



Inheritance Tax Act 1984

1984 CHAPTER 51

PART I

GENERAL

Main charges and definitions

[^{F1}3A Potentially exempt transfers.

- (1) Any reference in this Act to a potentially exempt transfer is a reference to a transfer of value—
- (a) which is made by an individual on or after 18th March 1986; and
 - (b) which, apart from this section, would be a chargeable transfer (or to the extent to which, apart from this section, it would be such a transfer); and
 - (c) to the extent that it constitutes either a gift to another individual or a gift into an accumulation and maintenance trust or a disabled trust;
- but this subsection has effect subject to any provision of this Act which provides that a disposition (or transfer of value) of a particular description is not a potentially exempt transfer.
- (2) Subject to subsection (6) below, a transfer of value falls within subsection (1)(c) above, as a gift to another individual,—
- (a) to the extent that the value transferred is attributable to property which, by virtue of the transfer, becomes comprised in the estate of that other individual, . . . ^{F2}, or
 - (b) so far as that value is not attributable to property which becomes comprised in the estate of another person, to the extent that, by virtue of the transfer, the estate of that other individual is increased, . . . ^{F3}
- (3) Subject to subsection (6) below, a transfer of value falls within subsection (1)(c) above, as a gift into an accumulation and maintenance trust or a disabled trust, to the extent that the value transferred is attributable to property which, by virtue of the transfer, becomes settled property to which section 71 or 89 of this Act applies.

Status: Point in time view as at 06/04/2001. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 3A. (See end of Document for details)

- (4) A potentially exempt transfer which is made seven years or more before the death of the transferor is an exempt transfer and any other potentially exempt transfer is a chargeable transfer.
- (5) During the period beginning on the date of a potentially exempt transfer and ending immediately before—
- (a) the seventh anniversary of that date, or
 - (b) if it is earlier, the death of the transferor,
- it shall be assumed for the purposes of this Act that the transfer will prove to be an exempt transfer.
- (6) Where, under any provision of this Act [^{F4}other than section 52] tax is in any circumstances to be charged as if a transfer of value had been made, that transfer shall be taken to be a transfer which is not a potentially exempt transfer.]
- [^{F5}(7) In the application of this section to an event on the happening of which tax is chargeable under section 52 below, the reference in subsection (1)(a) above to the individual by whom the transfer of value is made is a reference to the person who, by virtue of section 3(4) above, is treated as the transferor.]

Textual Amendments

- F1** Finance Act 1986 Sch. 19 para. 1, *in relation to transfers of value made on or after 18 March 1986.*
- F2** *Repealed by Finance Act 1987 (No. 2) s. 96(2)(a) and Sch. 9 Part III, with effect from 17 March 1987.*
- F3** *Repealed by Finance Act 1987 (No. 2) s. 96(2)(b) and Sch. 9 Part III with effect from 17 March 1987.*
- F4** *Finance Act 1987 (No. 2) s. 96(2)(c), in relation to transfers of value made on or after 17 March 1987.*
- F5** *Finance Act 1987 (No. 2) s. 96(1), (3), in relation to transfers of value made on or after 17 March 1987.*

Status:

Point in time view as at 06/04/2001. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 3A.