



Finance Act 1981

1981 CHAPTER 35

PART V

CAPITAL TRANSFER TAX

104 Reversionary interests

- (1) Subsections (2) and (3) of section 22 of the Finance Act 1975 (relief from charge on death for settled property to which the settlor or his spouse becomes entitled) and sub-paragraphs (5) and (6) of paragraph 4 of Schedule 5 to that Act (corresponding relief on termination of interests in possession) shall not apply in any case where their application depends upon a reversionary interest having been transferred into a settlement on or after 10th March 1981.

- (2) In Schedule 6 to the Finance Act 1975 (exempt transfers) in paragraph 15 (exceptions) after sub-paragraph (2) there shall be inserted—

“(2A) Paragraphs 1 and 10 to 13 above do not apply in relation to property which is given in consideration of the transfer of a reversionary interest if, by virtue of section 23(3) above, that interest does not form part of the estate of the person acquiring it.”

and in section 84(8) of the Finance Act 1976 after “(2)” there shall be inserted “(2A)”.

This subsection has effect in relation to transfers of value made on or after 10th March 1981.

- (3) In section 24(3)(aa) of the Finance Act 1975 (reversionary interest not excluded property if the settlor or his spouse is beneficially entitled to it) after the word “is” there shall be inserted the words “or has been”.

This subsection shall be deemed to have come into force on 10th March 1981 but shall not apply in relation to a reversionary interest if the person entitled to it acquired it before that date or if it is an interest under a settlement made before 16th April 1976.