



Settled Land Act 1925

1925 CHAPTER 18

PART I

GENERAL PRELIMINARY PROVISIONS.

Tenants for Life and Persons with Powers of Tenant for Life.

21 Absolute owners subject to certain interests to have the powers of tenant for life.

- (1) Where a person of full age is beneficially entitled in possession to a legal estate subject to any equitable interests or powers, then, for the purpose of overreaching such interests or powers, he may, notwithstanding any stipulation to the contrary, by deed (which shall have effect as a principal vesting deed within the meaning of this Act) declare that the legal estate is vested in him on trust to give effect to all equitable interests and powers affecting the legal estate, and that deed shall be executed by two or more individuals approved or appointed by the court or a trust corporation, who shall be stated to be the trustees of the settlement for the purposes of this Act. Thereupon so long as any of the equitable interests and powers are subsisting the following provisions shall have effect:—
- (a) The person so entitled as aforesaid and each of his successors in title being an estate owner shall have the powers of a tenant for life and the land shall be deemed to be settled land;
 - (b) The instrument (if any) under which his estate arises or is acquired, and the instrument (if any) under which the equitable interests or powers are subsisting or capable of taking effect shall be deemed to be the trust instrument:

Provided that where there is no such instrument as last aforesaid then a deed (which shall take effect" as a trust instrument) shall be executed contemporaneously with the vesting deed, and shall declare the trusts affecting the land;

Status: This is the original version (as it was originally enacted).

- (c) The persons stated in the principal vesting deed to be the trustees of the settlement for the purposes of this Act shall also be the trustees of the trust instrument for those purposes; and
 - (d) Capital money arising on any disposition of the land shall be paid to or by the direction of the trustees of the settlement or into court, and shall be applicable towards discharging or providing for payment in due order of any principal money payable in respect of such interests or charges as are overreached by such disposition, and until so applied shall be invested or applied as capital money under the trust instrument, and the income thereof shall be applied as the income of such capital money, and be liable for keeping down in due order any annual or periodical sum which may be overreached by the disposition.
- (2) The following equitable interests and powers are excepted from the operation of subsection (1) of this section, namely—
- (i) an equitable interest protected by a deposit of documents relating to the legal estate affected;
 - (ii) the benefit of a covenant or agreement restrictive of the user of land;
 - (iii) an easement, liberty or privilege over or affecting land and being merely an equitable interest;
 - (iv) the benefit of a contract to convey or create a legal estate, including a contract conferring either expressly or by statutory implication a valid option of purchase, a right of pre-emption, or any other like right;
 - (v) any equitable interest protected by registration under the Land Charges Act, 1925, other than—
 - (a) an annuity within the meaning of Part II. of that Act;
 - (b) a limited owner's charge or a general equitable charge within the meaning of that Act.
- (3) Subject to the powers conferred by this Act on a tenant for life, nothing contained in this section shall deprive an equitable chargee of any of his rights or of his remedies for enforcing those rights.