

FINANCE ACT 2010

EXPLANATORY NOTES

INTRODUCTION

Section 55: Sdl: Partnerships

Background Note

6. The special SDLT rules for partnerships are currently being exploited to achieve inappropriate reductions in SDLT for certain land transactions. These changes ensure that SDLT planning schemes which seek to exploit the partnerships rules will be subject to the SDLT anti-avoidance rule at section 75A of FA 2003.
7. The anti-avoidance rule works by creating, and charging to SDLT, a notional land transaction. The notional transaction supplants the actual land transaction under section 75A(4) of FA 2003. Before this section comes into effect, the chargeable consideration for notional transactions in section 75A is subject to the special partnerships rules in Part 3 of Schedule 15 to FA 2003. This will no longer be the case once the section has effect; instead section 75A(5) of FA 2003 will apply.