

*Gifts to charities and registered clubs***1 Scope of exemption for gifts to charities and registered clubs**

- (1) IHTA 1984 is amended as follows.
- (2) In section 23 (gifts to charities or registered clubs), in subsection (6) –
 - (a) in paragraph (a), omit “or is held on trust for charitable purposes only”;
 - (b) in paragraph (b), omit “or is held on trust for purposes of registered clubs only”.
- (3) In section 29A (abatement of exemption where claim settled out of beneficiary’s own resources), in subsection (6), in paragraph (b) of the definition of “the exempt beneficiary”, omit sub-paragraph (ii) and the “or” before it.
- (4) In section 142 (alteration of dispositions taking effect on death) –
 - (a) in subsection (3A), for “the appropriate person” substitute “the charity or registered club to which the property is given”;
 - (b) omit subsection (3B).
- (5) The amendments made by this section have effect –
 - (a) in relation to a transfer of value made on a person’s death, if the person dies on or after 6 April 2026;
 - (b) in relation to a transfer of value made at any other time, if the transfer is made on or after 26 November 2025.

References in this subsection to the making of a transfer of value are to be construed in accordance with IHTA 1984.

2 Section 1: transitional protection for existing interests in possession

- (1) Subsection (2) applies in relation to a transfer of value (“the original transfer”) to the extent that the value transferred by it is attributable to property which meets each of the following conditions, namely –
 - (a) that immediately before the original transfer a person was beneficially entitled to an interest in possession in the property to which section 49(1) of IHTA 1984 (interests treated as part of estate) applied;
 - (b) that the person became beneficially entitled to the interest in possession before 26 November 2025;
 - (c) that by virtue of the original transfer the property is held on trust –
 - (i) only for charitable purposes, or
 - (ii) only for purposes of registered clubs,but is not given to charities or registered clubs;
 - (d) that the property is given to charities or registered clubs within the period of 2 years beginning with the date of the original transfer (“the subsequent gift”).
- (2) For the purposes of IHTA 1984 –

- (a) the original transfer is treated as attributable (and as always having been attributable) to property given to charities or registered clubs, and
 - (b) the subsequent gift is disregarded.
- (3) Subsections (1) and (2) have effect –
 - (a) where the original transfer is made on a person's death, if the person dies on or after 6 April 2026;
 - (b) where the original transfer is made at any other time, if the transfer is made on or after 26 November 2025.
- (4) Subsections (1) to (3) are to be construed as though they were contained in section 23 of IHTA 1984.