

SCHEDULE 5

HIGHER RATES RESIDENTIAL PROPERTY TRANSACTIONS

PART 5

SUPPLEMENTARY PROVISIONS

Settlements and bare trusts

- 28 (1) Sub-paragraph (3) applies where—
- (a) a person is a beneficiary under a settlement,
 - (b) a major interest in a dwelling forms part of the trust property, and
 - (c) under the terms of the settlement, the beneficiary is entitled to—
 - (i) occupy the dwelling for life, or
 - (ii) income earned in respect of the dwelling.
- (2) Sub-paragraph (3) also applies where—
- (a) a person is a beneficiary under a bare trust (within the meaning given by paragraph 2(1) and (2) of Schedule 8), and
 - (b) a term of years absolute in a dwelling forms part of the trust property.
- (3) Where this sub-paragraph applies—
- (a) the beneficiary is to be treated for the purposes of this Schedule as holding the interest in the dwelling, and
 - (b) if the trustee of the settlement or bare trust disposes of the interest, the beneficiary is to be treated for the purposes of this Schedule as having disposed of it.