HMRC - CG34872 - Settlor Trusts: Computations: Chargeable Gains Attributed From Different Settlements

TCGA92/S2 (7)

Where chargeable gains attributed from different settlements attract either no taper relief or the same rate of taper relief and the settlor’s losses are large enough to cover part but not all of these gains, a proportion of the available losses is deducted from each of the gains pro rata.

Example

Personal losses remaining after all personal gains have been offset £500

Setting the losses against gains pro rata

£200 goes against the gain from settlement 1

£100 goes against gain A from settlement 2

£200 goes against gain B from settlement 2

Once losses have been deducted, all gains should have taper relief applied at the appropriate rate.

CG34710 explains that a settlor can recover CGT from the trustees.

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