
THE PERSONAL TAX PLANNING REVIEW

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From the Consulting Editor

EDITORIAL

In this issue, I review the changes announced by the Chancellor in his Budget Speech. Donald Pearce-Crump examines the new Schedule A income tax regime and in particular the extent to which Schedule D rules are incorporated by reference. Ralph Ray conducts a useful survey of the situations in which letters of wishes may be important in the context of estate planning. James Kessler considers trustee exemption clauses in the wake of *Armitage v Nurse* and concludes that the solution to the problem lies not in law reform but in drafting.

In 'The Honourable Profession of Carpetbagging', Roger Cockfield and Mary Mullholland suggest that some of the considerable profits made by individuals from building society conversions may in fact be taxable as trading income, resulting in an estimated yield to the Exchequer of £230,000,000! Reginald S Nock and Simon Nock, a father and son act, remind us, in 'Do Not Pass Go', that tax planners must always have regard to whether their strategies are valid as a matter of private law. While most of us appreciate that it is madness to attempt, say, tax planning through trusts without the advice of a trusts expert, the requirements of company law, with which their article is primarily concerned, are so often overlooked by the draftsmen of tax legislation, the Revenue and tax practitioners. In 'The Territorial Source of Interest Payments', Alexander Thornton revisits a difficult area. One of his important conclusions, with which I would respectfully agree, is that authorities on the *situs* of a debt claim (relevant for capital tax purposes) have no relevance to the territorial *source* of income from that debt (relevant for income tax purposes).

Julian Gosh has resigned as Joint Managing Editor of this *Review* in order to devote himself to the Key Haven *Corporate Taxation Review*, which was launched in February. We are pleased to welcome as his replacement Andrew Hitchmough and Elizabeth Wilson both of Pump Court Tax Chambers and co-authors of *Ray's Practical Inheritance Tax Planning*. Peter Vaines continues as Joint Managing Editor.

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, The Managing Editor, The Personal Tax Planning Review, Pump Court Tax Chambers, 16 Bedford Row, London WC1R 4EB Tel: (0171) 414 8080, Fax: (0171) 414 8099.

Robert Venables QC

26th March 1998