



# Inheritance Tax Act 1984

## 1984 CHAPTER 51

### PART III

#### SETTLED PROPERTY

#### CHAPTER III

#### SETTLEMENTS WITHOUT INTERESTS IN POSSESSION [<sup>F1</sup>, AND CERTAIN SETTLEMENTS IN WHICH INTERESTS IN POSSESSION SUBSIST]

##### *Interpretation*

#### **59 Qualifying interest in possession.**

[<sup>F1</sup>(1) In this Chapter “qualifying interest in possession” means—

- (a) an interest in possession—
  - (i) to which an individual is beneficially entitled, and
  - (ii) which, if the individual became beneficially entitled to the interest in possession on or after 22nd March 2006, is an immediate post-death interest, a disabled person's interest or a transitional serial interest, or
- (b) an interest in possession to which, where subsection (2) below applies, a company is beneficially entitled.]

(2) This subsection applies where—

- (a) the business of the company consists wholly or mainly in the acquisition of interests in settled property, and
- (b) the company has acquired the interest for full consideration in money or money's worth from an individual who was beneficially entitled to it [<sup>F2</sup>, and
- (c) if the individual became beneficially entitled to the interest in possession on or after 22nd March 2006, the interest is an immediate post-death interest, or a disabled person's interest within section 89B(1)(c) or (d) below or a transitional serial interest, immediately before the company acquires it.]

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*Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 59. (See end of Document for details)*

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(3) Where the acquisition mentioned in paragraph (b) of subsection (2) above was before 14th March 1975—

- (a) the condition set out in paragraph (a) of that subsection shall be treated as satisfied if the business of the company was at the time of the acquisition such as is described in that paragraph, and
- (b) that condition need not be satisfied [<sup>F3</sup>if the company [<sup>F4</sup>—
  - (i) is an insurance company (within the meaning of Part 2 of the Finance Act 2012), and
  - (ii) has permission under Part 4A of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance.]]

[<sup>F5</sup>(4) In subsection (3)(b) above “contracts of long-term insurance” means contracts which fall within Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.]

#### Textual Amendments

- F1** S. 59(1) substituted (22.3.2006) by [Finance Act 2006 \(c. 25\)](#), s. 156, [Sch. 20 para. 20\(2\)](#)
- F2** S. 59(2)(c) and preceding word inserted (22.3.2006) by [Finance Act 2006 \(c. 25\)](#), s. 156, [Sch. 20 para. 20\(3\)](#)
- F3** Words in s. 59(3) substituted (1.5.1995 with effect as mentioned in s. 52(5) of the amending Act) by 1995 c. 4, s. 52(4)
- F4** Words in s. 59(3)(b) substituted (31.1.2020) by [The Taxes \(Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/689\)](#), regs. 1, 3(2) (with regs. 39-41); 2020 c. 1, Sch. 5 para. 1(1)
- F5** S. 59(4) added (1.12.2001 with effect as mentioned in art. 5(4) of the amending S.I.) by [S.I. 2001/3629](#), [art. 5\(1\)\(3\)\(4\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 59.