

SCHEDULES

SCHEDULE 12

SETTLEMENTS: AMENDMENT OF TCGA 1992 ETC

PART 1

SETTLORS, TRUSTEES AND SETTLEMENTS

Interests in settlements

- 3 (1) In section 77 of TCGA 1992 (charge on settlor with interest in settlement)—
- (a) in subsection (2)(a) after “any property which” insert “is or”,
 - (b) after subsection (2) insert—
 - “(2A) A settlor shall also be regarded as having an interest in a settlement (subject to the following provisions of this section) if—
 - (a) any property which is or may at any time be comprised in the settlement, or any derived property, is, or will or may become, payable to or applicable for the benefit of a child of the settlor, at a time when that child is a dependent child of his, in any circumstances whatsoever, or
 - (b) a dependent child of the settlor enjoys a benefit deriving directly or indirectly from any property which is comprised in the settlement or any derived property.”,
 - (c) after subsection (3) insert—
 - “(3A) In this section—
 - (a) “dependent child” means a child who—
 - (i) is under the age of 18 years,
 - (ii) is unmarried, and
 - (iii) does not have a civil partner, and
 - (b) “child” includes a stepchild.
 - (3B) For the purposes of subsection (2A) above no account shall be taken of a term of a settlement relating to dependent children of a settlor in respect of any time at which he has no dependent child.”,
 - (d) in subsection (6)—
 - (i) omit “or” at the end of paragraph (a), and
 - (ii) after paragraph (b) insert—
 - “; or
 - (c) in a case where the settlor is regarded as having an interest in a settlement by reason only of—

Status: This is the original version (as it was originally enacted).

- (i) the fact that property is, or will or may become, payable to or applicable for the benefit of a dependent child of his, or
- (ii) the fact that a benefit is enjoyed by such a child,

where the settlor ceases during the year to have (and does not in that year subsequently come to have) any dependent child in relation to whom subsection (2A)(a) or (b) above applies.”, and

- (e) after subsection (8) insert—

“(9) This section shall have effect subject to the provisions of section 30 of the Finance Act 2005.”

- (2) Sub-paragraph (1) shall have effect for the purpose of determining whether for the purposes of section 77 a settlor is regarded as having an interest in a settlement (whenever created) on or after 6th April 2006.