



Inheritance Tax Act 1984

1984 CHAPTER 51

PART VI

VALUATION

CHAPTER III

SALE OF SHARES ETC. FROM DECEASED'S ESTATE

178 Preliminary.

(1) In this Chapter—

“the appropriate person”, in relation to any qualifying investments comprised in a person's estate immediately before his death, means the person liable for [^{F1}inheritance tax] attributable to the value of those investments or, if there is more than one such person, and one of them is in fact paying the tax, that person;

“the loss on sale” means the amount determined in accordance with section 179(1) below;

“qualifying investments” means (subject to subsection (2) below) shares or securities which [^{F2}are quoted at the date of the death in question] holdings in a unit trust which at that date is an authorised unit trust [^{F3}, shares in an open-ended investment company]^{F4} . . . and shares in any common investment fund established under [^{F5}section 42 of the Administration of Justice Act 1982];

“relevant proportion”, in relation to the investments to which a claim relates, or any of them, means the proportion by which the loss on sale is reduced under section 180 below;

“sale value”, in relation to any qualifying investments, means their value for the purposes of section 179(1)(b) below;

“value on death”, in relation to any qualifying investments, means their value for the purposes of section 179(1)(a) below.

Status: Point in time view as at 24/05/2024.

Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 178. (See end of Document for details)

- (2) Shares or securities which are comprised in a person's estate immediately before his death and in respect of which [^{F6}listing] on a recognised stock exchange [^{F7}or dealing on the Unlisted Securities Market] is suspended at that time shall be qualifying investments for the purposes of this Chapter if they are again [^{F8}so listed or dealt in] . . . ^{F9} when they are sold as mentioned in section 179(1) below or exchanged as mentioned in section 184 below.
- (3) Any reference in this Chapter to the investments to which a claim relates is a reference to all the qualifying investments which, on the making of the claim, are taken into account under section 179(1) below in determining the loss on sale.
- (4) For the purposes of this Chapter—
- (a) the personal representatives of the deceased, and
 - (b) the trustees of a settlement,
- shall each be treated as a single and continuing body of persons (distinct from the persons who may from time to time be the personal representatives or trustees).
- (5) In any case where, for the purposes of this Chapter, it is necessary to determine the price at which any investments were purchased or sold or the best consideration that could reasonably have been obtained on the sale of any investments, no account shall be taken of expenses (whether by way of commission, stamp duty or otherwise) which are incidental to the sale or purchase.

Textual Amendments

- F1** See Finance Act 1986 s. 100(1) and (2)—for any liability to tax arising on and after 25 July 1986 any reference in the legislation to capital transfer tax has effect as a reference to inheritance tax.
- F2** Finance Act 1987 Sch. 8, para. 13(1), with effect from 17 March 1987. Originally “at the date of the death in question are quoted on a recognised stock exchange”.
- F3** Words in s. 178(1) inserted (with effect as stated in s. 186(8) of the amending Act) by Finance Act 2003 (c. 14), s. 186(4)(a)
- F4** Words in s. 178(1) repealed (with effect as stated in the note to Sch. 43 Pt. 4(1) of the amending Act) by Finance Act 2003 (c. 14), s. 216, Sch. 43 Pt. 4(1)
- F5** Words in s. 178(1) substituted (with effect as stated in s. 186(8) of the amending Act) by Finance Act 2003 (c. 14), s. 186(4)(b)
- F6** Words in s. 178(2) substituted (29.4.1996 with effect in relation to investments sold or treated as sold, on or after 1.4.1996) by 1996 c. 8, s. 199, Sch. 38 para. 4(1)(a)(3)
- F7** Finance Act 1987 Sch. 8, para. 13(2)(a), with effect from 17 March 1987.
- F8** Words in s. 178(2) substituted (29.4.1996 with effect in relation to investments sold or treated as sold, on or after 1.4.1996) by 1996 c. 8, s. 199, Sch. 38 para. 4(1)(b)(3)
- F9** Repealed by Finance Act 1987 s. 58(2), Sch. 8, para. 13(2)(b) and Sch. 16, Part IX, with effect from 17 March 1987.

Status:

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Changes to legislation:

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