



Finance Act 2005

2005 CHAPTER 7

PART 2

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 4

TRUSTS WITH VULNERABLE BENEFICIARY

Introductory

23 Introduction

- (1) This Chapter contains tax provision in connection with—
 - (a) income arising to [^{F1}the trustees of a settlement] from property held on qualifying trusts for the benefit of a vulnerable person, and
 - (b) chargeable gains accruing to [^{F2}the trustees of a settlement] from the disposal of such property.
- (2) Section 24 contains provision as to the making of claims for special tax treatment under this Chapter.
- (3) Sections 25 to 29 contain provision relating to income tax.
- (4) Sections 30 to [^{F3}32] contain provision relating to capital gains tax.
- (5) Sections 34 to 36 apply for the purpose of determining whether trusts on which property is held for the benefit of a vulnerable person are qualifying trusts.
- (6) In this Chapter “vulnerable person election” means an election under section 37.
- (7) In this Chapter “vulnerable person” means—
 - (a) a disabled person (see section 38), or
 - (b) a relevant minor (see section 39).

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, Cross Heading: Introductory. (See end of Document for details)

Textual Amendments

- F1** Words in s. 23(1)(a) substituted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 13 para. 35\(2\)\(a\)\(7\)](#)
- F2** Words in s. 23(1)(b) substituted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 13 para. 35\(2\)\(a\)\(7\)](#)
- F3** Word in s. 23(4) substituted (with effect in accordance with Sch. 2 para. 22 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 2 para. 12](#)

24 Entitlement to make claim for special tax treatment

A claim for special tax treatment under this Chapter for a tax year may be made by [^{F4}the trustees of a settlement] if—

- (a) in the tax year they hold property on qualifying trusts for the benefit of a vulnerable person, and
- (b) a vulnerable person election has effect for all or part of the tax year in relation to those trusts and that person.

Textual Amendments

- F4** Words in s. 24(1) substituted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 13 para. 35\(2\)\(b\)\(7\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2005, Cross Heading:
Introductory.