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THE OFFSHORE & INTERNATIONAL TAXATION REVIEW

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CONTENTS

	Page No
From the Editors	v
Capital Gains Tax Avoidance Courtesy of the Inland Revenue Robert Venables QC	71
Excluded Property Trusts and GROBS Robert Venables QC	76
The Territorial Scope of UK Stamp Duty Richard Vallat	86
Enforcement of Foreign Taxes in the EC Robert Venables QC	91
IHT Spouse Exemption on Death of a Foreign Domiciliary James Kessler	101

EDITORIAL

In the first article of this issue, the Consulting Editor discusses the considerable scope for simple strategies to avoid United Kingdom capital gains tax which will be available if the House of Lords upholds the Court of Appeal decision in *Jerome v Kelly*. Leave to appeal to the House of Lords has been granted to the taxpayer by their Lordships and a date for the hearing is awaited.

The Consulting Editor also discusses the two competing analyses of excluded property trusts and the gifts with reservation of benefit rules, concluding that the possibility of these issues being litigated is increasing in the current climate.

There are two interesting and pertinent articles on UK Stamp Duty. In the first, Richard Vallat discusses the territorial scope of the present tax and the penalties for non-compliance. In the second, the Consulting Editor discusses, in an illuminating article on the proposed Stamp Duty Land Tax, the foreign element to the proposed new tax, including some fascinating consequences of the territoriality of the proposed tax and its effect on trusts and companies.

The Consulting Editor also discusses the effects of the enforcement of foreign taxes in the EC as a result of the incorporation of the Recovery Directive into United Kingdom law by the Finance Act 2002.

Finally, James Kessler Q.C. discusses the availability of the inheritance tax spouse exemption on the death of a foreign domiciliary and the implications of the exemption on will drafting for a foreign domicilliary and deeds of variations.

Robert Venables QC

Amanda Hardy

June 2003