



TRINIDAD AND TOBAGO

No. 22—1951

[L.S.]

I ASSENT,

H. E. RANCE,
Governor

5th May, 1951.

AN ORDINANCE to amend the Income Tax Ordinance,
Ch. 33. No. 1.

[5th May, 1951.]

Commence-
ment.

ENACTED by the Governor of Trinidad and Tobago, with the advice and consent of the Legislative Council thereof. Enactment.

1. This Ordinance may be cited as the Income Tax (Amendment No. 2) Ordinance, 1951, and shall be read as one with the Income Tax Ordinance as from time to time amended, which Ordinance as so amended is hereinafter referred to as the Principal Ordinance. Short title.

Ch. 33. No. 1

Section 10 of
Principal
Ordinance
amended.

2. Subsection (1) of section 10 of the Principal Ordinance is hereby amended by substituting the expression "section 8, or under arrangements having effect by virtue of section 47A," for the expression "section 8".

Section 33A of
Principal
Ordinance
repealed and
replaced.

3. Section 33A of the Principal Ordinance is hereby repealed and replaced by the following section :—

"Artificial
transactions,
transfers to
minors and
in trust.

33A. (1) Where the Commissioner is of opinion that any transaction which reduces or would reduce the amount of tax payable by any person is artificial or fictitious, or that full effect has not, in fact, been given to any disposition, the Commissioner may disregard any such transaction or disposition, and the persons concerned shall be assessable accordingly.

(2) Where, under or by virtue of a disposition made directly or indirectly by any disponent, the whole or any part of what would otherwise have been the income of that disponent is payable to or for the benefit, whether present or future and whether on the fulfilment of a condition or the happening of a contingency, or as the result of the exercise of a power or discretion conferred on any person, or otherwise, of a minor, or is deemed under the provisions of section 33B of this Ordinance to have been received by or for the benefit, whether present or future, and whether on the fulfilment of a condition or the happening of a contingency, or as a result of the exercise of a power or discretion conferred on any person, or otherwise, of a minor, such disponent shall, nevertheless, during the period of the minority of such minor, be liable to be taxed in respect of the sums so payable as if the disposition had not been made, and subsequent to such period of minority, such disponent shall continue to be liable to be taxed in respect of the sums so payable as if such disposition had not been made unless the Commissioner is satisfied that the disposition was not made for the purpose of avoiding tax.

(3) Where a person transfers property in trust and provides that the corpus of the trust shall revert either to the donor or to such persons as he may determine at a future date, or where a trust provides that during the lifetime of the donor no disposition or other dealing with the trust property shall be made without the consent, written or otherwise, of the donor, such person shall nevertheless be liable to be taxed

on the income derived from the property transferred in trust, or from property substituted therefor, as if such transfer had not been made.

(4) Subsection (1) of this section shall have effect whether the transaction or disposition was effected or made before or after the commencement of this Ordinance.

(5) Subsection (2) of this section shall have effect (whether the disposition was effected or made before or after the commencement of this Ordinance) in regard to assessments made in respect of the year of assessment 1951 and each succeeding year of assessment.

(6) Subsection (3) of this section shall apply to all transfers made or trusts created after the 4th of December, 1941.

(7) In this section, "disposition" includes any trust, grant, covenant, agreement, arrangement or transfer of assets.

(8) A discretion conferred on the Commissioner by this section may be exercised, on appeal under section 41, by the Judge.

(9) Nothing in this section shall prevent any income under any disposition from being treated for the purpose of tax as the income of the person making the disposition in any case in which this section does not apply."

Passed in Council this twentieth day of April, in the year of Our Lord one thousand nine hundred and fifty-one.

HAROLD LEACOCK,

Clerk of the Council