

Assets of insolvent person (S.569)

Part 19-03-02a

This document should be read in conjunction with section 569
of the Taxes Consolidation Act 1997

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Introduction

Section 569 of the Taxes Consolidation Act 1997 ("TCA 1997") deals with the position of a trustee or assignee in bankruptcy, under a deed of arrangement, a Debt Settlement Arrangement or a Personal Insolvency Arrangement.

2a.1 Details

Section 569 TCA 1997 (as substituted by section 100(1)(e) Finance Act 2013) deals with the position of a trustee or assignee in bankruptcy, under a deed of arrangement, a Debt Settlement Arrangement or a Personal Insolvency Arrangement within the meaning of the Personal Insolvency Act 2012. It provides that the holding of the assets of a bankrupt, debtor or insolvent person by an assignee in bankruptcy, a trustee or a personal insolvency practitioner and any subsequent retransfer of assets to the bankrupt, debtor or insolvent person are to be disregarded for Capital Gains Tax ('CGT') purposes. In other words, neither the holding or vesting of assets of a bankrupt, debtor or insolvent person by or in an assignee in bankruptcy, a trustee or a personal insolvency practitioner, nor the transfer of any of those assets back to the bankrupt, debtor or insolvent person are to be treated as disposals for CGT purposes.

2a.2 Chargeable gains accruing on disposal

Any chargeable gains accruing on disposals by the trustee or assignee in bankruptcy or by the personal insolvency practitioner are to be assessed on the trustee or assignee in bankruptcy or the personal insolvency practitioner.

2a.3 Death

Where the bankrupt, debtor or insolvent person dies, the trustee or assignee in bankruptcy or the personal insolvency practitioner is regarded as acquiring the assets as personal representative of the deceased.