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STATUTORY INSTRUMENTS

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**2008 No. 605**

**The Inheritance Tax (Delivery of Accounts) (Excepted Transfers and Excepted Terminations) Regulations 2008**

**Excepted terminations**

5.—(1) An excepted termination is the termination of an interest in possession in the settled property of a specified trust in any of the following circumstances.

(2) The circumstances are that—

- (a) the transferor has, in connection with the termination, given to the trustees of the settlement a notice under section 57(3) informing them of the availability of the exemption; and
- (b) the value transferred in consequence of the termination does not exceed the amount of the exemption specified in the notice.

(3) The circumstances are that—

- (a) the value of the property in which the interest subsisted is attributable to either—
  - (i) cash; or
  - (ii) quoted shares or securities; and
- (b) the value transferred in consequence of the termination, together with the values transferred by any previous chargeable transfers made by the transferor during the seven years preceding the transfer does not exceed the IHT threshold.

(4) The circumstances are that—

- (a) the value transferred in consequence of the termination, together with the values transferred by any previous chargeable transfers made by the transferor during the seven years preceding the termination does not exceed 80% of the IHT threshold; and
- (b) the value transferred in consequence of the termination does not exceed the net IHT threshold.

(5) For the purpose of paragraph (4)(b), sections 104 (business property relief) and 116 (agricultural property relief) shall not apply in determining the value transferred in consequence of the termination.