



Finance (No. 2) Act 1987

1987 CHAPTER 51

PART II

INHERITANCE TAX ETC.

96 Interests in possession.

- (1) With respect to transfers of value made, and other events occurring, on or after 17th March 1987, the ^{M1}Inheritance Tax Act 1984 shall be amended in accordance with this section.
- (2) In section 3A (potentially exempt transfers)—
 - (a) in subsection (2)(a) the words “otherwise than as settled property” shall be omitted;
 - (b) in subsection (2)(b) the words from “otherwise” onwards shall be omitted; and
 - ^{F1}(c)
- (3) At the end of section 3A there shall be added the following subsection—

“(7) In the application of this section to an event on the happening of which tax is chargeable under section 52 below, the reference in subsection (1)(a) above to the individual by whom the transfer of value is made is a reference to the person who, by virtue of section 3(4) above, is treated as the transferor.”
- (4) In section 49 (treatment of interests in possession) subsection (3) (which was added by paragraph 14 of Schedule 19 to the ^{M2}Finance Act 1986) shall be omitted.
- (5) In section 55 (reversionary interest acquired by beneficiary) in subsection (2) the words “and such a disposition is not a potentially exempt transfer” (being words added by paragraph 15 of the said Schedule 19) shall be omitted.
- (6) Schedule 7 to this Act shall have effect for the purpose of making further amendments of the ^{M3}Inheritance Tax Act 1984 relating to interests in possession in settled property.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 1987, Section 96. (See end of Document for details)

Textual Amendments

- F1** S. 96(2)(c) omitted (with effect in accordance with s. 53(10) of the amending Act) by virtue of [Finance Act 2010 \(c. 13\), s. 53\(9\)](#)
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Marginal Citations

- M1** 1984 c. 51.
M2 1986 c. 41.
M3 1984 c. 51.

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 2) Act 1987, Section 96.