
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006. Cross Heading: Certain interests in possession to which a person becomes entitled on or after 22nd March 2006 not to be “qualifying interests in possession” for purposes of Chapter 3 of Part 3 of IHTA 1984. (See end of Document for details)

SCHEDULES

SCHEDULE 20

INHERITANCE TAX: RULES FOR TRUSTS ETC

PART 3

RELATED AMENDMENTS IN IHTA 1984

Certain interests in possession to which a person becomes entitled on or after 22nd March 2006 not to be “qualifying interests in possession” for purposes of Chapter 3 of Part 3 of IHTA 1984

- 20 (1) Section 59 of IHTA 1984 (settlements without interests in possession: meaning of “qualifying interest in possession”) is amended as follows.
- (2) For subsection (1) substitute—
- “(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.”
- (3) In subsection (2) (cases where interest in possession to which a company is entitled is a “qualifying” interest), after paragraph (b) insert “, 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.”
- (4) Where a chargeable transfer to which section 54A of IHTA 1984 applies was made before 22nd March 2006, that section has effect in relation to that transfer as if in that section “qualifying interest in possession” has the meaning it would have apart from sub-paragraphs (1) to (3).
- (5) In the heading to Chapter 3 of Part 3 of IHTA 1984, at the end add “, AND CERTAIN SETTLEMENTS IN WHICH INTERESTS IN POSSESSION SUBSIST ”.

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not to be “qualifying interests in possession” for purposes of Chapter 3 of Part 3 of IHTA 1984 .