

SCHEDULES

SCHEDULE 14

BENEFICIARY'S LIABILITY FOR TAX ON GAINS OF NON-RESIDENT TRUSTEES

Related benefits

- 10 (1) The provisions of this paragraph have effect to determine what are, in relation to a claim, the related benefits which are to be taken into account under paragraph 9 above.
- (2) If, on or after 6th April 1984 and before the beginning of the year of assessment in which the claim is made, a close relative of the beneficiary has received from the trustees of the settlement to which the claim relates or a related settlement a capital payment which has not been brought into account under subsections (3) and (4) of section 80 of the Finance Act 1981 in determining whether chargeable gains or offshore income gains should be attributed to the close relative by reference to any trust gains for any previous year of assessment, then, subject to sub-paragraphs (3) and (4) below, that capital payment is a related benefit which falls to be taken into account in relation to the claim.
- (3) A capital payment falling within sub-paragraph (2) above is not a related benefit which falls to be taken into account as mentioned in that sub-paragraph to the extent that it has already been taken into account on any previous operation of sub-paragraph (4) or sub-paragraph (5) of paragraph 7 above on the occasion of a claim in respect of which the close relative himself or a close relative of his or a person whose close relative he is was the beneficiary.
- (4) A capital payment falling within sub-paragraph (2) above is not a related benefit which falls to be taken into account as mentioned in that sub-paragraph if the Board so direct on the grounds that it appears likely that the payment will fall to be taken into account, either as giving rise to a relevant benefit or under paragraph 7 above, in relation to such a claim as is referred to in sub-paragraph (3) above.
- (5) Sub-paragraphs (3) to (6) of paragraph 8 above shall have effect for the purposes of this paragraph—
- (a) as if any reference to a provision of paragraph 7 above were a reference to the corresponding provision of paragraph 9 above ; and
 - (b) as if any reference to a related payment were a reference to a related benefit which falls to be taken into account as mentioned in sub-paragraph (2) above ; and
 - (c) as if any reference to a related section 80 payment were a reference to a related benefit which falls to be taken into account as mentioned in sub-paragraph (2) above and which, apart from this paragraph, would fall to be taken into account under sub-paragraphs (3) and (4) of section 80 of the Finance Act 1981 in determining whether chargeable gains or offshore income gains should be attributed to the close relative concerned by

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reference to any trust gains for the year of assessment in which is made the claim referred to in sub-paragraph (2) above ; and

- (d) as if " B " in the formula in sub-paragraph (5) were nil; and
- (e) as if any reference in sub-paragraph (6) to the beneficiary were a reference to the close relative concerned.