



Finance Act 2019

2019 CHAPTER 1

PART 4

ADMINISTRATION AND ENFORCEMENT

Time limits for assessments etc

81 Offshore matters or transfers: inheritance tax

- (1) IHTA 1984 is amended as follows.
- (2) In section 240 (underpayments), in subsection (3), at the end insert “and to section 240B (underpayments involving offshore matter etc).”
- (3) After section 240A insert—

“240B Underpayments involving offshore matters etc

- (1) This section applies in a case within section 240(2) which involves a loss of tax in relation to a chargeable transfer, where—
 - (a) the lost tax involves an offshore matter, or
 - (b) the lost tax involves an offshore transfer which makes the lost tax significantly harder to identify.
- (2) Proceedings for the recovery of the lost tax may be brought at any time not more than 12 years after the later of the dates in section 240(2)(a) and (b).
- (3) Lost tax “involves an offshore matter” if it is charged on or by reference to property which is situated or held in a territory outside the United Kingdom at, or immediately after, the time of the chargeable transfer.
- (4) Lost tax “involves an offshore transfer” if—
 - (a) it does not involve an offshore matter, and

Status: This is the original version (as it was originally enacted).

- (b) the property is transferred to a territory outside the United Kingdom at a relevant time.
- (5) In subsection (4)(b) “relevant time” means a time after the chargeable transfer but before—
 - (a) the date on which an account under section 216 is delivered to HMRC in relation to the chargeable transfer, or
 - (b) any later date on which an account under section 217 is so delivered.
- (6) Where lost tax involves an offshore transfer, the cases in which the transfer makes the lost tax significantly harder to identify include any case where, because of the transfer—
 - (a) HMRC was significantly less likely to become aware of the lost tax, or
 - (b) HMRC was likely to become aware of the lost tax only at a significantly later time.
- (7) But proceedings may not be brought under this section if—
 - (a) before the last date on which the proceedings could otherwise be brought, HMRC received relevant overseas information on the basis of which HMRC could reasonably have been expected to become aware of the lost tax, and
 - (b) it was reasonable to expect the proceedings to be brought before that date.
- (8) In subsection (7)(a) “relevant overseas information” means information which is provided to HMRC by an authority in a territory outside the United Kingdom under—
 - (a) any provision of EU law relating to any tax, or
 - (b) an agreement to which the United Kingdom and that territory are parties, with or without other parties.
- (9) This section is subject to any provision of this Act which allows for a longer period for the bringing of proceedings.”
- (4) The amendments made by this section have effect—
 - (a) in a case involving loss of tax brought about carelessly by a person liable for the tax (or a person acting on behalf of such a person), in relation to chargeable transfers taking place on or after 1 April 2013, and
 - (b) in any other case, in relation to chargeable transfers taking place on or after 1 April 2015.
- (5) Section 240(8) of IHTA 1984 applies to the reference to “person liable for the tax” in subsection (4)(a).