
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Cross Heading: New meaning of “qualifying interest in possession” not to apply in section 72 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

New meaning of “qualifying interest in possession” not to apply in section 72 of IHTA 1984

- 21 (1) Section 72 of IHTA 1984 (property leaving employee trusts and newspaper trusts) is amended as follows.
- (2) In subsection (1) (section 72 applies to property to which section 86 applies if no qualifying interest in possession subsists in it), for “if no qualifying interest in possession subsists in it” substitute “if—
- (a) no interest in possession subsists in it to which an individual is beneficially entitled, and
 - (b) no company-purchased interest in possession subsists in it.”
- (3) After subsection (1) insert—
- “(1A) For the purposes of subsection (1)(b) above, an interest in possession is “company-purchased” 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, and
 - (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.
- (1B) Section 59(3) and (4) above apply for the purposes of subsection (1A)(c) above as for those of section 59(2)(b) above, but as if the references to the condition set out in section 59(2)(a) above were to the condition set out in subsection (1A)(b) above.”

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