



Perpetuities and Accumulations Act 2009

2009 CHAPTER 18

Application of rule against perpetuities

1 Application of the rule

- (1) The rule against perpetuities applies (and applies only) as provided by this section.
- (2) If an instrument limits property in trust so as to create successive estates or interests the rule applies to each of the estates or interests.
- (3) If an instrument limits property in trust so as to create an estate or interest which is subject to a condition precedent and which is not one of successive estates or interests, the rule applies to the estate or interest.
- (4) If an instrument limits property in trust so as to create an estate or interest subject to a condition subsequent the rule applies to—
 - (a) any right of re-entry exercisable if the condition is broken, or
 - (b) any equivalent right exercisable in the case of property other than land if the condition is broken.
- (5) If an instrument which is a will limits personal property so as to create successive interests under the doctrine of executory bequests, the rule applies to each of the interests.
- (6) If an instrument creates a power of appointment the rule applies to the power.
- (7) For the purposes of subsection (2) an estate or interest includes an estate or interest—
 - (a) which arises under a right of reverter on the determination of a determinable fee simple, or
 - (b) which arises under a resulting trust on the determination of a determinable interest.
- (8) This section has effect subject to the exceptions made by section 2 and to any exceptions made under section 3.
- (9) In section 4(3) of the [Law of Property Act 1925 \(c. 20\)](#) (rights of entry affecting a legal estate) omit the words from “but” to the end.

2 Exceptions to rule's application

- (1) This section contains exceptions to the application of the rule against perpetuities.
- (2) The rule does not apply to an estate or interest created so as to vest in a charity on the occurrence of an event if immediately before the occurrence an estate or interest in the property concerned is vested in another charity.
- (3) The rule does not apply to a right exercisable by a charity on the occurrence of an event if immediately before the occurrence an estate or interest in the property concerned is vested in another charity.
- (4) The rule does not apply to an interest or right arising under a relevant pension scheme.
- (5) The exception in subsection (4) does not apply if the interest or right arises under—
 - (a) an instrument nominating benefits under the scheme, or
 - (b) an instrument made in the exercise of a power of advancement arising under the scheme.

3 Power to specify exceptions

- (1) The Lord Chancellor may by order provide that the rule against perpetuities is not to apply—
 - (a) in cases of a specified description, or
 - (b) if specified conditions are fulfilled.
- (2) Different descriptions and conditions may be specified for different purposes.
- (3) Any order under this section may include such supplementary, incidental, consequential or transitional provisions as appear to the Lord Chancellor to be necessary or expedient.
- (4) In this section “specified” means specified in the order.
- (5) The power to make an order under this section is exercisable by statutory instrument.
- (6) A statutory instrument containing an order under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

4 Abolition of existing exceptions

These provisions cease to have effect—

- (a) section 121(6) of the [Law of Property Act 1925 \(c. 20\)](#) (rule against perpetuities not to apply to certain powers and remedies);
- (b) section 162 of that Act (declaration that rule does not apply in certain cases);
- (c) section 163 of the [Pension Schemes Act 1993 \(c. 48\)](#) (rule not to apply to trusts and dispositions concerning certain pension schemes).