EXPLANATORY NOTE

(This note is not part of the Regulations)

Regulation 4 of the Capital Transfer Tax (Delivery of Accounts) (Northern Ireland) Regulations 1981 (S.I.1981/1441) ("the principal Regulations") provides that a person is not required to deliver an account of the property comprised in an excepted estate for inheritance tax purposes. (By virtue of section 100 of the Finance Act 1986 (c. 41) capital transfer tax is now known as inheritance tax.) An excepted estate is defined in regulation 3 of the principal Regulations.

These Regulations substitute a new definition of "an excepted estate"in respect of deaths on or after 6th April 1996.

The definition now substituted differs from the previous definition in three respects. First, the limit for the value of the property situated outside the United Kingdom which may form part of the deceased's estate is raised from £15,000 to £30,000. Secondly, the estate may still be an excepted estate where the deceased has made chargeable transfers during the period of seven years ending with his death if those transfers are specified transfers (as defined) where the aggregate value transferred does not exceed £50,000. Thirdly, the condition that the total gross value of the estate immediately before the deceased's death does not exceed a specified amount (£145,000 at the time of the making of these Regulations) is replaced by a condition that the aggregate of the gross value of the deceased's estate and of the value transferred by any specified transfers made by the deceased does not exceed £180,000.