



Excluded Property
Trust Planning

trusted to deliver...

SMP Partners

Excluded Property Trust Planning

SMP Trustees Ltd (“SMPT”) acts as trustee on a number of excluded property trusts. These are trusts settled by a non-UK resident and non-UK domiciled settlor. A UK domiciled individual, by making an appropriate payment to the trustees, can become entitled to an interest in possession in the trust. This interest in possession will be treated as excluded property and will not be liable to UK Inheritance Tax (“IHT”) in the event of the death of the individual. The current rate of IHT on the value of assets in excess of the nil rate band¹ is 40%. Therefore the implementation of this planning can generate significant tax savings.

In summary the main points to note are the following:

- The strategy has been devised by Robert Venables QC, a leading tax Counsel, who has also drafted the relevant documentation and provided written opinions to the Non-UK resident and Non-UK domiciled settlor.
- The strategy is not subject to advance disclosure or notification to HM Revenue & Customs.
- The strategy is not subject to the pre-owned assets regime
- Section 157 Finance Act 2006 is not applicable
- While particularly suitable for deathbed solutions it can equally be used as part of a longer term IHT planning strategy.
- The individual will be able to borrow cash from the trust interest free, thus enabling free use of the cash during his remaining lifetime.
- This strategy can also be used where the individual does not have cash available by undertaking short term borrowing against assets, including the family home. This borrowing can be from the individuals existing bank or SMPT can introduce appropriate lenders.
- This planning is suitable for individuals wishing to implement planning for assets in excess of £1 million.

Notice

SMPT as the trustee of existing excluded property trusts is willing to consider offers from individuals who wish to become entitled to an interest in possession in these trusts.

Acceptance of any offer is at the discretion of SMPT.

SMPT² are not providing legal or tax advice in relation to this opportunity.

Individuals will be required to sign a declaration confirming their understanding of the following:

- SMPT is not providing legal or tax advice
- As with all tax planning the structure cannot be guaranteed
- This planning is subject to changes in case law and/or legislation
- Legislation can be retrospective

We would advise individuals to obtain their own tax opinion. SMP can instruct Robert Venables QC on behalf of the individual, if required, or alternatively individuals can arrange for their existing solicitor to instruct Robert Venables QC. Individuals should note that minor changes will need to be made to any existing wills.

¹ Currently £0 - £312,000

² Including any other SMP Group Companies

About SMP Partners

The SMP Partners Group consists of five individual professional service companies based in the Isle of Man. The group companies hold relevant licenses issued by the Isle of Man Financial Supervision Commission for the provision of corporate and trust services and fund administration. With almost one hundred and forty employees, SMP Partners is the largest provider of these services on the Isle of Man.

With a highly experienced, multi-disciplined team encompassing company secretarial and trust experts, tax and legal specialists, SMP Partners can meet the varied requirements of dynamic entrepreneurs and start ups to large international, multi dimensional groups. Independently owned by its Executive Directors, SMP Partners was formed following the management buy out of the trust and corporate services operation of Fortis Intertrust (IOM) Ltd from the Fortis Intertrust Group in June 2007. SMP Partners' clients benefit from a unique combination of scale and resource, agility and flexibility.

The professional services provided by the SMP Partners Group of Companies are:

- [Trust Services](#)
- [Accounting & Tax](#)
- [Fund Administration](#)
- [Capital Market Services](#)
- [Company Formation & Management](#)

For further information on the Excluded Property Trust or the other services provided by the SMP Partners Group of Companies please contact:

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