

Relevant business property. FA 1994 s127(1), (2) and (4) to (8) 93.—(1) In this Chapter and subject to the following provisions of this section and to sections 94, 96 and 100(4) “relevant business property” means, in relation to a gift or inheritance, any one or more of the following, that is:

(a) property consisting of a business or interest in a business.

(b) unquoted shares in or securities of a company whether incorporated in the State or otherwise to which paragraph (c) does not relate, and which on the valuation date (either by themselves alone or together with other shares or securities in that company in the absolute beneficial ownership of the donee or successor on that date) give control of powers of voting on all questions affecting the company as a whole which if exercised would yield more than 25 per cent of the votes capable of being exercised on those shares,

(c) unquoted shares in or securities of a company whether incorporated in the State or otherwise which is, on the valuation date (after the taking of the gift or inheritance), a company controlled by the donee or successor within the meaning of section 27,

(d) unquoted shares in or securities of a company whether incorporated in the State or otherwise which do not fall within paragraph (b) or (c) and which on the valuation date (either by themselves alone or together with other shares or securities in that company in the absolute beneficial ownership of the donee or successor on that date) have an aggregate nominal value which represents 10 per cent or more of the aggregate nominal value of the entire share capital and securities of the company on condition that the donee or successor has been a full-time working officer or employee of the company, or if that company is a member of a group, of one or more companies which are members of the group, throughout the period of 5 years ending on the date of the gift or inheritance,

(e) any land or building, machinery or plant which, immediately before the gift or inheritance, was used wholly or mainly for the purposes of a business carried on by a company of which the disponer then had control or by a partnership of which the disponer then was a partner and for the purposes of this paragraph a person is deemed to have control of a company at any time if that person then had control of powers of voting on all questions affecting the company as a whole which if exercised would have yielded a majority of the votes capable of being exercised on all such questions,

(f) quoted shares in or securities of a company which, but for the fact that they are quoted, would be shares or securities to which paragraph (b), (c) or (d) would relate on condition that such shares or securities, or other shares in or securities of the same company which are represented by those shares or securities, were in the beneficial ownership of the disponer immediately prior to the disposition and were unquoted at the date of the commencement of that beneficial ownership or at 23 May 1994, whichever is the later date.

(2) Where a company has shares or securities of any class giving powers of voting limited to either or both—

(a) the question of winding-up the company, and

(b) any question primarily affecting shares or securities of that class,

the reference in subsection (1) to all questions affecting the company as a whole has effect as a reference to all such questions except any in relation to which those powers are capable of being exercised.

(3) A business or interest in a business, or shares in or securities of a company, is not relevant business property if the business or, as the case may be, the business carried on by the company consists wholly or mainly of one or more of the following, that is, dealing in currencies, securities, stocks or shares, land or buildings, or making or holding investments.

(4) Subsection (3) shall not apply to shares in or securities of a company if the business of the company consists wholly or mainly in being a holding company of one or more companies whose business does not fall within that subsection.

(5) Any land, building, machinery or plant used wholly or mainly for the purposes of a business carried on as mentioned in subsection (1)(e) is not relevant business property in relation to a gift or inheritance, unless the disponent's interest in the business is, or shares in or securities of the company carrying on the business immediately before the gift or inheritance are, relevant business property in relation to the gift or inheritance or in relation to a simultaneous gift or inheritance taken by the same donee or successor.

(6) The references to a disponent in subsections (1)(e) and (5) include a reference to a person in whom the land, building, machinery or plant concerned is vested for a beneficial interest in possession immediately before the gift or inheritance.

(7) Where shares or securities are vested in the trustees of a settlement, any powers of voting which they give to the trustees of the settlement are, for the purposes of subsection (1)(e), deemed to be given to the person beneficially entitled in possession to the shares or securities except in a case where no individual is so entitled.