

## SCHEDULES

### SCHEDULE 29

#### GAINS AND LOSSES OF A COMPANY FROM INTANGIBLE FIXED ASSETS

##### PART 12

##### TRANSACTIONS BETWEEN RELATED PARTIES

###### *Connected persons*

- 101 (1) This paragraph explains what is meant in this Part when a person is referred to as being connected with another person.

Any provision that one person is connected with another means that they are connected with one another.

- (2) A person is connected with an individual if that person is the individual's wife or husband, or is a relative, or the wife or husband of a relative, of the individual or of the individual's wife or husband.

For the purposes of this sub-paragraph "relative" means brother, sister, ancestor or lineal descendant.

- (3) A person in his capacity as trustee of a settlement is connected with—
- (a) any individual who in relation to the settlement is a settlor,
  - (b) any person who is connected with such an individual, and
  - (c) any body corporate that is connected with that settlement.

For the purposes of this sub-paragraph "settlement" and "settlor" have the same meaning as in Chapter 1A of Part 15 of the Taxes Act 1988 (settlements: liability of settlor) (see section 660G(1) and (2) of that Act).

- (4) For the purposes of sub-paragraph (3) above a body corporate is connected with a settlement if—
- (a) it is a close company (or only not a close company because it is not resident in the United Kingdom) and the participators include the trustees of the settlement, or
  - (b) it is controlled by a company falling within paragraph (a) above.
- (5) A person is connected with a company if they are related parties within Case One or Case Two in paragraph 95(1) above.
- (6) For the purposes of sub-paragraph (5) above and for the purposes of paragraph 95 as it applies for the purposes of that sub-paragraph—
- (a) "company" includes any body corporate or unincorporated association, but does not include a partnership; and

*Status: This is the original version (as it was originally enacted).*

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- (b) a unit trust scheme shall be treated as if it were a company and as if the rights of the unit holders were shares in the company.