



# Finance Act 2010

## 2010 CHAPTER 13

### PART 2

#### ANTI-AVOIDANCE AND REVENUE PROTECTION

##### *Inheritance tax*

### 53 Interests in possession

(1) IHTA 1984 is amended as follows.

(2) In section 3A (potentially exempt transfers)—

- (a) in subsection (6), omit “other than section 52”, and
- (b) after that subsection insert—

“(6A) The reference in subsection (6) above to any provision of this Act does not include section 52 below except where the transfer of value treated as made by that section is one treated as made on the coming to an end of an interest which falls within section 5(1B) below.”

(3) In section 5 (meaning of estate)—

- (a) in subsection (1)(a)(ii), after “below” insert “ unless it falls within subsection (1B) below ”, and
- (b) after subsection (1A) insert—

“(1B) An interest in possession falls within this subsection if the person—

- (a) was domiciled in the United Kingdom on becoming beneficially entitled to it, and
- (b) became beneficially entitled to it by virtue of a disposition which was prevented from being a transfer of value by section 10 below.”

(4) In—

- (a) section 49(1A) (treatment of interests in possession),

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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 2010, Section 53. (See end of Document for details)*

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- (b) section 51(1A) (disposal of interest in possession), and
- (c) section 52(2A) and (3A) (charge on termination of interest in possession),  
insert at the end (not as part of paragraph (c))—  
“or falls within section 5(1B) above.”
- (5) In section 57A(1A) (relief where property enters maintenance fund), insert at the end  
(not as part of paragraph (c))—  
“or fell within section 5(1B) above.”
- (6) In section 100(1A) (alterations of capital etc where participators are trustees), insert  
at the end (not as part of paragraph (c))—  
“or falls within section 5(1B) above.”
- (7) In section 101(1A) (companies' interests in settled property), insert at the end (not as  
part of paragraph (b))—  
“or falls within section 5(1B) above.”
- (8) In section 102ZA(1)(b)(ii) of FA 1986 (gifts with reservation: termination of interests  
in possession), after “serial interest” insert “ or falls within section 5(1B) of the 1984  
Act ”.
- (9) In F(No.2)A 1987, omit section 96(2)(c).
- (10) The amendments made by this section have effect in relation to an interest in  
possession to which a person is beneficially entitled if the person becomes beneficially  
entitled to it on or after 9 December 2009.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2010, Section 53.