



Finance Act 2003

2003 CHAPTER 14

PART 8

OTHER TAXES

Inheritance tax

186 Authorised unit trusts, OEICs and common investment funds

- (1) The Inheritance Tax Act 1984 (c. 51) is amended as follows.
- (2) In section 6 (excluded property), after subsection (1) insert—

“(1A) A holding in an authorised unit trust and a share in an open-ended investment company is excluded property if the person beneficially entitled to it is an individual domiciled outside the United Kingdom.”.
- (3) In section 48 (settlements: excluded property), after subsection (3) insert—

“(3A) Where property comprised in a settlement is a holding in an authorised unit trust or a share in an open-ended investment company—

 - (a) the property (but not a reversionary interest in the property) is excluded property unless the settlor was domiciled in the United Kingdom at the time the settlement was made, and
 - (b) section 6(1A) above applies to a reversionary interest in the property but does not otherwise apply in relation to the property.”.
 - (4) In section 178(1) (sale of shares etc from deceased’s estate: preliminary)—
 - (a) in the definition of “qualifying investments”, after “authorised unit trust” insert “, shares in an open-ended investment company”, and
 - (b) for “section 1 of the Administration of Justice Act 1965” substitute “section 42 of the Administration of Justice Act 1982”.
 - (5) Section 272 (general interpretation) is amended as follows.

Changes to legislation: Finance Act 2003, Section 186 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

(6) After the definition of “amount” insert—

““authorised unit trust” means a scheme which is a unit trust scheme for the purposes of section 469 of the Taxes Act 1988 (see subsection (7) of that section) and in the case of which an order under section 243 of the Financial Services and Markets Act 2000 is in force;”.

(7) After the definition of “mortgage” insert—

““open-ended investment company” means an open-ended investment company within the meaning given by section 236 of the Financial Services and Markets Act 2000 which is incorporated in the United Kingdom;”.

(8) This section has effect in relation to transfers of value or other events occurring on or after 16th October 2002.

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Changes and effects yet to be applied to :

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 57(3) inserted by [2011 c. 11 Sch. 22 para. 4](#)
- s. 87(3)(a)(ia) inserted by [S.I. 2003/2760 Sch. para. 3\(4\)\(a\)](#) (This amendment not applied to legislation.gov.uk. The affecting S.I. is revoked and superseded by [S.I. 2003/2816](#))
- Sch. 12 para. 3(2)(aa) inserted by [2007 asp 3 Sch. 5 para. 32](#) (This effect was superseded by the repeal of Sch. 12 para. 3 by Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 16)
- Sch. 12 para. 1A inserted by [2007 c. 15 Sch. 13 para. 147\(2\)](#) (The amending provision was repealed before coming into force.)
- Sch. 12 para. 1A omitted by [2008 c. 9 Sch. 43 para. 9](#) (The amending provision was repealed before coming into force.)