



Capital Transfer Tax Act 1984

1984 CHAPTER 51

PART VI

VALUATION

CHAPTER II

ESTATE ON DEATH

176 Related property etc-sales

- (1) This section has effect where, within three years after the death of any person, there is a qualifying sale of any property ("the property concerned") comprised in his estate immediately before his death and valued for the purposes of this Act—
 - (a) in accordance with section 161 above, or
 - (b) in conjunction with property which was also comprised in the estate but has not at any time since the death been vested in the vendors.
- (2) If a claim is made for relief under this section the value of the property concerned immediately before the death shall be taken to be what it would have been if it had not been determined as mentioned in subsection (1) above.
- (3) For the purposes of subsection (1) above a sale is a qualifying sale if—
 - (a) the vendors are the persons in whom the property concerned vested immediately after the death or the deceased's personal representatives; and
 - (b) it is at arm's length for a price freely negotiated at the time of the sale and is not made in conjunction with a sale of any of the related property taken into account as mentioned in subsection (1)(a) above or any of the property mentioned in subsection (1)(b) above; and
 - (c) no person concerned as vendor (or as having an interest in the proceeds of sale) is the same as or connected with any person concerned as purchaser (or as having an interest in the purchase); and

Status: This is the original version (as it was originally enacted).

- (d) neither the vendors nor any other person having an interest in the proceeds of sale obtain in connection with the sale a right to acquire the property sold or any interest in or created out of it.
- (4) Subsection (2) above shall not apply unless the price obtained on the sale, with any adjustment needed to take account of any difference in circumstances at the date of the sale and at the date of the death, is less than the value which, apart from this section and apart from Chapter IV of this Part of this Act, would be the value of the property concerned determined as mentioned in subsection (1) above.
- (5) Where the property concerned consists of shares in or Securities of a close company, subsection (2) above shall not apply if at any time between the death and the qualifying sale the value of the shares or securities is reduced by more than 5 per cent. as a result of an alteration in the company's share or loan capital or in any rights attaching to shares in or securities of the company ; and for the purposes of this subsection—
- " alteration " includes extinguishment, and
 - " close company " has the same meaning as in Part IV of this Act.