HMRC - CG34722 - Settlor Trusts: Introduction: Summary Of Provisions

The chargeable gains of the settlement are computed in the normal way and reduced byany allowable losses, see CG34860. If there is a surplus of chargeable gains the settloris taxed as if the balance was a gain accruing to him.

Surplus allowable losses are carried forward by the trustees. They are not available tothe settlor.

The trustees’ own annual exempt amount is not taken into account in thesecomputations.

Any tax paid by the settlor as a result of these provisions can be recovered from thetrustees of the settlement, see CG34970.

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