

Chargeable Gains: Bonds under Trust, Who Pays the Bill?

Technical Flowchart

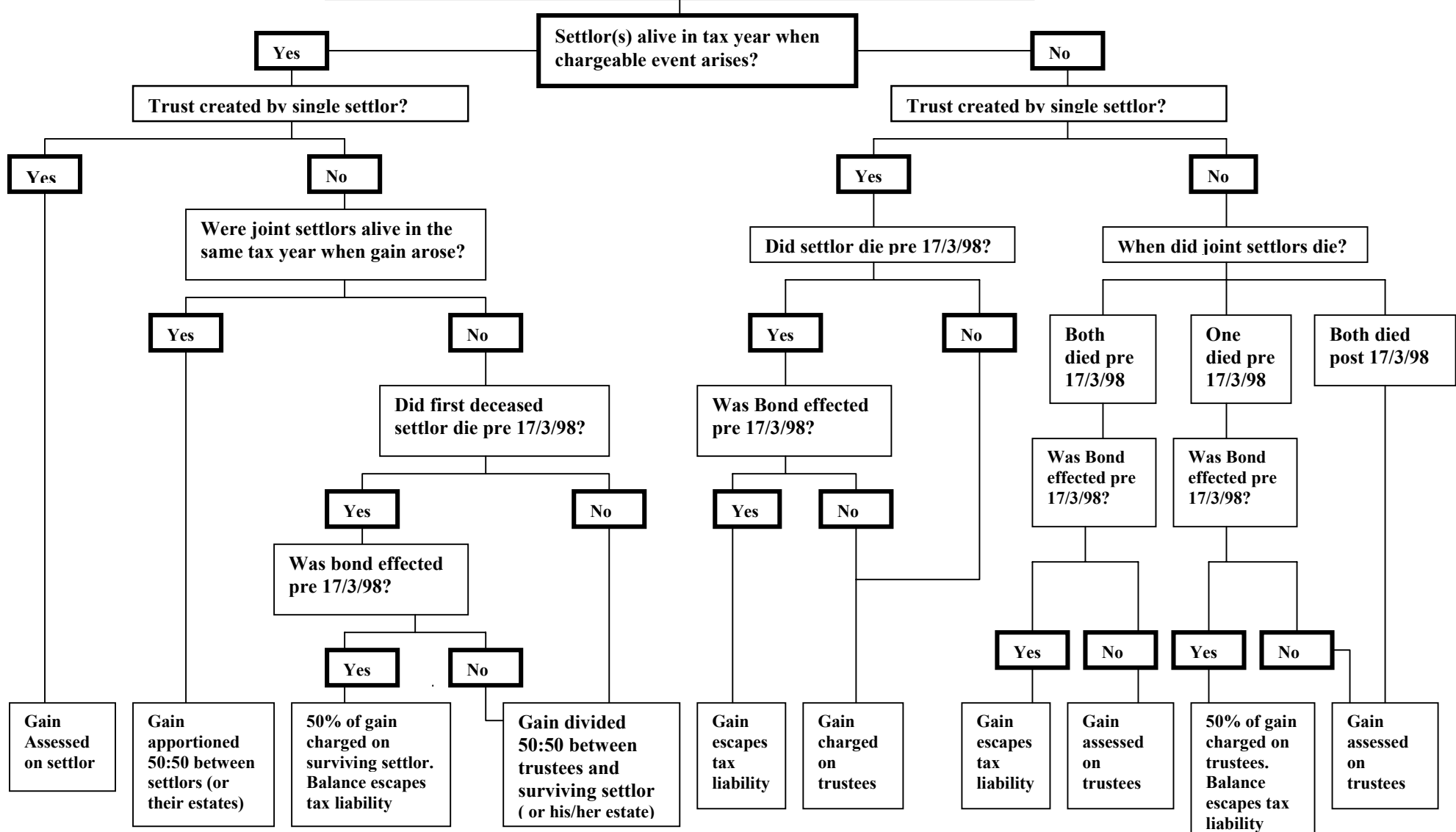
For professional advisers only and
not to be relied upon by individuals

The following flowchart provides an indication of who is likely to pay the tax bill if there is a chargeable gain on a bond held under trust.

This document is for guidance only. Law and HM Revenue & Customs practice may change at any time. This flowchart is based upon our understanding of both, as at 1st August 2005. Whilst every care has been taken to ensure the accuracy of this information, Friends Provident cannot accept any responsibility.



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Notes and assumptions

- It is assumed that the settlor(s) and trustees are regarded as UK resident for tax purposes when the gain is made.
- A gain arising in respect of a bond held under a bare or absolute trust will usually be assessed on that beneficiary.
- Bonds already subject to a trust pre 17/3/98 where the settlor or one of joint settlors died before this date are assumed not to have been enhanced or varied since that date.