

Income settled on children. ITA67 s443(1); FA95 s12(1)(a)(i) and (c) 795.—(1) Where, by virtue or in consequence of a settlement and during the life of the settlor, any income is in any year of assessment paid to or for the benefit of a person, such income shall, if at the time of payment such person is a minor, be treated for the purposes of the Income Tax Acts as income of the settlor for that year and not as income of any other person.

(2) For the purposes of this Chapter, but subject to section 796—

(a) income which, by virtue or in consequence of a settlement to which this Chapter applies, is so dealt with that it or assets representing it will or may become payable or applicable to or for the benefit of a person in the future (whether on the fulfilment of a condition, or on the happening of a contingency, or as the result of the exercise of a power or discretion conferred on any person, or otherwise) shall be deemed to be paid to or for the benefit of that person, and

(b) any income dealt with in the manner referred to in paragraph (a) which is not required by the settlement to be allocated, at the time when it is so dealt with, to any particular person or persons shall be deemed to be paid in equal shares to or for the benefit of each of the persons to or for the benefit of whom or any of whom the income or assets representing it will or may become payable or applicable.