

## SCHEDULE 7

### PARTNERSHIPS

#### PART 7

#### APPLICATION OF PARTS 5 AND 6 IN RELATION TO LEASES

*Transfer of chargeable interest to or from a partnership: chargeable consideration including rent*

- 31 (1) This paragraph applies in relation to a transaction to which paragraph 13 or 21 applies where the whole or part of the chargeable consideration for the transaction is rent.
- (2) Part 5 of Schedule 6 (leases: calculation of tax chargeable) has effect with the modifications set out in sub-paragraphs (3) to (6).
- (3) Paragraph 29 has effect as if—
- (a) in Step 1, for “the net present value (the “NPV”) of the rent payable over the term of the lease” there were substituted “the relevant chargeable proportion of the net present value (the “NPV”) of the rent payable over the term of the lease”;
  - (b) in Step 2, for “the NPV” there were substituted “the relevant chargeable proportion”.
- (4) Paragraph 30 has effect as if—
- (a) in Step 1, for “the total of the net present values (the “TNPV”) of the rent payable over the terms of all the linked leases” there were substituted “the total of the relevant chargeable proportions of the net present values (the “TNPV”) of the rent payable over the terms of all the leases”;
  - (b) in Step 2, for “the TNPV” there were substituted “the total of the relevant chargeable proportions”;
  - (c) in Step 4, for “the NPV” substitute “the relevant chargeable proportion” and for “the TNPV” substitute “the total of the relevant chargeable proportions”.
- (5) Paragraph 33(1) has effect as if for “paragraphs 34 and 35” there were substituted “paragraphs 13 and 21 of Schedule 7 and paragraphs 34 and 35 of this Schedule”.
- (6) Paragraph 36(1)(a) has effect as if—
- (a) in sub-paragraph (i) for “the annual rent” there were substituted “the relevant chargeable proportion of the annual rent”;
  - (b) in sub-paragraph (ii) for “the total of the annual rents” there were substituted “the relevant chargeable proportion of the total of the annual rents”.
- (7) For the purposes of paragraphs 29, 30 and 36 of Schedule 6 as modified by this paragraph, the relevant chargeable proportion is—
- $$\left( \frac{100 \text{ SLP}}{\text{SLP}} \right) \%$$

Figure 11

where SLP is the sum of the lower proportions.

- (8) The following paragraphs apply for determining the sum of the lower proportions—

---

*Status: This is the original version (as it was originally enacted).*

---

- (a) in the case of a transaction to which paragraph 13 applies, paragraph 14, and
  - (b) in the case of a transaction to which paragraph 21 applies, paragraph 22.
- (9) In the case of a transaction to which paragraph 21 applies, this paragraph is subject to paragraph 30.