

PART 5 Provisions Relating to Gifts and Inheritances

Distributions from discretionary trusts. CATA 1976 s22 31.—Where a person becomes beneficially entitled in possession to any benefit—

(a) under a discretionary trust, other than a discretionary trust referred to in paragraph (b), otherwise than for full consideration in money or money's worth paid by the person, that person is deemed to have taken a gift,

(b) under a discretionary trust created—

(i) by will at any time,

(ii) by a disposition, where the date of the disposition is on or after 1 April 1975 and within 2 years prior to the death of the disponent, or

(iii) by a disposition inter vivos and limited to come into operation on a death occurring before, on or after the passing of this Act,

otherwise than for full consideration in money or money's worth paid by the person, that person is deemed to have taken an inheritance.