

To: All Tax Planning IFAs and Producers of IOMA FIP Plans

From: Nick Chadwick, Uni-Tech Associates S.A.  
Guernsey, C.I.  
Tel: 01481 715531

## **Transitional Serial Interests**

Tax planners who established flexible or discounted IHT mitigation plans prior to 22/3/06 whereby beneficiaries enjoy an interest-in-possession should consider the merits of making a PET of those interests. Beneficiaries may, by dint of FA 2006 S.49C, make a PET by surrendering such interest to (say) his/her children provided such surrenders occur prior to 6<sup>th</sup> April 2008.

New IIPs falling within IHTA 1984 S.49 may be made to more than one person.

Subject to the IIP trust structure beneficiaries surrendering an interest-in-possession may still be a member of the "Appointee Class" for the purposes of loans of capital or appointments of same.

Any surrender of such interests after 5<sup>th</sup> April 2008 will be a chargeable transfer and be relevant property under the discretionary Trust regime.

Moving such asset value via a PET to a younger generation is potentially sensible tax planning.

For further information please visit Trust Assist's website at [www.trust-assist.com](http://www.trust-assist.com) or telephone on 0845 226 9341.

7<sup>th</sup> September 2006