



# Inheritance Tax Act 1984

## 1984 CHAPTER 51

### PART IV

#### CLOSE COMPANIES

##### *Settled property*

#### **99 Transfers where participators are trustees.**

- (1) Subsection (1) of section 94 above shall not apply in relation to a person who is a participator in his capacity as trustee of a settlement, but—
- (a) the reference in subsection (2) of that section to sub-section (1) shall have effect as including a reference to subsection (2) of this section, and
  - (b) in relation to tax chargeable by virtue of subsection (2) of this section, sections 94(4) and 95 above shall apply with the necessary modifications.
- (2) Where any part of the value transferred by a close company's transfer of value is apportioned to a trustee of a settlement under section 94 above, then—
- (a) if a qualifying interest in possession subsists in the settled property, a part of that interest corresponding to such part of the property as is of a value equal to the part so apportioned less the amount specified in subsection (3) below shall be treated for the purposes of Chapter II of Part III of this Act as having come to an end on the making of the transfer, and
  - (b) if no qualifying interest in possession subsists in the settled property, Chapter III of Part III of this Act shall have effect as if on the making of the transfer the trustee had made a disposition as a result of which the value of the settled property had been reduced by an amount equal to the part so apportioned less the amount specified in subsection (3) below;

and where a qualifying interest in possession subsists in part only of the settled property paragraphs (a) and (b) above shall apply with the necessary adjustments of the values and amounts referred to there.

*Status: Point in time view as at 24/05/2024.*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 99. (See end of Document for details)*

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- (3) The amount referred to in paragraphs (a) and (b) of subsection (2) above is the amount (if any) by which the value of the settled property is more than it would be apart from the company's transfer, leaving out of account the value of any rights or interests in the company.

**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Point in time view as at 24/05/2024.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 99.