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**Changes to legislation:** There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance (No. 2) Act 2017. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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## SCHEDULES

### SCHEDULE 10

#### INHERITANCE TAX ON OVERSEAS PROPERTY REPRESENTING UK RESIDENTIAL PROPERTY

##### *Consequential and supplementary amendments*

- 2 IHTA 1984 is amended as follows.
- 3 In section 6 (excluded property), at the end insert—
- “ (5) This section is subject to Schedule A1 (non-excluded overseas property). ”
- 4 In section 48 (excluded property)—
- (a) in subsections (3) and (3A), at the end insert “ and to Schedule A1 ”;
- (b) in subsection (4), at the end (but on a new line) insert “ This subsection is subject to Schedule A1. ”
- 5 In section 65 (charge at other times), after subsection (7B) (as inserted by section 30) insert—
- “(7C) Tax shall not be charged under this section by reason only that property comprised in a settlement ceases to any extent to be property to which paragraph 2 or 3 of Schedule A1 applies and thereby becomes excluded property by virtue of section 48(3)(a) above.
- (7D) Tax shall not be charged under this section where property comprised in a settlement or any part of that property—
- (a) is, by virtue of paragraph 5(2)(a) of Schedule A1, not excluded property for the two year period referred to in that paragraph, but
- (b) becomes excluded property at the end of that period.”
- 6 In section 157 (non-residents' bank accounts), after subsection (3) insert—
- “(3A) This section is subject to paragraph 5 of Schedule A1 (non-excluded overseas property). ”
- 7 In section 237 (imposition of charge), after subsection (2) insert—
- “(2A) Where tax is charged by virtue of Schedule A1 on the value transferred by a chargeable transfer, the reference in subsection (1)(a) to property to the value of which the value transferred is wholly or partly attributable includes the UK residential property interest (within the meaning of that Schedule) to which the charge to tax relates.”
- 8 In section 272 (general interpretation), in the definition of “excluded property”, after “above” insert “ and Schedule A1 ”.

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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):

- Sch. A1 para. 8(6)(b) omitted by [2022 c. 3 Sch. 1 para. 32\(b\)](#)
- Sch. A1 para. 8(2) substituted by [2022 c. 3 Sch. 1 para. 32\(a\)](#)