



Inheritance Tax Act 1984

1984 CHAPTER 51

PART II

EXEMPT TRANSFERS

CHAPTER II

CONDITIONAL EXEMPTION

31 Designation and undertakings.

(1) The Treasury may designate under this section—

- [^{F1}(a) any relevant object which appears to the Board to be pre-eminent for its national, scientific, historic or artistic interest;
- (aa) any collection or group of relevant objects which, taken as a whole, appears to the Board to be pre-eminent for its national, scientific, historic or artistic interest;]
- (b) any land which in the opinion of the Treasury is of outstanding scenic or historic or scientific interest;
- (c) any building for the preservation of which special steps should in the opinion of the Treasury be taken by reason of its outstanding historic or architectural interest;
- [^{F2}(d) any area of land which in the opinion of the Treasury is essential for the protection of the character and amenities of such a building as is mentioned in paragraph (c) above;]
- (e) any object which in the opinion of the Treasury is historically associated with such a building as is mentioned in paragraph (c) above.

[^{F3}(1A) Where the transfer of value in relation to which the claim for designation is made is a potentially exempt transfer which (apart from section 30 above) has proved to be a chargeable transfer, the question whether any property is appropriate for designation

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under this section shall be determined by reference to circumstances existing after the death of the transferor.]

- (2) In the case of property within subsection [F⁴(1)(a)or(aa)] above, the requisite undertaking is that, until the person beneficially entitled to the property dies or the property is disposed of, whether by sale or gift or otherwise—
- (a) the property will be kept permanently in the United Kingdom and will not leave it temporarily except for a purpose and a period approved by the Treasury, and
 - (b) [F⁵such steps as are agreed between the Treasury and the person giving the undertaking, and are set out in it,] will be taken for the preservation of the property and for securing reasonable access to the public.
- (3) If it appears to the Treasury, on a claim made for the purpose, that any documents which are designated or to be designated under subsection [F⁴(1)(a) or (aa)] above contain information which for personal or other reasons ought to be treated as confidential, they may exclude those documents, either altogether or to such extent as they think fit, from so much of an undertaking given or to be given under subsection (2) (b) above as relates to public access.
- (4) In the case of other property within subsection (1) above, the requisite undertaking is that, until the person beneficially entitled to the property dies or the property is disposed of, whether by sale or gift or otherwise, [F⁶such steps as are agreed between the Treasury and the person giving the undertaking, and are set out in it,] will be taken—
- (a) in the case of land falling within subsection (1)(b) above, for the maintenance of the land and the preservation of its character, and
 - (b) in the case of any other property, for the maintenance, repair and preservation of the property and, if it is an object falling within subsection (1)(e) above, for keeping it associated with the building concerned;
- and for securing reasonable access to the public.
- [F⁷(4A) In the case of an area of land within subsection (1)(d) above (relevant land) there is an additional requisite undertaking, which is that, until the person beneficially entitled to property falling within subsection (4C) below dies, or it is disposed of, whether by sale or gift or otherwise, specified steps will be taken for its maintenance, repair and preservation and for securing reasonable access to the public; and “specified steps” means such steps as are agreed between the Treasury and the person giving the undertaking, and are set out in it.
- (4B) Where different persons are entitled (either beneficially or otherwise) to different properties falling within subsection (4C) below, subsection (4A) above shall have effect to require separate undertakings as to the maintenance, repair, preservation and access of each of the properties to be given by such persons as the Treasury think appropriate in the circumstances of the case.
- (4C) The following property falls within this subsection—
- (a) the building for the protection of whose character and amenities the relevant land is in the opinion of the Treasury essential;
 - (b) any other area (or areas) of land which, in relation to the building, falls (or fall) within subsection (1)(d) above and which either lies (or lie) between the relevant land and the building or is (or are) in the opinion of the Treasury, physically closely connected with the relevant land or the building.

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(4D) Where subsection (4A) above requires an undertaking for the maintenance, repair, preservation and access of property, such an undertaking is required notwithstanding that some other undertaking for its maintenance, repair, preservation and access is effective.

(4E) Any undertaking given in pursuance of subsection (4A) above is for the purposes of this Act given with respect to the relevant land.

(4F) It is for the person seeking the designation of relevant land to secure that any undertaking required under subsection (4A) above is given.]

[^{F8}(4FA) For the purposes of this section, the steps agreed for securing reasonable access to the public must ensure that the access that is secured is not confined to access only where a prior appointment has been made.]

[^{F9}(4FB) Subject to subsection (3) above, where the steps that may be set out in any undertaking include steps for securing reasonable access to the public to any property, the steps that may be agreed and set out in that undertaking may also include steps involving the publication of—

- (a) the terms of any undertaking given or to be given for any of the purposes of this Act with respect to the property; or
- (b) any other information relating to the property which (apart from this subsection) would fall to be treated as confidential;

and references in this Act to an undertaking for access to any property shall be construed as including references to so much of any undertaking as provides for the taking of steps involving any such publication.]

[^{F10}(4G) In a case where—

- (a) the transfer of value in question is a potentially exempt transfer which (apart from section 30 above) has proved to be a chargeable transfer, and
- (b) at the time of the transferor's death an undertaking by such a person as is mentioned in section 30(1)(b) above given under paragraph 3(3) of Schedule 4 to this Act or under section [^{F11}258 of the 1992 Act] is in force with respect to any property to which the value transferred by the transfer is attributable,

that undertaking shall be treated for the purposes of this Chapter as an undertaking given under section 30 above.]

[^{F12}(5) In this section—

'national interest' includes interest within any part of the United Kingdom; and
'relevant object' means—

- (a) a picture, print, book, manuscript, work of art or scientific object, or
- (b) anything not falling within paragraph (a) above that does not yield income;

and in determining under subsection (1)(a) or (aa) above whether an object or a collection or group of objects is pre-eminent, regard shall be had to any significant association of the object, collection or group with a particular place.]

Textual Amendments

F1 S. 31(1)(a)(aa) substituted for s. 31(1)(a) (31.7.1998 with effect in relation to the making of any designation on a claim made on or after 31.7.1998) by 1998 c. 36, s. 142, Sch. 25 para. 4(1)(4)

F2 Finance Act 1985 Sch. 26, para. 2(2), in relation to events occurring after 18 March 1985. Originally

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“any land which adjoins such a building as is mentioned in paragraph (c) above and which in the opinion of the Treasury is essential for the protection of the character and amenities of the building.”

- F3** Finance Act 1986 Sch. 19, para. 8(1), *in relation to transfers of value made on or after 18 March 1986.*
- F4** Words in s. 31(2)(3) substituted (31.7.1998 with effect in relation to the making of any designation on a claim made on or after 31.7.1998) by 1998 c. 36, s. 142, **Sch. 25 para. 4(2)(4)**
- F5** Finance Act 1985 Sch. 26, para. 2(3), *in relation to events occurring after 18 March 1985. Originally “reasonable steps”.*
- F6** Finance Act 1985 Sch. 26, para. 2(3), *in relation to events occurring after 18 March 1985. Originally “reasonable steps”.*
- F7** Finance Act 1985 Sch. 26, para. 2(4), *in relation to events occurring after 18 March 1985.*
- F8** S. 31(4FA) inserted (31.7.1998 with effect in relation to the giving of any undertaking on or after 31.7.1998) by 1998 c. 36, s. 142, **Sch. 25 para. 5(1)(2)**
- F9** S. 31(4FB) inserted (31.7.1998 with effect in relation to the giving of any undertaking on or after 31.7.1998) by 1998 c. 36, s. 142, **Sch. 25 para. 6(1)(2)**
- F10** Finance Act 1986 Sch. 19, para. 8(2), *in relation to transfers of value made on or after 18 March 1986.*
- F11** Words in s. 31(4G)(b) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by **Taxation of Chargeable Gains Act 1992 (c. 12)**, ss. 289, 290, **Sch. 10 para. 8(2)** (with ss. 60, 101(1), 201(3)).
- F12** S. 31(5) substituted (31.7.1998 with effect in relation to the making of any designation on a claim made on or after 31.7.1998) by 1998 c. 36, s. 142, **Sch. 25 para. 4(3)(4)**

Modifications etc. (not altering text)

- C1** *By Finance Act 1985 s. 95, the functions of the Treasury were transferred to the Commissioners of Inland Revenue (“the Board”).*

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