



Finance Act 2003

2003 CHAPTER 14

PART 7

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX: GENERAL

Chargeable gains

163 Transfers of value: attribution of gains to beneficiaries

(1) For section 85A of the Taxation of Chargeable Gains Act 1992 (c. 12) substitute—

“85A Transfers of value: attribution of gains to beneficiaries and treatment of losses

- (1) Schedule 4C to this Act has effect with respect to the attribution of gains to beneficiaries where there has been a transfer of value to which Schedule 4B applies.
- (2) Sections 86A to 95 have effect subject to the provisions of Schedule 4C.
- (3) No account shall be taken of any chargeable gains or allowable losses accruing by virtue of Schedule 4B in computing the trust gains for a year of assessment in accordance with sections 87 to 89, except in computing for the purposes of paragraph 7A(2) of Schedule 4C the amount on which the trustees would have been chargeable to tax under section 2(2) if they had been resident or ordinarily resident in the United Kingdom.
- (4) No account shall be taken of any chargeable gains or allowable losses to which sections 87 to 89 apply in computing the gains or losses accruing by virtue of Schedule 4B.”

(2) Schedule 4C to that Act (transfers of value: attribution of gains to beneficiaries) is amended in accordance with Schedule 29 to this Act.

^{F1}(3)

Changes to legislation: Finance Act 2003, Section 163 is up to date with all changes known to be in force on or before 26 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) View outstanding changes

- (4) The following provisions have effect with respect to the coming into force of the amendments made by this section and Schedule 29—
- (a) the amendments apply where the trustees of a settlement have made a transfer to which Schedule 4B applies at any time on or after 21st March 2000;
 - (b) where there has been a transfer of value to which Schedule 4B applies before 9th April 2003, the transferor settlement shall be treated as having a Schedule 4C pool as from that date containing such Schedule 4C gains as would fall to be included in the pool if—
 - (i) a year of assessment had ended with 8th April 2003, and
 - (ii) the reference in paragraph 1(2)(b) of Schedule 4C as amended to the end of the year of assessment in which the transfer of value was made were to that date;
 - (c) where a transferor settlement ceased to exist on or after 21st March 2000 and before 9th April 2003, Schedule 4C as amended applies as if it had ceased to exist on 8th April 2003 (so that paragraph (b) above applies);
 - (d) so much of Schedule 4C as amended as provides—
 - (i) that gains treated as accruing to beneficiaries who are not chargeable to tax are treated as outstanding section 87/89 gains, or
 - (ii) that gains in a settlement’s Schedule 4C pool are not to be treated as accruing to such beneficiaries,
 applies only in relation to capital payments made on or after 9th April 2003;
 - (e) gains included in a settlement’s Schedule 4C pool by virtue of paragraph 1(2)(b) of that Schedule as amended shall only be attributed in accordance with the provisions of that Schedule to beneficiaries who receive capital payments on or after 9th April 2003.
- (5) Paragraph 8A(3) and (4) of Schedule 4C, inserted by paragraph 4 of Schedule 29 to this Act, applies only where the transfer referred to in that provision occurs on or after 9th April 2003.
- (6) Expressions used in subsection (4) that are defined for the purposes of Schedule 4C to the Taxation of Chargeable Gains Act 1992 (c. 12) as amended by Schedule 29 to this Act have the same meaning as in that Schedule.

Textual Amendments

- F1** [S. 163\(3\)](#) omitted (with effect in accordance with Sch. 7 para. 115 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 114\(c\)](#)

Changes to legislation:

Finance Act 2003, Section 163 is up to date with all changes known to be in force on or before 26 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.

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Changes and effects yet to be applied to :

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 57(3) inserted by [2011 c. 11 Sch. 22 para. 4](#)
- s. 87(3)(a)(ia) inserted by [S.I. 2003/2760 Sch. para. 3\(4\)\(a\)](#) (This amendment not applied to legislation.gov.uk. The affecting S.I. is revoked and superseded by [S.I. 2003/2816](#))
- Sch. 12 para. 3(2)(aa) inserted by [2007 asp 3 Sch. 5 para. 32](#) (This effect was superseded by the repeal of Sch. 12 para. 3 by Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 16)
- Sch. 12 para. 1A inserted by [2007 c. 15 Sch. 13 para. 147\(2\)](#) (The amending provision was repealed before coming into force.)
- Sch. 12 para. 1A omitted by [2008 c. 9 Sch. 43 para. 9](#) (The amending provision was repealed before coming into force.)
- Sch. 17A para. 10(1)(f)(fa) substituted for Sch. 17A para. 10(1)(f) by [2024 c. 22 Sch. 9 para. 12\(b\)](#)