
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006,
Cross Heading: “Relevant property” to include property held on employee trusts or newspaper
trusts if certain interests in possession subsist in the property. (See end of Document for details)

SCHEDULES

SCHEDULE 20

INHERITANCE TAX: RULES FOR TRUSTS ETC

PART 3

RELATED AMENDMENTS IN IHTA 1984

“Relevant property” to include property held on employee trusts or newspaper trusts if certain interests in possession subsist in the property

- 19 (1) Section 58 of IHTA 1984 (meaning of “relevant property” in Chapter 3 of Part 3) is amended as follows.
- (2) In subsection (1)(b) (which provides that property to which section 86 applies is not relevant property), after “86 below applies” insert “ (but see subsection (1A) below) ”.
- (3) After subsection (1) insert—
- “(1A) Settled property to which section 86 below applies is “relevant property” for the purposes of this Chapter if—
- (a) an interest in possession subsists in that property, and
 - (b) that interest falls within subsection (1B) or (1C) below.
- (1B) An interest in possession falls within this subsection if—
- (a) an individual is beneficially entitled to the interest in possession,
 - (b) the individual became beneficially entitled to the interest in possession on or after 22nd March 2006, and
 - (c) the interest in possession is—
 - (i) not an immediate post-death interest,
 - (ii) not a disabled person's interest, and
 - (iii) not a transitional serial interest.
- (1C) An interest in possession falls within this subsection if—
- (a) a company is beneficially entitled to the interest in possession,
 - (b) the business of the company consists wholly or mainly in the acquisition of interests in settled property,
 - (c) the company has acquired the interest in possession for full consideration in money or money's worth from an individual who was beneficially entitled to it,
 - (d) the individual became beneficially entitled to the interest in possession on or after 22nd March 2006, and

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- (e) immediately before the company acquired the interest in possession, the interest in possession was neither an immediate post-death interest nor a transitional serial interest.”

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