



Finance Act 2000

2000 CHAPTER 17

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER II

OTHER PROVISIONS

Capital gains tax: gifts and trusts

93 Restriction on set-off of trust losses.

(1) After section 79 of the ^{M1}Taxation of Chargeable Gains Act 1992, insert—

“79A Restriction on set-off of trust losses.

- (1) This section applies to a chargeable gain accruing to the trustees of a settlement where—
- (a) in computing the gain, the allowable expenditure is reduced in consequence, directly or indirectly, of a claim to gifts relief in relation to an earlier disposal to the trustees;
 - (b) the transferor on that earlier disposal, or any person connected with the transferor, has at any time—
 - (i) acquired an interest in the settled property, or
 - (ii) entered into an arrangement to acquire such an interest; and
 - (c) in connection with that acquisition or arrangement any person has at any time received, or become entitled to receive, any consideration.
- (2) Where this section applies to a chargeable gain, no allowable losses accruing to the trustees (in the year in which the gain accrues or any earlier year) may be set against the gain.

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 2000, Section 93. (See end of Document for details)*

This applies to the whole of the chargeable gain (and not just the element deferred as a result of the claim to gifts relief).

- (3) In this section—
- (a) “gifts relief” means relief under section 165 or 260; and
 - (b) references to losses not being allowed to be set against a chargeable gain are to the losses not being allowed as a deduction against chargeable gains to the extent that they include that gain.
- (4) The references in subsection (1)(b) above to an interest in settled property have the same meaning as in Schedule 4A.”
- (2) This section applies to gains accruing on or after 21st March 2000.

Marginal Citations

M1 1992 c. 12.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2000, Section 93.