
STATUTORY INSTRUMENTS

2011 No. 170

INHERITANCE TAX

The Inheritance Tax Avoidance Schemes (Prescribed Descriptions of Arrangements) Regulations 2011

<i>Made</i>	- - - -	<i>1st February 2011</i>
<i>Laid before House of Commons</i>		
	- - - -	<i>2nd February 2011</i>
<i>Coming into force</i>	- -	<i>6th April 2011</i>

The Treasury make the following Regulations in accordance with the powers conferred by section 306(1)(a) and (b) of the Finance Act 2004⁽¹⁾.

Citation and commencement

1. These Regulations may be cited as the Inheritance Tax Avoidance Schemes (Prescribed Descriptions of Arrangements) Regulations 2011 and come into force on 6th April 2011.

Prescribed description of arrangements in relation to inheritance tax

2.—(1) For the purposes of Part 7 of the Finance Act 2004 (disclosure of tax avoidance schemes) the arrangements specified in paragraph (2) are prescribed in relation to inheritance tax.

(2) Arrangements are prescribed if—

- (a) as a result of any element of the arrangements property becomes relevant property; and
- (b) a main benefit of the arrangements is that an advantage is obtained in relation to a relevant property entry charge.

(3) In this regulation—

“property” shall be construed in accordance with section 272 of the Inheritance Tax Act 1984⁽²⁾;

“relevant property” has the meaning given by section 58(1) of the Inheritance Tax Act 1984⁽³⁾;

(1) 2004 c. 12.

(2) 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. The definition of “property” in section 272 was amended by section 119(1), (4), (6), and (7) of the Finance Act 2002 (c. 23).

(3) Section 58(1) was amended by section 203(1) and (3) of the Finance Act 2004, paragraphs 7, 18 and 19 of Schedule 20 to the Finance Act 2006 (c. 25) and paragraph 18(1) and (3)(a) of Schedule 29 to the Finance Act 2008 (c. 9).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

“relevant property entry charge” means the charge to inheritance tax which arises on a transfer of value made by an individual during that individual’s life as a result of which property becomes relevant property;

“transfer of value” has the meaning given by section 3(1) of the Inheritance Tax Act 1984.

3. Arrangements are excepted from disclosure under these Regulations if they are of the same, or substantially the same, description as arrangements—

- (a) which were first made available for implementation before 6th April 2011; or
- (b) in relation to which the date of any transaction forming part of the arrangements falls before 6th April 2011; or
- (c) in relation to which a promoter first made a firm approach⁽⁴⁾ to another person before 6th April 2011.

Michael Fabricant
James Duddridge

Two of the Lord Commissioners of Her
Majesty’s Treasury

1st February 2011

⁽⁴⁾ Section 307(4A) of the Finance Act 2004 defines the circumstances in which a person makes a firm approach to another person for the purposes of Part 7 of that Act. Section 307(4A) was inserted by paragraphs 1 and 2 of Schedule 17 to the Finance Act 2010 (c. 13).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations prescribe arrangements which enable, or might be expected to enable, a person to obtain an advantage in relation to Inheritance Tax and which a promoter is required to notify to Her Majesty's Revenue and Customs under Part 7 of the Finance Act 2004 (c.12).

Regulation 1 provides for citation and commencement.

Regulation 2 prescribes arrangements in relation to inheritance tax which must be notified.

Regulation 3 provides that the duty to notify does not arise in relation to arrangements first made available for implementation, or entered into before 6th April 2011, or in respect of which a promoter first made a firm approach to another person before that date.

An Impact Assessment is available from the HMRC website at <http://www.hmrc.gov.uk/ria/index.htm#full>. It has been updated by a Tax Information and Impact Note which is annexed to the Explanatory Memorandum which is available alongside this instrument on www.legislation.gov.uk.