



Inheritance Tax Act 1984

1984 CHAPTER 51

PART VII

LIABILITY

General rules

201 Settled property.

- (1) The persons liable for the tax on the value transferred by a chargeable transfer made under Part III of this Act are—
 - (a) the trustees of the settlement;
 - (b) any person entitled (whether beneficially or not) to an interest in possession in the settled property;
 - (c) any person for whose benefit any of the settled property or income from it is applied at or after the time of the transfer;
 - (d) where the transfer is made during the life of the settlor and the trustees are not for the time being resident in the United Kingdom, the settlor.
 - (2) Where the chargeable transfer is made within [^{F1}seven years] of the transferor's death [^{F2}but is not a potentially exempt transfer], subsection (1)(d) above shall not apply in relation to so much of the tax as exceeds what it would have been had the transferor died more than [^{F1}seven years] after the transfer.
 - (3) Subsection (1)(d) above shall not apply in relation to a settlement made before 11th December 1974 if the trustees were resident in the United Kingdom when the settlement was made, but have not been resident there at any time during the period between 10th December 1974 and the time of the transfer.
- [^{F3}(3A) Subsection (1)(d) above shall not apply in relation to the tax chargeable on the value transferred by a potentially exempt transfer which proves to be a chargeable transfer in a case where the settlement was made before 17th March 1987 if the trustees were resident in the United Kingdom when the settlement was made, but have not been resident there at any time between 16th March 1987 and the death of the transferor.]

Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 201. (See end of Document for details)

- (4) Where more than one person is a settlor in relation to a settlement and the circumstances so require, subsection (1)(d) above shall have effect in relation to it as if the settled property were comprised in separate settlements.

[^{F4}(4A) Where—

- (a) a charge to tax arises under or by virtue of section 74A, or
- (b) in a case where paragraphs (a) to (d) of section 74A are satisfied, a charge to tax arises under section 64 or 65 in respect of the relevant settled property (within the meaning of section 74A),

subsection (1) of this section has effect as if the persons listed in that subsection included the individual mentioned in section 74A(1)(b)(i).]

- (5) For the purposes of this section trustees of a settlement shall be regarded as not resident in the United Kingdom unless the general administration of the settlement is ordinarily carried on in the United Kingdom and the trustees or a majority of them (and, where there is more than one class of trustees, a majority of each class) are for the time being resident in the United Kingdom.
- (6) References in this section to any property include references to any property directly or indirectly representing it.

Textual Amendments

- F1** Finance Act 1986 Sch. 19, para. 27, *with effect from 18 March 1986. Originally “three years”.*
- F2** [Finance Act 1987 \(No.2\)](#) Sch. 7, para. 3(2), *with effect from 17 March 1987.*
- F3** [Finance Act 1987 \(No.2\)](#) Sch. 7, para. 3(3), *with effect from 17 March 1987.*
- F4** S. 201(4A) inserted (20.6.2012 and with effect in accordance with s. 210(5) of the amending Act) by [Finance Act 2012 \(c. 14\), s. 210\(4\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 201.