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## SCHEDULES

### SCHEDULE 15

#### CHARGE TO INCOME TAX ON BENEFITS RECEIVED BY FORMER OWNER OF PROPERTY

##### *Excluded transactions*

- 10 (1) For the purposes of paragraphs 3(2) and 6(2) (the disposal condition), the disposal of any property is an “excluded transaction” in relation to any person (“the chargeable person”) if—
- (a) it was a disposal of his whole interest in the property, except for any right expressly reserved by him over the property, either—
    - (i) by a transaction made at arm’s length with a person not connected with him, or
    - (ii) by a transaction such as might be expected to be made at arm’s length between persons not connected with each other,
  - (b) the property was transferred to his spouse [<sup>F1</sup>or civil partner] (or where the transfer has been ordered by a court, to his former spouse [<sup>F1</sup>or civil partner]),
  - (c) it was a disposal by way of gift (or, where the transfer is for the benefit of his former spouse [<sup>F2</sup>or civil partner], in accordance with a court order), by virtue of which the property became settled property in which his spouse [<sup>F2</sup>or civil partner] or former spouse [<sup>F2</sup>or civil partner] is beneficially entitled to an interest in possession,
  - (d) the disposal was a disposition falling within section 11 of IHTA 1984 (dispositions for maintenance of family), or
  - (e) the disposal is an outright gift to an individual and is for the purposes of IHTA 1984 a transfer of value that is wholly exempt by virtue of section 19 (annual exemption) or section 20 (small gifts).
- (2) For the purposes of paragraphs 3(3) and 6(3) (the contribution condition) the provision by a person (“the chargeable person”) of consideration for another’s acquisition of any property is an “excluded transaction” in relation to the chargeable person if—
- (a) the other person was his spouse [<sup>F3</sup>or civil partner] (or, where the transfer has been ordered by the court, his former spouse [<sup>F3</sup>or civil partner]),
  - (b) on its acquisition the property became settled property in which his spouse [<sup>F4</sup>or civil partner] or former spouse [<sup>F4</sup>or civil partner] is beneficially entitled to an interest in possession,
  - (c) the provision of the consideration constituted an outright gift of money (in sterling or any other currency) by the chargeable person to the other person and was made at least seven years before the earliest date on which the chargeable person met the condition in paragraph 3(1)(a) or, as the case may be, 6(1)(a),

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- (d) the provision of the consideration is a disposition falling within section 11 of IHTA 1984 (dispositions for maintenance of family), or
  - (e) the provision of the consideration is an outright gift to an individual and is for the purposes of IHTA 1984 a transfer of value that is wholly exempt by virtue of section 19 (annual exemption) or section 20 (small gifts).
- (3) A disposal is not an excluded transaction by virtue of sub-paragraph (1)(c) or (2)(b), if the interest in possession of the spouse [<sup>F5</sup>or civil partner] or former spouse [<sup>F5</sup>or civil partner] has come to an end otherwise than on the death of the spouse [<sup>F5</sup>or civil partner] or former spouse [<sup>F5</sup>or civil partner].

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**Textual Amendments**

- F1** Words in Sch. 15 para. 10(1)(b) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **179(b)**
- F2** Words in Sch. 15 para. 10(1)(c) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **179(b)**
- F3** Words in Sch. 15 para. 10(2)(a) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **179(b)**
- F4** Words in Sch. 15 para. 10(2)(b) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **179(b)**
- F5** Words in Sch. 15 para. 10(3) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **179(b)**

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**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. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)