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STATUTORY INSTRUMENTS

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**2006 No. 2141**

**INHERITANCE TAX**

**The Inheritance Tax (Delivery of Accounts)  
(Excepted Estates) (Amendment) Regulations 2006**

<i>Made</i>	- - - -	<i>2nd August 2006</i>
<i>Laid before the House of Commons</i>	- - - -	<i>3rd August 2006</i>
<i>Coming into force</i>	- -	<i>1st September 2006</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 256(1), (1A) and (3) of the Inheritance Tax Act 1984<sup>(1)</sup> and now vested in them<sup>(2)</sup>.

In accordance with section 256(3A) of that Act<sup>(3)</sup>, they have consulted the Lord Chancellor, the Scottish Ministers and the Lord Chief Justice of Northern Ireland.

**Citation, commencement, effect and interpretation**

1.—(1) These Regulations may be cited as the Inheritance Tax (Delivery of Accounts) (Excepted Estates) (Amendment) Regulations 2006.

(2) These Regulations shall come into force on 1st September 2006, and shall have effect in relation to deaths occurring on or after that day.

(3) In these Regulations “the principal Regulations” means the Inheritance Tax (Delivery of Accounts) (Excepted Estates) Regulations 2004<sup>(4)</sup>.

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- (1) [1984 c. 51](#). By virtue of section 100(1) and (2) of the Finance Act [1986 \(c. 41\)](#), on and after 25th July 1986 the Capital Transfer Tax Act 1984 may be cited as the Inheritance Tax Act 1984, and any reference in that Act to capital transfer tax is to have effect as a reference to inheritance tax, except where the reference relates to a liability to tax arising before 25th July 1986. Section 256(1) of the Inheritance Tax Act 1984 was amended by section 293(2) of the Finance Act [2004 \(c. 12\)](#), section 256(1A) of the Inheritance Tax Act 1984 was inserted by section 293(3) of the Finance Act 2004, and section 256(3) of the Inheritance Tax Act 1984 was amended by section 293(5) of the Finance Act 2004.
- (2) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act [2005 \(c. 11\)](#). Section 50 of that Act provides that in so far as it is appropriate in consequence of section 5 a reference in an enactment, however expressed, to the Commissioners of Inland Revenue is to be read as a reference to the Commissioners for Her Majesty's Revenue and Customs.
- (3) Section 256(3A) of the Inheritance Tax Act 1984 was substituted by paragraph 176 of Schedule 4 to the Constitutional Reform Act [2005 \(c. 4\)](#).
- (4) [S.I. 2004/2543](#).

## **Amendment of the principal Regulations: general**

2. The principal Regulations are amended as follows.

### **Amendment of regulation 2**

3. In regulation 2 (interpretation), in the definition of “the Board”, for “Commissioners of Inland Revenue” substitute “Commissioners for Her Majesty’s Revenue and Customs”.

### **Amendment of regulation 4**

4.—(1) Regulation 4 (excepted estates) is amended as follows.

(2) In paragraph (1) for “(4)” substitute “(5)”.

(3) In each of paragraphs (2) and (3)—

(a) in sub-paragraph (c)(i) for “£100,000” substitute “£150,000”;

(b) in sub-paragraph (c)(ii) for “£75,000” substitute “£100,000”;

(c) after sub-paragraph (c) insert the following sub-paragraph—

“(ca) that person was not a person by reason of whose death one of the alternatively secured pension fund provisions applies;” and

(d) in sub-paragraph (d) for “£100,000” substitute “£150,000”.

(4) In paragraph (5)—

(a) for sub-paragraph (b) substitute the following sub-paragraphs—

“(b) that person was never domiciled in the United Kingdom or treated as domiciled in the United Kingdom by section 267 of the 1984 Act<sup>(5)</sup>;

(ba) that person was not a person by reason of whose death one of the alternatively secured pension fund provisions applies; and” and

(b) in sub-paragraph (c) for “£100,000” substitute “£150,000”.

(5) After paragraph (8) insert—

“(9) In this regulation “the alternatively secured pension fund provisions” means the following sections of the 1984 Act—

(a) section 151A (person dying with alternatively secured pension fund)<sup>(6)</sup>;

(b) section 151B (relevant dependant with pension fund inherited from member over 75); and

(c) section 151C (dependant dying with other pension fund).”.

### **Amendment of regulation 9**

5. In regulation 9 (discharge of persons and property from tax) for “9” substitute “8”.

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(5) Section 267(4) was amended by section 208(3) of the Finance Act 1993 (c. 34).

(6) Sections 151A to 151C were inserted by paragraph 4 of Schedule 22 to the Finance Act 2006 (c. 25).

2nd August 2006

*Steve Lamey*  
*Dave Hartnett*  
Two of the Commissioners for Her Majesty's  
Revenue and Customs

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Inheritance Tax (Delivery of Accounts) (Excepted Estates) Regulations 2004 (S.I. 2004/2543) (“the principal Regulations”).

Regulation 4 amends regulation 4 of the principal Regulations, and the amendments made fall into two main categories. The first main category of amendment raises the cash limits specified in the principal Regulations. The second main category of amendment derives from the insertion (by paragraph 4 of Schedule 22 to the Finance Act 2006 (c. 25)) of sections 151A to 151C into the Inheritance Tax Act 1984 (c. 51). Those sections deal with alternatively secured pension funds, and the amendments made by these Regulations have the result that if any of sections 151A to 151C apply by reason of an individual’s death, that individual’s estate is not an excepted estate. In addition, paragraph (2) of regulation 4 of these Regulations makes a minor amendment of a drafting nature.

Regulation 3 of these Regulations replaces a reference to the Commissioners of Inland Revenue in regulation 2 of the principal Regulations with a reference to Her Majesty’s Revenue and Customs; and regulation 5 of these Regulations makes another minor amendment of a drafting nature.