



Income Tax Act 2007

2007 CHAPTER 3

PART 12

ACCRUED INCOME PROFITS

CHAPTER 2

ACCRUED INCOME PROFITS AND LOSSES

Nominees and trustees

666 Certain transfers by or to nominees or trustees treated as made by or to others

- (1) Transfers of securities by or to a person as nominee for another person (“A”) are treated for the purposes of this Chapter as transfers by or to A.
- (2) Transfers of securities by or to a person (“T”) as trustee for another person (“B”) are treated for the purposes of this Chapter as transfers by or to B if B is absolutely entitled as against T.
- (3) For the purposes of subsection (2) where T is the transferor, B is absolutely entitled as against T if immediately before the transfer B has the exclusive right to direct how the securities are to be dealt with.
- (4) For the purposes of subsection (2) where T is the transferee, B is absolutely entitled as against T if immediately after the transfer B has that exclusive right.
- (5) For the purposes of subsections (3) and (4), a right to direct how securities are to be dealt with is treated as an exclusive right despite being subject to satisfying any outstanding charge, lien or other right of the trustee to resort to the securities for payment of duty, taxes, costs or other outgoings.

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- (6) Subsection (1) applies to a transfer of securities by or to a person as nominee for two or more persons as it applies to a transfer of securities by or to a person as nominee for one person, taking the references to A as references to the two or more persons.
- (7) This section applies to a transfer of securities by or to a person as trustee for two or more persons as it applies to a transfer of securities as trustee for one person, taking—
 - (a) the references to B as references to the two or more persons, and
 - (b) the references to B being absolutely entitled as references to the two or more persons being jointly absolutely entitled.
- (8) The fact that a person is an infant or otherwise lacks legal capacity is to be disregarded in determining for the purposes of this section whether the person is absolutely entitled as against T.

667 Trustees' accrued income profits treated as settlement income

- (1) If the trustees of a settlement are treated as making qualifying accrued income profits, those profits are to be taken to be income arising under the settlement for the purposes of Chapter 5 of Part 5 of ITTOIA 2005 (settlements: amounts treated as income of settlor).
- (2) Subsection (3) applies if the trustees of a settlement—
 - (a) are non-UK resident or domiciled outside the United Kingdom throughout a tax year in which an interest period or part of an interest period falls, and
 - (b) would have been treated as making an amount or an additional amount of qualifying accrued income profits in the interest period if the trustees had been UK resident or domiciled in the United Kingdom during a part of each such tax year.
- (3) The amount or additional amount of qualifying accrued income profits that the trustees would have been treated as making is to be taken to be income arising under the settlement for the purposes of Chapter 5 of Part 5 of ITTOIA 2005.
- (4) In this section—
 - (a) “qualifying accrued income profits” means accrued income profits which are treated as made—
 - (i) under section 628(5), or
 - (ii) under section 630(2) in respect of a transfer of variable rate securities, and
 - (b) in any case where there are no trustees of a settlement, references to such trustees are to any persons entitled to securities comprised in the settlement.
- (5) In the case of qualifying accrued income profits within subsection (4)(a)(ii)—
 - (a) the reference in subsection (2)(a) to an interest period is to the period—
 - (i) beginning with the day after the last day of the only or last interest period of the securities, and
 - (ii) ending with the settlement day, and
 - (b) the reference in subsection (2)(b) to making qualifying accrued income profits in the interest period is to be read as making them in the tax year in which settlement day falls.

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

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

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)