
Changes to legislation: Finance Act 2008, Paragraph 120 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 7

REMITTANCE BASIS

PART 2

NON-RESIDENT COMPANIES AND TRUSTS ETC

Attribution of gains to beneficiaries: commencement etc

- 120 (1) This paragraph applies to a settlement if section 87 or 89(2) of TCGA 1992 applied to it for the tax year 2007-08 or any earlier tax year.
- (2) The following steps are to be taken for the purposes of calculating the section 2(2) amount for the settlement for the tax year 2007-08 and earlier tax years.

Step 1

Calculate (in accordance with section 87 and, where appropriate, section 88) the section 2(2) amount for the settlement for the tax year 2007-08 and earlier tax years.

For this purpose, references in section 87(4) and (5) of TCGA 1992 (as substituted) to section 87 of that Act applying to a settlement for a tax year are to be read as references to section 87 of that Act (as it had effect before that substitution) applying to a settlement for a tax year.

Step 2

Find the total amount of chargeable gains treated under section 87 or 89(2) as accruing to beneficiaries of the settlement in the tax year 2007-08 or any earlier tax year (“the total deemed gains”).

Step 3

Find the earliest tax year for which the section 2(2) amount is not nil.

If the section 2(2) amount for that year is less than or equal to the total deemed gains, reduce that section 2(2) amount to nil.

Otherwise, reduce that section 2(2) amount by the amount of the total deemed gains.

Step 4

Reduce the total deemed gains by the amount by which the section 2(2) amount was reduced under Step 3.

Step 5

If the total deemed gains is not nil, start again at Step 3.

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For this purpose, read references to the earliest tax year for which the section 2(2) amount is not nil as references to the earliest tax year—

- (a) which is after the last tax year for which Steps 3 and 4 have been undertaken, and
 - (b) for which the section 2(2) amount is not nil.
- (3) If, before 6 April 2008, the trustees of the settlement made a transfer of value to which Schedule 4B to TCGA 1992 applied, sub-paragraph (2) has effect subject to such modifications as are just and reasonable on account of Schedule 4C to that Act having applied in relation to the settlement.
- (4) This paragraph does not apply if section 90 of TCGA 1992 applied to a transfer of settled property by or to the trustees of the settlement that was made before 6 April 2008 (see paragraph 121).

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 41 para. 6(1A) inserted by [2015 c. 11 Sch. 20 para. 10\(2\)](#)
- Sch. 41 para. 6A(A1)(1) substituted for Sch. 41 para. 6A(1) by [2015 c. 11 Sch. 20 para. 11\(2\)](#)