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**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2006, Cross  
Heading: Deemed disposition where omission to exercise a right increases value of another person's  
estate or of settled property not aggregated with a person's estate. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 20

#### INHERITANCE TAX: RULES FOR TRUSTS ETC

#### PART 3

#### RELATED AMENDMENTS IN IHTA 1984

*Deemed disposition where omission to exercise a right increases value of another person's estate or of settled property not aggregated with a person's estate*

- 8 In section 3(3) of IHTA 1984 (failure to exercise a right treated as disposition if the omission increases the value of another person's estate or the value of settled property in which no interest in possession subsists), for the words from the beginning to “increased” substitute—

“Where the value of a person's estate is diminished, and the value—

- (a) of another person's estate, or
- (b) of any settled property, other than settled property treated by section 49(1) below as property to which a person is beneficially entitled,

is increased”.

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Deemed disposition where omission to exercise a right increases value of another person's estate  
or of settled property not aggregated with a person's estate.