Mr. Peter Rees: I am very grateful for the opportunity of writing to my hon. Friend and, indeed, of writing to my right hon. Friend, too. I am spared the problem of having to explain and I doubt whether I could identify the precise charging provisions at this hour of night, so, if I may take up my right hon. Friend's suggestion, I shall certainly write to my hon. Friend the Member for Anglesey as precisely as I can about those particular matters.

Clause 82, as amended, ordered to stand part of the Bill.

Clause 83
Maintenance Funds:
Other Amendments

Amendments made: No. 335, in page 61, line 13, after "if," insert "(a)."

No. 336 in page 61, line 16, at end insert:
"or (b) the individual receives any consideration in money or money's worth for that property;".

No. 337, in page 61, line 20, at end insert:
"referred to in paragraph (a) above or, as the case may be, to the consideration referred to in paragraph (b) above or where both paragraphs apply to the aggregate of the excess and the consideration.".—[Mr. Peter Rees.]

Clause 83, as amended, ordered to stand part of Bill.

Clause 84
Proper Liferent and Fee

Mr. Denzil Davies: I beg to move amendment No. 154, in page 62, line 7, leave out "17th April" and insert "26th March".

The amendment seeks to find out about the date in the clause. As I understand it, the clause is concerned with the different applications of Scottish law, and I quite understand its purpose. But what is not clear is why the clause applied from 17 April. The Budget was on 26 March. Why should the clause apply from 17 April, and what is the significance of choosing that date?

Mr. Peter Rees: The reason is that one view was taken of the nature of a proper liferent for capital transfer tax purposes.
until an article was written in the learned Journal of the Law Society of Scotland which gave a different view of it. On reflection, the Inland Revenue felt that the learned journal was right and that its previous view was wrong. To put the matter beyond doubt we introduced clause 84.

No word of this was breathed by my right hon. and learned Friend in his Budget speech, so it was thought only fair that this quite fundamental change north of the Border should be operative only from the date of publication of the Bill. That would mean that no one would be prejudiced until then, because it was felt that if we were to make such a fundamental change from the beginning of the financial year people should be put on proper notice of it. They were not given that notice, which is why we made it run from 16 April.

Mr. Stan Thorne: On a point of order, Mr. Goodhew. Can you confirm that you put the question on clause 83 standing part?

The Chairman: I assure the hon. Gentleman that I did and that it was carried.

Mr. Denzil Davies: I am grateful to the Minister of State. I understand why the date is different. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Peter Rees: I beg to move amendment No. 338, in page 62, line 11, at end insert "in full satisfaction of the liability".

By nothing more than an error, the crucial words "in full satisfaction of the liability" were omitted from the clause. This is obviously a point of great significance to Scottish lawyers and it was felt that it would rob the provision of much of its effect. The amendment is therefore intended to remedy what was no more than an omission.

Amendment agreed to.

Question proposed, That the clause, as amended, stand part of the Bill.

Sir Graham Page: I was hoping that my hon. and learned Friend might enlighten the Committee as to what is a proper liferent. I may be a proper Charlie, but I do not know which liferent is proper and which is improper. Should there not be a definition of a liferent in the interpretation clause of the Bill?

Mr. Peter Rees: I understand that a proper liferent is the nearest thing to a life interest. A friendly hand has put a note before me which states that a liferent is a Scottish term for a life interest. The difference between a proper liferent and a trust liferent is that in the case of the former the property in question is conveyed directly to the person who has the life interest, whereas in the case of the latter the property is conveyed to trustees to hold in trust for the life tenant. I hope that my right hon. Friend and the Committee will be seized of the essential legal distinctions.

Question put and agreed to.

Clause 84, as amended, ordered to stand part of the Bill.

Clause 85

DELIVERY OF ACCOUNTS

Mr. Denzil Davies: I beg to move amendment No. 155, in page 62, line 13, leave out sub-paragraph (a).

Sub-paragraph (a) enables the Board of Inland Revenue to make regulations that dispense with the delivery of accounts for the purposes of paragraph 2 of schedule 4 to the Finance Act 1975. We should like the Minister of State to say why it is thought that accounts need not be prepared and delivered and what kind of regulations the board will publish. How much of a problem avoidance is, I know not. But we should like to know why this provision is considered necessary and why there is a dispensation on the provision of accounts.

Sir Graham Page: This is a welcome provision if it means what it says, and if it is intended that there should be regulations that relieve the personal representatives of having to provide a full account of the estate where they believe that capital transfer tax will not be payable because of the total value of the estate.