



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 9

#### SPECIAL RULES ABOUT SETTLEMENTS AND TRUSTEES

### CHAPTER 2

#### GENERAL PROVISION ABOUT SETTLEMENTS AND TRUSTEES

#### *Sub-funds*

#### **477 Sub-fund elections under Schedule 4ZA to TCGA 1992**

- (1) This section applies for the purposes of the Income Tax Acts (except so far as, in those Acts, the context otherwise requires) if the trustees of a settlement have made a sub-fund election under paragraph 1 of Schedule 4ZA to TCGA 1992.
- (2) The sub-fund settlement is treated as a settlement that is created at the relevant time.
- (3) Each trustee of the trusts on which property comprised in the sub-fund settlement is held is treated as a trustee of the sub-fund settlement.
- (4) A person (“T”) who is a trustee of the sub-fund settlement is treated, from the relevant time, as having ceased to be a trustee of the principal settlement unless T is also a trustee of trusts on which property comprised in the principal settlement is held.
- (5) A person (“T”) who is a trustee of the principal settlement is not to be treated as a trustee of the sub-fund settlement unless T is also a trustee of trusts on which property comprised in the sub-fund settlement is held.
- (6) The trustees of the sub-fund settlement are treated as having become, at the relevant time, absolutely entitled to the property comprised in that settlement as against the trustees of the principal settlement.
- (7) In this section—

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***Changes to legislation:*** *There are currently no known outstanding effects for the Income Tax Act 2007, Section 477. (See end of Document for details)*

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“principal settlement” has the meaning given by paragraph 1 of Schedule 4ZA to TCGA 1992,

“the relevant time” means the time when the sub-fund election is treated as having taken effect under paragraph 2 of that Schedule,

“sub-fund election” has the meaning given by paragraph 2 of that Schedule, and

“sub-fund settlement” has the meaning given by paragraph 1 of that Schedule.

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax Act 2007, Section 477.