



## When to use this form

Fill in this form if you wish to deduct any of the following from the value of the estate on form IHT400:

- money that was spent on behalf of the deceased and hasn't been repaid
- loans or overdrafts
- liabilities related to a life assurance policy where the sum assured isn't fully reflected in the IHT400
- debts that the deceased guaranteed on behalf of another person

Include these debts on form IHT400, at box 80 or box 82, as appropriate.

If the deceased died on or after 17 July 2013 there are some conditions that must be met before a liability can be deducted. The conditions are to do with:

- what the borrowed money was used for
- whether the money is actually repaid from the estate

If the liability doesn't meet the conditions, it may not be deducted from the estate.

The deduction can't be allowed if:

- the money was borrowed to acquire, maintain or enhance excluded property - this applies whether the debt is actually repaid or not
- the money isn't repaid from the estate

There are exceptions to this:

- the excluded property has since been sold and the money received is now liable to tax, or if the excluded property itself has become liable to tax
- there is a real commercial reason for not repaying the debt, and not repaying the debt doesn't give rise to a tax advantage

If any of these exceptions apply say why you think so on this form at box 6 on page 4 or in the additional information boxes on pages 15 and 16 of the IHT400.

If a liability that can be allowed as a deduction was used to acquire, enhance or maintain property that qualifies for:

- Agricultural Relief
- Business Relief
- Woodlands Relief

and was incurred on or after 6 April 2013, you must deduct that liability from the property concerned before working out the amount of relief that is due.

More information about liabilities is available on page 49 of the IHT400 notes.

Name of deceased

Date of death DD MM YYYY

IHT reference number (if known)

## Gifts to, and loans from, the same person

In some cases, special rules apply where the deceased has both borrowed money from someone and made a gift to that same person. These types of debts owed by the deceased are generally not allowed as deductions for Inheritance Tax purposes.

For more information, phone our helpline on 0300 123 1072.

## Help

For information or help or another copy of this form:

- go to [www.gov.uk/inheritance-tax](http://www.gov.uk/inheritance-tax)
- phone our helpline on 0300 123 1072
  - if calling from outside the UK, phone +44 300 123 1072

## Money spent on the deceased's behalf

1 Did any person spend money on the deceased's behalf, which is now being claimed as a deduction from the estate?

For example, paying domestic bills.

No  Yes  If Yes, provide the following information about the money spent

Name of the person who spent the money	Relationship to the deceased	What was the money spent on?	Explain why the deceased's own money was not used	Explain why the money wasn't repaid during the deceased's lifetime	Amount spent £

## Loans and liabilities

2 Did the deceased have any outstanding loans, including loans from close friends and relatives?

No  Yes  If Yes, provide the following information about loans and liabilities. Provide copies of any written evidence of the loan(s)

Name of lender	Relationship to the deceased	Date of loan DD MM YYYY	State the purpose of the loan and where the money is reflected in the value of the estate	Was the loan secured on any property?	Original amount of the loan £	Amount outstanding at the date of death £

## Liabilities related to an insurance policy

3 Are there any liabilities claimed that are related to a life assurance policy and/or an investment bond, where the value of the policy or bond isn't fully reflected elsewhere in the IHT400?

No

Yes

If Yes, provide the following information. You must also provide a copy of the policy documents and any relevant trust or loan documents

Name of insurance company	Amount owed £	Amount of sum assured, shown in the deceased's estate (if none, write 'Nil') £

## Guaranteed debts

4 Did the deceased guarantee any debts on behalf of another person?

No

Yes

If Yes, provide the following details. Provide a copy of any written evidence

Name of the person whose debts were guaranteed	Relationship to the deceased	Was the deceased called upon to repay the loan?	If No, explain why you think the loan should be deducted from the estate	Amount of debt guaranteed £

## Gifts to and loans from the same person

5 Did the deceased make a gift to someone after 18 March 1986, and at any time after that gift, borrow money from that same person?

No  Yes  If Yes, provide the following details.

**Gifts** If the gift has already been described on form IHT403 Gifts and other transfers of value, you need only give us enough information to identify the gift concerned

Date of gift	Name of person to whom the gift was made	Description of the assets comprised in the gift	Assets value at gift date £

**Loans** Provide copies of any written evidence of the loan(s).

If the loan has already been described at box 2 of this form, you need only give us enough information to identify the gift concerned

Date of loan	Amount of loan £	Amounts and dates of any payments	What did the deceased use the money for and where is it reflected in the estate?

## Additional information

6 Give us any other information that you think we need to know