

Exemption of certain securities. CATA 1976 s57(1) and (2); FA 1997 s135(2) (part); FA 2001 s219 (part)  
81.—(1) In this section—

“security” means any security, stock, share, debenture, debenture stock, certificate of charge or other form of security issued, whether before, on or after the passing of this Act, and which by virtue of any enactment or by virtue of the exercise of any power conferred by any enactment is exempt from taxation when in the beneficial ownership of a person neither domiciled nor ordinarily resident in the State;

“unit trust scheme” means an authorised unit trust scheme within the meaning of the Unit Trusts Act 1990, whose deed expressing the trusts of the scheme restricts the property subject to those trusts to securities.

(2) Securities, or units ) of a unit trust scheme, comprised in a gift or an inheritance are exempt from tax (and are not taken into account in computing tax on any gift or inheritance taken by the donee or successor) if it is shown to the satisfaction of the Commissioners that—

(a) the securities or units were comprised in the disposition continuously for a period of 6 years immediately before the date of the gift or the date of the inheritance, and any period immediately before the date of the disposition during which the securities or units were continuously in the beneficial ownership of the donor is deemed, for the purpose of this paragraph, to be a period or part of a period immediately before the date of the gift or the date of the inheritance during which they were continuously comprised in the disposition;

(b) the securities or units were comprised in the gift or inheritance—

(i) at the date of the gift or the date of the inheritance, and

(ii) at the valuation date;

and

(c) the donee or successor is at the date of the gift or the date of the inheritance neither domiciled nor ordinarily resident in the State,

and section 89 (5) shall apply, for the purposes of this subsection, as it applies in relation to agricultural property.

(3) Subsection (2)(a) shall not apply where—

(a) the donor was neither domiciled nor ordinarily resident in the State at the date of the disposition, or

(b) the securities or units concerned came into the beneficial ownership of the donor before 26 March

1997, or became subject to the disposition before that date, and the disposer was neither domiciled nor ordinarily resident in the State at the date of the gift or the date of the inheritance.

(4) Where the securities or units concerned came into the beneficial ownership of the disposer, or became subject to the disposition prior to 15 February 2001, then subsection (2) shall apply as if the reference to the period of 6 years in that subsection were construed as a reference to a period of 3 years.