

SCHEDULES

SCHEDULE 7

RELIEF FOR GIFTS OF BUSINESS ASSETS

PART I

AGRICULTURAL PROPERTY AND SETTLED PROPERTY

Agricultural property

- 1 (1) This paragraph applies where—
- (a) there is a disposal of an asset which is, or is an interest in, agricultural property within the meaning of Chapter II of Part V of the Inheritance Tax Act 1984 (inheritance tax relief for agricultural property), and
 - (b) apart from this paragraph, the disposal would not fall within section 165(1) by reason only that the agricultural property is not used for the purposes of a trade carried on as mentioned in section 165(2)(a).
- (2) Where this paragraph applies, section 165(1) shall apply in relation to the disposal if the circumstances are such that a reduction in respect of the asset—
- (a) is made under Chapter II of Part V of the Inheritance Tax Act 1984 in relation to a chargeable transfer taking place on the occasion of the disposal, or
 - (b) would be so made if there were a chargeable transfer on that occasion, or
 - (c) would be so made but for section 124A of that Act (assuming, where there is no chargeable transfer on that occasion, that there were).