

**Bill 6: Corporate beneficiaries under trusts**

***Summary***

1. This paper presents draft clauses which rewrite sections 687A and 689B of ICTA for the purposes of corporation tax.
2. The paper contains:
  - the draft clauses, with origins;
  - draft explanatory notes; and
  - a draft note outlining a proposed change in the law.
3. We are not proposing to rewrite section 44(5A) to (5D) FA 2000 or to apply the equivalent income tax provisions in section 646A ITTOIA to a corporate beneficiary because there does not appear to be any possibility of these provisions having an effect for corporation tax purposes. But section 44 FA 2000 as amended by ITA will not be repealed by Bill 6.

***Questions for the committee***

4. We would be grateful for any comments you may have on these draft clauses.
5. In particular, we would welcome comments on the proposals outlined in the draft Change Note which is intended for inclusion in Annex 1 to the explanatory notes on the Bill.

***Closing date for comments***

6. We would welcome any comments by 14 December 2007. If possible, they should be sent by e-mail to:

[jackie.bartlett@hmrc.gsi.gov.uk](mailto:jackie.bartlett@hmrc.gsi.gov.uk)

Written comments should be sent to:

Jackie Bartlett  
Room 826, South West Wing  
Bush House  
London  
WC2B 4RD

7. Please note that the names of respondents may be published unless they ask for their comments to be treated in confidence.

19 September 2007