

# NewsLetter

## For Trusts & Estates Practitioners

### Inheritance Tax time limits

Schedule 51 to Finance Act 2009 introduced some new time limits for claims for relief from Inheritance Tax and altered the existing time limits for revising the value transferred by a chargeable transfer. These came into effect from 1st April 2011 and are as follows:

- fall in value relief (s.131) must be claimed within 4 years of the deceased's death
- to apply an Order under the Inheritance (Provision for Family and Dependents) Act 1975 (s.146), the claim must be made within 4 years of the date of the order
- a claim to set aside a chargeable transfer under s.150 must be made within 4 years after the claimant knew, or ought reasonably to have known, that the transfer had been set aside
- a claim for relief for loss on sale of shares (s.179) and loss on sale of land (s.191) must be made within 4 years of the end of the appropriate period for qualifying sales

Where an account has been delivered and tax paid and accepted in satisfaction of the liability, the time limit for recovering any additional tax in s.240(2) is reduced from 6 years to 4 years. Where, however, the loss of tax was brought about carelessly, the time limit remains 6 years and where the loss of tax was brought about deliberately, the time limit is 20 years.

Where no account has been delivered, the time limit for recovering tax is also 20 years,

unless the loss of tax was brought about deliberately, when there is no time limit.

The time limit for a taxpayer to make a claim for a repayment of overpaid tax (s.241) is reduced from 6 to 4 years after the date on which the last payment of tax was made.

### Disclosure of Tax Avoidance Schemes (DOTAS)

In January 2011 The Inheritance Tax Avoidance Schemes (Prescribed Description of Arrangements) Regulations SI2011/170 were laid and have the effect that from 6 April 2011 Inheritance Tax will be within the DOTAS regime for transfers into trust. These Regulations apply where there are arrangements and:

- as a result of those arrangements property becomes relevant property, and
- an advantage is obtained in respect of the Inheritance Tax charge that arises when property is transferred into trust

The Regulations will not apply where the scheme is 'the same or substantially the same' as one which was already available before the regulations come into force on 6 April 2011.

Guidance on DOTAS regime and the Regulations is available on the HMRC website.

[Guidance on disclosure of tax avoidance schemes](#)

## Welcome

Welcome to the April 2011 edition of HMRC Trusts & Estates Newsletter.

If there are any issues you would like addressed in a future edition, please email the [Customer Service Team](#).

The next edition of the Newsletter will be August 2011.

David Smith  
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## Employee Benefit Trusts

On the 4 April 2011 HMRC issued Revenue & Customs Brief 18/11 which outlines HMRC's view of the tax consequences of Employee Benefit Trusts. The Brief expands on Revenue & Customs Brief 61/09, published in October 2009 and contains new information, such as whether Business Property Relief for Inheritance Tax is available and information on charges to Income Tax for offshore Employee Benefit Trusts.

[Revenue & Customs Brief 18/11 is available on the HMRC website.](#)

## Capital Gains Valuations

Do you need to use a valuation in a 2010-11 Capital Gains computation?

Trustees and personal representatives, administrators or executors of deceased estates who have disposed of chargeable assets for the purposes of Capital Gains Tax during the year ended 5 April 2011 should now be considering whether to take advantage of the free Post Transaction Valuation Check service detailed in the [December 2010 Trusts & Estates Newsletter](#). This service is available before the Trust and Estate Tax Return is due to be filed, but please allow at least two months for the check to be completed.

The costs reasonably incurred in making any valuation or apportionment necessary for making a capital gains computation are allowable deductions. This applies whether the costs are incurred for the purposes of making a return or for the purposes of a post transaction valuation check.

However, any expenses incurred after a valuation or apportionment has been made are not allowable as they are not incurred for the purpose of computing the gain. Disallowable expenses include the cost of resolving any disagreement on value between the taxpayer and HMRC. This is so whether the disagreement is resolved by negotiation or by litigation. In the latter instance, all costs of appeals (and contributions to such costs) will be disallowed.

[To obtain a valuation for CGT purposes download form CG34 from the HMRC website](#)

## Finance Bill 2011 – Inheritance Tax charges on pensions

The Finance Bill 2011 contains legislation to remove the rules that currently require members of a registered pension scheme to buy an annuity by age 75. The changes take effect for deaths and other chargeable events on or after 6 April 2011. The Finance (No2) Act 2010 contained transitional provisions so that those reaching 75 on or after 22 June 2010 but before the changes take effect would not be disadvantaged. There is more information on the HMRC website:

[Removing the Effective Requirement to Annuitise by age 75 \(PDF\)](#)

The changes remove some, but not all, of the current charges to Inheritance Tax that apply to registered pension schemes.

### **Inheritance Tax charges that are removed**

Charges that arise where a scheme member omits to take their entitlements will no longer apply with the removal of s.12(2A) – (2E) and the insertion of s.12(2ZA) which disapplies s.3(3). Typically, this will include:

- failure to exercise a right where a member of a pension scheme is able to draw their retirement benefits, chooses not to do so whilst in ill health and then dies
- when a member commences income drawdown within two years of their death whilst in ill health and therefore unlikely to survive to take their full benefits and, as a result, the balance of the pension fund will be paid outside their estate
- whilst in income drawdown, ill health intervenes and the member reduces their level of drawdown, thus increasing the value of the pension fund paid to others on death
- where, in certain situations, a member has a right to request ill health retirement, but doesn't exercise that right, thus increasing the value of the pension fund paid to others on death

All charges that arise on alternatively secured pension funds and unauthorised payments from pension schemes and annuities will no longer apply with the removal of s.151A – s.151E.

### **Inheritance Tax charges that are retained**

The following Inheritance Tax charges will continue to apply to pension funds and payments made from pension funds in respect of:

- certain contributions made to pensions schemes by the member whilst in ill health or their employer within two years of the death
- transfers of pension benefits within two years of the death by the member whilst in ill health, either by transferring from one scheme to another, including transfers to a QROPS, or by transferring their death benefits to a trust
- payments under a pension scheme or personal pension policy which are guaranteed and continue to be paid to the estate after the deceased's death (but excluding a reduced widow's, widower's or surviving civil partner's pension)
- payments made to the deceased's estate where pension scheme trustees have no discretion over paying lump sum death benefits
- funds where the deceased could have, right up to their death, signed an nomination which bound the trustees of the pension scheme to make a payment to a person nominated by the deceased (this would not apply to a "letter of wishes")
- any protected rights element, where there is no surviving spouse or civil partner, dependants or nominated beneficiaries

There has been no change to Inheritance Tax charges that arise on unregistered pension schemes or EFRBS.

There is more information about these changes on the HMRC website

[Pensions - Draft Guidance \(PDF 521K\)](#)

## Excepted estates - transferable nil rate band and other changes

The Inheritance Tax (Delivery of Accounts) (Excepted Estates) (Amendment) regulations SI2011/214 have been passed and allow personal representatives to claim the benefit of the transferable nil rate band (TNRB) in excepted estates. Two other changes have been made to the existing regulations. The regulations came into force on 1 March 2011, with the extension allowing a claim to TNRB applying to deaths occurring on or after 6 April 2010.

[The Inheritance Tax \(Delivery of Accounts\) \(Excepted Estates\) \(Amendment\) Regulations 2011](#)

### Excepted estates and TNRB

The regulations now allow personal representatives to claim TNRB and apply for a grant as an excepted estate provided a number of conditions are met. This facility is limited to the most straightforward of estates, but HMRC still expects that approximately 75% of estates which do not have to pay tax as a result of TNRB will now qualify as excepted estates. The claim for TNRB in an excepted estate must be made on new form IHT217 which should be signed by the personal representatives and sent to the Probate Registry/Sheriff Court along with form IHT205/C5 and the other papers needed to apply for the grant.

[Form IHT217 Claim to transfer unused nil rate band for excepted estates](#)

The conditions that must be met before personal representatives can claim TNRB in an excepted estate are that:

- the deceased survived the earlier death of their spouse or civil partner and was married to, or in a civil partnership with, them at the earlier death
- none of the nil rate band was used by the earlier death, so that 100% is available for transfer
- a valid claim is made and is in respect of one earlier death only
- the first deceased person died
  - on or after 13 November 1974, where the deceased was the spouse of the first deceased person, or

- on or after 5 December 2005, where the deceased was the civil partner of the first deceased person

The estate of the first deceased person must also meet the following conditions

- the first deceased person died domiciled in the United Kingdom
- their estate consisted only of
  - property passing under their Will or intestacy, and
  - jointly owned assets
- if their estate included foreign assets, their gross value did not exceed £100,000
- agricultural relief and business relief did not apply.

This means that personal representatives **cannot** claim TNRB and apply for a grant as an excepted estate where the estate of the first deceased person included:

- settled property
- property subject to a reservation of benefit
- an alternatively secured pension fund
- any chargeable lifetime transfers, which must be calculated by ignoring agricultural and business relief and, for deaths after 1 March 2011, ignoring normal expenditure out of income exemption where the transfers to which the exemption applies exceeds £3,000 per tax year

Where an estate meets the above conditions and a valid claim is made:

- in a 'standard' excepted estate, the gross value of the estate must not exceed double the applicable nil rate band
- if the estate is an exempt excepted estate, the gross value of the estate must not exceed £1m and the net chargeable value of the estate (after deduction of liabilities and spouse or civil partner exemption and/or charity exemption only) must not exceed double the applicable nil rate band

### Time limits

The normal time limit for claiming TNRB applies, so form IHT217 along with the other forms and documents necessary to apply for a grant must be delivered to the Probate Registry/Sheriff Court within two years of the

end of the month in which the death occurred. A late claim for TNRB can only be made by submitting form IHT400 in the normal way, as the relief can only be admitted at the discretion of an officer of HMRC.

### **Value of the estate and wording of the oath**

Where an estate qualifies as an excepted estate and benefits from TNRB, the value of the estate and the wording of the oath should follow that used for an 'exempt excepted estate'. So exact values should be given for the gross and net estate and the oath should contain words confirming that no account is required.

### **Notifying amendments where TNRB applies**

Where a grant has been obtained as an excepted estate, subsequent amendments may take the gross value for the estate above the single nil rate band. If, however, TNRB is available, it may be possible for the estate to continue to qualify as an excepted estate. Provided the estate of the first deceased person satisfies the relevant conditions, the personal representatives can make their claim for TNRB using form IHT217 although this must then be sent, along with a copy of form IHT205/C5 and details of the amendments, to HMRC.

If the estate of the first deceased person does not satisfy the relevant conditions, so that the estate is no longer an excepted estate, a full account, using form IHT400 must be delivered. The claim for TNRB can be made using form IHT402 in the normal way.

### **Other changes**

SI2011/214 made two other changes to the excepted estate regulations.

Firstly, in order for an estate to qualify as an 'exempt excepted estate', there must now be some property that qualifies for exemption by passing to either the surviving spouse or civil partner, or to a charity. This corrects an error in the 2004 regulations which allowed an estate where the gross value exceeded the nil rate band and with large liabilities (but no exempt property) to qualify as an exempt excepted estate.

Secondly, a restriction is introduced on the use of the exemption for normal expenditure out of income when determining whether an estate can qualify as an excepted estate. The restriction applies to deaths occurring on or after 1 March 2011 and treats all transfers where the exemption applies in excess of £3,000 in any one tax year as chargeable transfers. If, as a result, either the monetary limit for specified transfers (£150,000), or the applicable nil rate band is exceeded, the estate cannot qualify as an excepted estate and a full account must be delivered. This restriction is solely for the purpose of establishing whether or not the estate qualifies as an excepted estate; it has no bearing on whether or not the exemption is due.

The restriction also applies when considering whether or not a claim for TNRB can be made. As transfers in excess of £3,000 will be treated as chargeable transfers, it follows that 100% of the nil rate band in the first deceased person's is not available to transfer. Whilst this may not prevent *that* estate from qualifying as an excepted estate, the estate of the survivor cannot qualify as an excepted estate if a claim for TNRB needs to be made.

### **Guidance**

Chapter 6 of the Inheritance Tax Manual has been updated and includes a number of examples that show the effect of this change.

### **Notifying amendments to excepted estates generally**

It is only necessary to notify HMRC of amendments to excepted estates where the estate no longer qualifies as an excepted estate and either the changes give rise to a liability to Inheritance Tax, or the value of the estate before deducting reliefs is more than the nil rate band. This may happen where, for example, relievable property (such as a farm) that was exempt as passing to the surviving spouse is redirected to children. In such cases, form IHT400 should be completed and delivered to HMRC.

**There is no need to tell HMRC about changes to an excepted estate where the estate remains below the nil rate band.**

## Penalties

HMRC has noticed an increase in cases where an application for a grant is made as an excepted estate, but the discovery of undervaluation or omissions leads to tax being payable. Form IHT205/C5 is a "document" for the purposes of para 1(1)(a) Sch 24 FA'07 and where it is shown that personal representatives have failed to take reasonable care (or worse), HMRC will and do take the appropriate penalty.

## Adjustments between settlors and trustees

### Settlor interested trusts

The objective of the rules for settlor interested trusts is to collect tax at the settlor's top rate of income tax. That is an income tax deeming provision and does not alter the fact that, in general law, the income belongs to the trustees. A feature of the settlements legislation at Chapter 5 Part 5 ITTOIA is a statutory entitlement at section 646(1) ITTOIA for settlors to require trustees to give them the money to pay tax on the trust income treated as theirs. There is also a requirement at section 646(4) to (7) ITTOIA for a repayment made to the settlor in excess of any repayment of tax otherwise due, to be paid by the settlor to the trustee or other person who received the income.

For years to 2009-10 a repayment of tax made to the settlor, to the extent that it represented tax funded by trustees, had to be returned to the trustees. That applied only where the repayment to the settlor arose because of an 'allowance or relief' set against settlement income. Historically, and before the changes made to the way settlor interested discretionary trusts were taxed in FA 2006, that description would have included the vast majority of repayments.

For 2010-11 onwards section 646 ITTOIA is amended so that it applies to a repayment of tax paid by trustees for any reason. The change was made because it was recognised that the increase in the trust rate to 50% would result in settlors who are not liable at the 50% additional rate of income tax receiving repayments of tax paid by the trustees. For the purposes of this legislation, we regard a "repayment" as including the situation where tax is paid by trustees and

credited to the settlor and used by the settlor to reduce the tax liability on other income.

Additionally, there was a concern that a voluntary payment of excess tax made by a settlor to the trustees may be a disposition for the purposes of IHT. The change to section 646 addresses that because making the repayment a legal requirement eliminates any possibility of the payment to trustees being a disposition.

HMRC's guidance has now been amended to reflect the changes made to section 646 ITTOIA.

The guidance on the income tax treatment of settlor interested trusts is at Trusts Settlements and Estates Manual (TSEM) 4000 – 4575. Some existing sections have been amended and new sections added. TSEM 4550 explains how to compute the tax to be passed back to the trustees and includes an example.

Inheritance Tax Manual – a new section has been added at IHTM04250

The new guidance will assist settlors and trustees to agree the amount of tax to be returned to the trustees. However, if further help is required, section 646(6A) ITTOIA gives a settlor the right to ask HMRC for a certificate showing the amount to be returned to the trustees. To request a certificate, the settlor should write to the settlor's tax office or the office dealing with the trust. The settlor will need to submit a copy of form R185 (Settlor) or any other notification of income and tax paid given by trustees to a settlor. In order to compute the amount of tax to be paid to trustees, HMRC will need to know the settlor's total income for the tax year, so it will not be possible to issue a certificate before that income has been returned by the settlor, either by self-assessment or as part of a repayment claim on form R40. A note to this effect has been included on form R185 (Settlor).

## Changes to the 2010-11 Trust & Estate Tax Return

There have been some changes to the 2010-11 SA Trust & Estate Tax Return and supporting guidance notes.

### SA900 – main part of the return

- The special trust rates have been increased to the trust rate of 50% and the dividend trust rate of 42.5%.
- Step 1 (page 2 – point 3) has been amended to reflect a change in practice. Trustees of settlor interested trusts no longer need to fully complete a return where all the income is mandated to an interest in possession beneficiary.
- New boxes Q10C and 10.1C – ITA/s496A & 496B have replaced ESC A68. Trustees of UK resident employee benefit settlements now need to use these boxes to claim relief and give the amount of relief claimed.
- Box 21.10A – the toolkit tickbox has been removed.

### SA950 – notes on the SA900

Boxes 8.9 and 8.10 – income from investments or deposits held for the purposes of a s615(3) overseas employment-related pension scheme is not chargeable to tax at the special trust rates. Tick boxes 8.10 and 8.16, report this income in boxes 13.13 to 13.18 and make a note in 'Additional information' box 21.11.

### SA904 – Foreign pages

Page TF3 – Foreign Tax Credit Relief (FTCR) for foreign tax paid on chargeable gains. Due to a change in the way that the amount of FTCR, available to set against UK tax on certain chargeable gains, is calculated, it is no longer necessary to complete the middle three columns.

### SA904 Notes

Page TFN3 – the notes on Special Withholding Tax (SWT) have been amended and Belgium is now excluded from the list of countries that may deduct SWT.

### SA905 – Capital Gains pages

The Budget on 22 June 2010 increased the rate at which Capital Gains Tax is charged on gains accruing on or after 23 June 2010 to 28 per cent for trustees or personal representatives. Gains that qualify for Entrepreneurs' Relief are taxed at 10 per cent and the lifetime limit for these gains was increased to £5 million from 23 June 2010 (£2 million for gains accruing on or after 6 April 2010 and before 23 June 2010). Form SA905 includes new boxes as follows:

- box 5.11 - for all taxable gains accruing between 6 April and 22 June 2010
- box 5.11A - for taxable gains accruing on or after 23 June 2010 which qualify for Entrepreneurs' Relief. For gains from before 23 June 2010 that qualify for Entrepreneurs' Relief, the amount of relief claimed still needs to go in column G.
- box 5.11B - for all other taxable gains accruing on or after 23 June 2010
- boxes below box 5.22 - for amounts of qualifying gains both before and on or after 23 June 2010 where Entrepreneurs' Relief is claimed.

### Late penalties

From April 2011 the penalties for filing your tax return late are changing. If your tax return is one day late you will be charged a penalty of £100, even if you have no tax to pay or the tax is paid on time. There will be further, increased penalties the more you delay. The penalties for paying late are also changing.

[More information on both of these penalty changes](#)

## Excepted transfers and settlements

### Do I need to send in an IHT100?

HMRC Trusts & Estates receive many letters and phone calls each day from trustees and their agents asking if they need to deliver an IHT100 Inheritance Tax account on an exit from a trust or a ten-year anniversary.

It is the responsibility of taxpayers (or their agents) to consider the facts of their particular circumstances and decide if a transfer needs to be notified to HMRC Trusts & Estates. Notification is not required for an event which meets the provisions of the excepted settlements regulations.

There is comprehensive guidance in the Inheritance Tax manual on excepted transfers and settlements in chapter 6 and this guidance should be consulted first. There is also a summary of the provisions below. These should give you the answer you are looking for without needing to write to or telephone HMRC.

Summary of the provisions of the excepted transfer regulations:

#### 1. General Conditions

The following 3 General Conditions must all be met – if one or more are not met, the settlement cannot qualify as an excepted settlement:

1. The settlor is domiciled in the UK at the time the settlement was set up and has remained so domiciled throughout the existence of the settlement until either the occasion of charge or the settlor's earlier death
2. The trustees of the settlement are resident in the UK throughout the existence of the settlement
3. There are no related settlements.

#### 2. Ten Year Charge Conditions

To qualify as an excepted settlement, the General Conditions (above) must all be met, plus the following:

The value of the notional aggregate chargeable transfer specified in s.66(3) must not exceed 80% of the nil rate band.

s.66(3) provides the following:

- value of settlement as at the ten-year anniversary (TYA), plus
- Historic Value (HV) of non-relevant property in the settlement, plus
- HV of related settlement(s), plus
- Total or all transfers made by the settlor in the 7 years before the settlement commenced, plus
- Total value of distributions in the 10 years before the TYA

And in arriving at the notional aggregate chargeable transfer, if the total of previous cumulative transfers includes proportionate charges that were themselves excepted from delivering an account, the values to be used in arriving at the total of previous cumulative transfers must also be before deduction of any relief or liabilities.

#### 3. Proportionate Charge before the first Ten Year Charge

To qualify as an excepted settlement, the general conditions (above) must all be met, plus the following:

The value of the notional aggregate chargeable transfer specified in s.68(4) must not exceed 80% of the nil rate band.

#### 4. Proportionate Charge between Ten Year Charges

To qualify as an excepted settlement, the General Conditions (above) must all be met, plus the following:

The value of the notional aggregate chargeable transfer specified in s.66(3), taking account of s.69, must not exceed 80% of the nil rate band.

#### Note

For the purposes of calculating the value of the 'notional chargeable transfer', no relief that might be due should be deducted (e.g. Agricultural Property Relief; Business Property Relief) and any liabilities that may be deductible from assets in charge should also be ignored.

[Further guidance on excepted transfers and settlements](#)

## Test-Achats case – impact on the Inheritance Tax treatment of Discounted Gift Schemes (DGS)

HMRC has received a number of enquiries following the decision in the Test-Achats case about whether or not HMRC will be changing the method used to calculate the value of the retained rights.

The valuation of the retained rights, for Inheritance Tax purposes, has to be carried out on an open market basis in accordance with s.160 IHT 1984. Evidence from the open market indicates that the sale/purchase of assets similar to the retained rights under a DGS (for example, life interests and contingent reversions) take place when assurance can be effected upon the relevant life/lives (the settlor(s)). At present the market practice is for life companies to determine assurance premiums taking into account the gender of the life assured. If, following the Test-Achats decision, market practice changes, for example, the insurance industry introduces unisex tables, HMRC will discuss with insurers and representative bodies how best to incorporate that change into its practice.

## Inheritance Tax incentive to encourage charitable legacies

The recent Budget included an announcement that a reduced rate of Inheritance Tax will apply where 10 per cent or more of a deceased's net estate (after deducting Inheritance Tax exemptions, reliefs and the nil rate band) is left to charity. In those cases the current 40 per cent rate will be reduced to 36 per cent. The new rate will apply where death occurs on or after 6 April 2012. The Government will issue a consultation document before the summer.

The following three articles on probate matters were supplied by HM Courts & Tribunals Service



**HM Courts  
& Tribunals  
Service**

## Correcting defective oaths and filing affidavits

The Probate Registrar will consider the particular circumstances of each case and their decision is final, but in most cases the errors listed below will have to be corrected by reswearing the oath. If there are multiple executors or administrators in some circumstances it may be possible for one deponent to reswear the oath. More minor errors can usually be dealt with by a written certificate.

### Reswears

1. Clearing omitted or incomplete (including "or any other person")
2. Title defective (lawful widow, wholeblood /halfblood, stirpital interest)
3. Administration clauses omitted
4. Domicile omitted or incorrect
5. "Paper writings marked A & B" omitted
6. "Will produced to and marked by" omitted

### Affidavits

In certain circumstances it will be necessary to file an affidavit to rectify a problem with the application. These are some of the most common instances where an affidavit should be filed with the application.

1. Plight and condition of will- major problem e.g. will consists of separate pages
2. Identity of executor – affidavit of identity e.g. if first forename is omitted from will.

## Settling Service

In all applications submitted for settling (please see below - paragraphs 2.06 and 4.92 of the 30th edition of Tristram and Coote's Probate Practice - published by LexisNexis) the Probate Service will only check the correct title and clearing is displayed and the validity of the will. We will not check standard clauses, or proof-read

the oath. The Probate Service can only approve the title and clearing on the basis of the information supplied.

**Extract from the 30th edition of Tristram and Coote's Probate Practice - published by LexisNexis:**

2.06 In any case where it is desired, drafts of the oath or other documents to lead a grant of representation may be submitted to the probate department of the registry for settling. The fee (payable on submission of the draft papers) for perusing and settling each document is £10.00. The settled drafts must be lodged with the papers to lead to the grant. The Probate Service is currently considering revising the practice of settling oaths and other papers. This is an optional service for the benefit of practitioners in particular where a difficulty arises in a proposed application for representation. However practitioners submit a significant number of straightforward oaths for executors or kin entitled on intestacy. This situation compromises the core functions at some registries. It is suggested that practitioners do not submit papers for settling as a matter of course but only those papers where there is a particular difficulty which is explained in covering correspondence

**4.92 Settling oaths:**

The Probate Service wishes to discourage the practice of submitting straightforward oaths for settling. Where there is a particular difficulty about the application which the practitioner should specify, he or she may submit the oath in draft for settling by the registry from which the grant is to issue. Examples of difficulty may be an ambiguous appointment of executor or imprecise attestation clause. The settled draft should be lodged with sworn papers.

## Non-Contentious Probate fees: Increased from 4 April 2011

On 4 April 2011 the Non-Contentious Probate Fees (Amendment) Order 2011 No.588 came into force. The fees order increases the majority of fees charged in non-contentious probate proceedings, including the application fee and the settling fee. The fee increases are based on the rate of inflation since the date they were last increased (for the majority of fees that was in 1999).

Please note that no application (or other work) can be completed until the appropriate fee has been paid.

Please also note with the creation of the new agency (on 1 April) you should now make cheques payable to **HM Courts & Tribunals Service**.

### Further information

For a copy of the order:

[www.legislation.gov.uk/ukxi/2011/588/contents/made](http://www.legislation.gov.uk/ukxi/2011/588/contents/made)

For a copy of the amended table of fees:

[www.legislation.gov.uk/ukxi/2011/588/schedule/made](http://www.legislation.gov.uk/ukxi/2011/588/schedule/made)

The contents of this newsletter are not binding on HMRC and reflect news & views current at the time of writing