

Withdrawal of relief. FA 1994 s135 101.—(1) In this section “relevant period”, in relation to relevant business property comprised in a gift or inheritance, means the period of 6 years commencing on the date of the gift or inheritance.

(2) The reduction which would fall to be made under section 92 in respect of relevant business property comprised in a gift or inheritance shall cease to be applicable if and to the extent that the property, or any property which directly or indirectly replaces it—

(a) would not be relevant business property and the conditions attached to paragraphs (d) and (f) of subsection (1) of section 93 and other than by reason of bankruptcy or a bona fide winding-up on grounds of insolvency) in relation to a notional gift of such property taken by the same donee or successor from the same disponent at any time within the relevant period, unless it would be relevant business property and the conditions attached to paragraphs (d) and (f) of subsection (1) of section 93) in relation to another such notional gift taken within a year after the first-mentioned notional gift,

(b) is sold, redeemed or compulsorily acquired within the relevant period and is not replaced, within a year of the sale, redemption or compulsory acquisition, by other property (2)(b) relates) which would be relevant business property and the condition attached to section 93 (1)(d)) in relation to a notional gift of that other property taken by the same donee or successor from the same disponent on the date of the replacement,

and tax is chargeable in respect of the gift or inheritance as if the property were not relevant business property, but—

(i) any land, building, machinery or plant which are comprised in the gift or inheritance and which qualify as relevant business property by virtue of section 93 (1)(e) shall, together with any similar property which has replaced such property, continue to be relevant business property for the purposes of this section for so long as they are used for the purposes of the business concerned,

(ii) this section shall not have effect where the donee or successor dies before the event which would otherwise cause the reduction to cease to be applicable.