



Inheritance Tax Act 1984

1984 CHAPTER 51

PART IX

MISCELLANEOUS AND SUPPLEMENTARY

Miscellaneous

264 Transfers reported late.

- (1) This section has effect where a person has made a transfer of value (“the earlier transfer”) which—
 - (a) is not notified to the Board in an account under section 216 above or by information furnished under section 219 above before the expiration of the period specified in section 216 for the delivery of accounts, and
 - (b) is not discovered until after payment has been accepted by the Board in full satisfaction of the tax on the value transferred by another transfer of value (“the later transfer”) made by him on or after the day on which he made the earlier transfer.
- (2) Where the earlier transfer is made in the period of ten years ending with the date of the later transfer there shall be charged on the value transferred by the earlier transfer, in addition to any tax chargeable on it apart from this section, an amount of tax equal to the difference, if any, between—
 - (a) the tax which, having regard to the earlier transfer, was properly chargeable on the value transferred by the later transfer, and
 - (b) the payment accepted by the Board in full satisfaction of the tax chargeable on that value;and any such difference shall not be chargeable on the value transferred by the later transfer.
- (3) Where in the period mentioned in subsection (2) above there have been two or more earlier transfers the reference in paragraph (a) of that subsection to the earlier transfer shall be construed as a reference to both or all of those transfers, but the amount

Status: Point in time view as at 10/06/2021.

Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 264. (See end of Document for details)

of tax chargeable under that subsection in respect of each of them shall, subject to subsection (4) below, be reduced in the proportion which the value transferred by it bears to the aggregate of the values transferred by it and the other or others.

- (4) Where the earlier transfers mentioned in subsection (3) above include a settled transfer, that is to say, a transfer in the case of which an amount in full satisfaction of the tax chargeable in respect of it under subsection (2) above has been paid to and accepted by the Board before the discovery of one or more of the other earlier transfers,—
- (a) no further tax shall be chargeable under subsection (2) above in respect of the settled transfer in consequence of regard being had under paragraph (a) of that subsection to the subsequently discovered transfer or transfers;
 - (b) the amount so paid and accepted shall reduce the amount chargeable under subsection (2) above in respect of the subsequently discovered transfer or transfers; and
 - (c) if there are two or more subsequently discovered transfers, the value transferred by the settled transfer shall be disregarded in calculating under subsection (3) above the reduction in the amount of tax chargeable in respect of each of them.
- (5) Where the later transfer referred to in subsection (2) above is itself an earlier transfer in relation to another later transfer the references in paragraphs (a) and (b) of that subsection to tax chargeable on the value transferred by it are references to tax so chargeable apart from this section.
- (6) Subsection (2) above shall not increase the amount in respect of which interest is payable under section 233 above in relation to the earlier transfer in respect of any period falling before the expiration of six months from the date on which it was discovered.
- (7) Where, apart from this subsection, the earlier transfer would be wholly or partly exempt by reason of some or all of the value transferred by it falling within a limit applicable to an exemption, then, if tax has been accepted as mentioned in subsection (1)(b) above on the basis that the later transfer is partly exempt by reason of part of the value thereby transferred falling within that limit—
- (a) tax shall not be chargeable on that part of the value transferred by the later transfer, but
 - (b) a corresponding part of the value transferred by the earlier transfer shall be treated as falling outside that limit.
- (8) Subsection (1)(b) above shall apply to a transfer in respect of which no tax is chargeable because the rate of tax applicable under section 7 above is nil as if payment had been accepted when the transfer was notified in an account under section 216 above, and subsection (2)(b) above shall apply in relation to any such transfer as if the amount of the payment were nil.
- (9) For the purposes of this section a transfer is discovered—
- (a) if it is notified under the provisions mentioned in subsection (1)(a) above after the expiration of the period there mentioned, on the date on which it is so notified;
 - (b) in any other case, on the date on which the Board give notice of a determination in respect of the transfer under section 221 above.

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Modifications etc. (not altering text)

- C1** S. 264(8) modified (1.8.2002) by [S.I. 2002/1731, reg. 7](#)
S. 264(8) modified (1.8.2002) by [S.I. 2002/1733, reg. 8](#)
- C2** S. 264(8) modified (1.11.2004 with effect as mentioned in reg. 1 of the amending S.I.) by [The Inheritance Tax \(Delivery of Accounts\) \(Excepted Estates\) Regulations 2004 \(S.I. 2004/2543\), reg. 10](#)
- C3** S. 264(8) modified (6.4.2008) by [The Inheritance Tax \(Delivery of Accounts\) \(Excepted Settlements\) Regulations 2008 \(S.I. 2008/606\), reg. 7](#)

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