HMRC - CG34804 - Settlor Trusts: Corporate Settlors

Companies frequently create settlements. These are generally settlements for employees,see CG35020, or other commercial arrangements, see CG35023. Such settlements are usuallyexcluded from TCGA92/S77 because of the bounty test. Exceptionally it may be appropriateto argue that TCGA92/S77 applies to the particular settlement. Although there is nospecific provision comparable to TCGA92/Sch5/Para8 (4), nevertheless it may be appropriatein such a case to consider whether the property entering the settlement has been providedindirectly by the shareholders, both for the purposes of TCGA92/S77 and for the purposesof ITTOIA05/S619.

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