nor a loss accrues to him,
 - (b) the shares or securities shall be treated as acquired by the trustees for no consideration,
 - (c) the interest of any beneficiary in the settled property constituted by the shares or securities shall be treated as acquired by him for no consideration and as having no value at the time of its acquisition,
 - (d) where a beneficiary becomes absolutely entitled as against the trustees to any of the settled property, both the trustees and the beneficiary shall be treated as if, on his becoming so entitled, the shares or securities in question had been disposed of and immediately reacquired by the trustees, in their capacity as trustees within section 60(1) of the Taxation of Chargeable Gains Act 1992, for a consideration of such amount as would secure that on the disposal neither a gain nor a loss would accrue to the trustees (and accordingly section 71 of that Act shall not apply in relation to that occasion), and
 - (e) on the disposal by a beneficiary of an interest in the settled property, other than the disposal treated as occurring for the purposes of paragraph (d)

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above, any gain accruing shall be a chargeable gain (and accordingly section 76(1) of the Taxation of Chargeable Gains Act 1992 shall not apply in relation to the disposal).

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Marginal Citations

M1 1992 c. 12.

- 22 (1) This paragraph applies where, under an approved scheme, shares in, or securities of, a company are issued or transferred to trustees on terms which provide for the transfer of those shares or securities to persons by virtue of their being, or having been, registered producers.
- (2) The trust shall not be treated as a unit trust scheme for the purposes of [F1the Tax Acts] or section 99 of the Taxation of Chargeable Gains Act 1992 if it would not fall to be so treated were there disregarded—
- (a) any depreciatory effect of transfers under the approved scheme on a right to participate in a winding up of the board to which that scheme relates, and
 - (b) any management of the trust property as a whole by or on behalf of the trustees.

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Textual Amendments

F1 Words in [Sch. 2 para. 22\(2\)](#) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 362](#) (with [Sch. 2](#))

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