

Acquisitions by discretionary trusts. FA 1984 s106 15.—(1) Where, on or after 25 January 1984, under or in consequence of any disposition, property becomes subject to a discretionary trust, the trust is deemed, on—

(a) the date on which that property becomes or became subject to the discretionary trust,

(b) the date of death of the disposer, or

(c) where there are principal objects of the trust, the date on which there ceases to be a principal object of the trust who is—

(i) under the age of 25 years, where the property became subject to the trust on or after 25 January 1984 and before 31 January 1993, or

(ii) under the age of 21 years, where the property becomes or became subject to the trust on or after 31 January 1993,

whichever date is the latest, to become or to have become beneficially entitled in possession to an absolute interest in so much, if any, of that property or of property representing that property and of accumulations of income of that property or of property representing those accumulations as remains subject to the discretionary trust on that latest date, and to take or to have taken an inheritance accordingly as if the trust, and the trustees as such for the time being of the trust, were together a person for the purposes of this Act, and that latest date shall be the date of the inheritance.

(2) Property which, under or in consequence of any disposition, was subject to a discretionary trust on 25 January 1984 is, for the purposes of subsection (1), deemed to have become subject to the trust on that date.

(3) Property which, under or in consequence of any disposition, was subject to a discretionary trust on 31 January 1993 is, for the purposes of subsection (1), deemed to have become subject to the trust on that date.

(4) For the purposes of this section—

(a) an interest in expectancy is not property until an event happens whereby the interest ceases to be an interest in expectancy or is represented by property which is not an interest in expectancy,

(b) an interest in a policy of assurance on human life is not property until, and then only to the extent that, the interest becomes an interest in possession under section 41 or is represented by property which is not an interest in expectancy.

(5) Where, apart from this subsection, property or property representing such property would be chargeable under this section, or under this section and the corresponding provisions of the repealed enactments, with tax more than once under the same disposition, such property is so chargeable with tax once

only, that is, on the earliest occasion on which such property would become so chargeable with tax.