



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.

Status: This is the original version (as it was originally enacted).

(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.