

SCHEDULE 18 TRUSTS

PART 4

TRANSACTIONS INVOLVING SETTLEMENTS

Acquisition by trustees of settlements

- 10 Where persons, as trustees of a settlement, acquire a chargeable interest or an interest in a partnership, they are to be treated for the purposes of this Act, as it applies to that acquisition, as buyers of the whole of the interest acquired (including the beneficial interest).

Consideration for exercise of power of appointment or discretion

- 11 Paragraph 12 applies where a chargeable interest is acquired by virtue of—
- (a) the exercise of a power of appointment, or
 - (b) the exercise of a discretion vested in trustees of a settlement.
- 12 Any consideration given for the person in whose favour the appointment was made or the discretion was exercised becoming an object of the power or discretion is to be treated for the purpose of this Act as the consideration for the acquisition of the interest.

Reallocation of trust property as between beneficiaries

- 13 Paragraph 14 applies where—
- (a) the trustees of a settlement reallocate trust property in such a way that a beneficiary acquires an interest in certain trust property and ceases to have an interest in other trust property, and
 - (b) the beneficiary consents to ceasing to have an interest in that other property.
- 14 The fact that the beneficiary gives consent does not mean that there is chargeable consideration for the acquisition.