

A new incentive for charitable legacies

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HMRC recently published its Consultation regarding the lower rate of IHT (36%) to be introduced for people leaving 10% of their estate to charity.



This change is expected to apply for deaths on or before 6 April 2012

If you would like further information please contact:

Issues raised in the Consultation include:

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- whether the reduced IHT rate should be limited to the free estate or also include other components of the estate upon which IHT is payable such as joint property;
- the nature of the legacy in terms of the cost/burden of valuation and avoidance issues with regard to manipulation of valuations;
- notification of legacies to charities following Instruments of Variation;
- the drafting of Wills;
- how the test should apply to non-domiciled individuals; and
- the impacts of the policy.

The consultation closes on 31 August 2011.