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## THE PERSONAL TAX PLANNING REVIEW

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## From the Editors

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### EDITORIAL

In this edition of the *Review* we are fortunate to have three articles by the Consulting Editor Robert Venables QC. All three articles consider aspects of the ever more complex code applicable to the taxation of trusts and trustees – particularly in the light of amendments made by Finance Act 2000.

The first of the Consulting Editor's three articles begins with a brief examination of the now extensive list of exceptions to the general rule that the disposal by a beneficiary of his interest under a settlement should not give rise to a chargeable gain. The article then goes on to consider in what circumstances hold-over relief might be available to mitigate these undesirable consequences.

The Consulting Editor's second article, "Disposals of Interests in Settled Property" contains an in-depth, incisive, analysis of the anti-avoidance legislation introduced in the new Schedule 4A to the Taxation of Chargeable Gains Act 1992. If you read no other critique of these far reaching new provisions, you must at least read this article.

In his final article the Consulting Editor outlines the various circumstances in which trustees are deemed to have made disposals of trust property. As he goes on to explain, unless great care is exercised tax liabilities can be triggered inadvertently. This article forms a concise and helpful "checklist" for all trustees.

Also in this edition of the *Review* we are fortunate to have an article from one of our regular contributors – Ralph Ray. As is always the case with Ralph Ray's contributions, his article on "Avoiding Capital Gains Tax Problems for IHT Accumulation & Maintenance Trusts" contains clear and practical advice on an issue encountered regularly in practice.

Indeed practical advice seems to lie at the heart of this edition of the *Review*. In his article "Stamp Duty: Some Implications of Adopting a Corporate Structure" Matthew Hutton examines the scope of section 119 Finance Act 2000 (which

imposes an ad valorem charge to stamp duty on transfers of land to connected companies), and considers the new problems it poses where land forms part of an unincorporated business. As Matthew Hutton explains, unless great care is taken the stamp duty costs associated with switching from one business structure to another are, for the future, likely to be significant.

The Assistant Managing Editor Elizabeth Wilson has also contributed to this edition of the *Review*. In an interesting and informative article she explains why, in her view, allowable losses which accrue to the trustees of a settlement under section 72 Finance Act 1991 cannot be used to reduce allowable losses attributable to the settlor by section 77 Taxation of Chargeable Gains Act.

In the final article in this edition of the *Review* Rupert Baldry of Pump Court Tax Chambers explains why the once popular unapproved share option has had its day. He goes on to suggest practical and inventive strategies for those who find themselves in the unattractive position of holding an unapproved option which they have yet to exercise.

The Editors welcome contributions, particularly on points raised in articles appearing in the *Review* (or indeed other Reviews and Journals). All articles (whether long or short), ideas for articles, and other correspondence on editorial matters should be addressed to: Andrew Hitchmough Esq, Managing Editor, *The Personal Tax Planning Review*, Pump Court Tax Chambers, 16 Bedford Row, London WC1R 4EB Tel: (020) 7414 8080, Fax: (020) 7414 8099.

Robert Venables QC   Peter Vaines   Andrew Hitchmough   Elizabeth Wilson

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