

# HMRC update their approach to Inheritance Tax account forms

June 2022

## HMRC announces an updated approach to the clearance process and the timeline for IHT100 Inheritance Tax account forms.

In its recent Trusts and Estates Newsletter, HMRC announced some changes to the processing of IHT100 forms. These change the timelines for when those who have submitted an IHT100 form can expect the matter to settle.

But what is an IHT100 form, and when do you need to use one? This article provides a brief overview of IHT100 forms, and the recent changes announced.

### What is an IHT00 form?

[IHT100](#) is not a single form but a collection of forms and supplementary pages designed to tell HMRC about any 'chargeable events', which means that inheritance tax will be due on a trust or gift.

### When do you need to submit an IHT100 form?

You must submit an IHT100 form when a chargeable event occurs. For example, if:

- you make a lifetime transfer that is chargeable to inheritance tax when it is made;
- a potentially exempt transfer is made, and the transferor did not survive for seven years after the transfer;
- property is given subject to a reservation;
- property ceases to be held on discretionary trusts;
- the termination of an interest in possession in [settled property](#) occurs within seven years of the life tenant's death;

- the termination of an interest in possession in settled property arises because of the life tenant's death;
- a principal charge arises on the tenth anniversary of a discretionary trust; and
- a flat rate charge arises because a special trust no longer meets any special tax treatment conditions. For example, if the trust stops having charitable status or beneficiaries have reached a certain age.

### Changes to the IHT100 form timeline

In the recent newsletter, HMRC announced some improvements to the timeline for dealing with IHT100 forms. After submission, HMRC will now confirm receipt of the form in writing and provide a date 12 weeks from the acknowledgement of receipt when the person submitting the form will hear from HMRC about their form submission. If the person does not hear from HMRC by this date, they can assume that HMRC has no further questions about their form submission. This updated guidance applied to forms submitted on or after 20 April 2022.

In addition, the newsletter sets out that when HMRC decides to open a compliance check into a taxpayer's form IHT100, they will write to the taxpayer to let them know when the compliance check has come to an end. However, they will not issue a standard clearance letter; if you wish to apply for clearance, you must submit a form IHT30.

**For all your Inheritance Tax queries, contact [James McMullan](#) today.**

James McMullan  
020 7299 6902  
[james.mcmullan@riaabg.com](mailto:james.mcmullan@riaabg.com)  
[www.riaabarkergillette.com](http://www.riaabarkergillette.com)



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