

Status: Point in time view as at 12/02/2015.

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SCHEDULES

SCHEDULE 15

Section 104

STAMP DUTY LAND TAX: PARTNERSHIPS

PART 1

GENERAL PROVISIONS

Partnerships

- 1 In this Part of this Act a “partnership” means—
- (a) a partnership within the Partnership Act 1890 (c. 39),
 - (b) a limited partnership registered under the Limited Partnerships Act 1907 (c. 24), or
 - (c) a limited liability partnership formed under the Limited Liability Partnerships Act 2000 (c. 12) or the Limited Liability Partnerships Act (Northern Ireland) 2002 (c. 12 (N. I.)),
- or a firm or entity of a similar character to any of those mentioned above formed under the law of a country or territory outside the United Kingdom.

Legal personality of partnership disregarded

- 2 (1) For the purposes of this Part of this Act—
- (a) a chargeable interest held by or on behalf of a partnership is treated as held by or on behalf of the partners, and
 - (b) a land transaction entered into for the purposes of a partnership is treated as entered into by or on behalf of the partners,
- and not by or on behalf of the partnership as such.
- (2) Sub-paragraph (1) applies notwithstanding that the partnership is regarded as a legal person, or as a body corporate, under the law of the country or territory under which it is formed.

Continuity of partnership

- 3 For the purposes of this Part of this Act a partnership is treated as the same partnership notwithstanding a change in membership if any person who was a member before the change remains a member after the change.

Partnership not to be regarded as unit trust scheme etc

- 4 A partnership is not to be regarded for the purposes of this Part of this Act as a unit trust scheme or an open ended investment company.

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PART 2

ORDINARY PARTNERSHIP TRANSACTIONS

Introduction

- 5 (1) This Part of this Schedule applies to transactions entered into as purchaser by or on behalf of the members of a partnership, other than transactions within Part 3 of this Schedule [^{F1}(transactions to which special provisions apply)].

Textual Amendments

- F1** Words in Sch. 15 para. 5 substituted (with effect in accordance with Sch. 41 para. 3 of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 41 para. 2\(c\)](#)

Responsibility of partners

- 6 (1) Anything required or authorised to be done under this Part of this Act by or in relation to the purchaser under the transaction is required or authorised to be done by or in relation to all the responsible partners.
- (2) The responsible partners in relation to a transaction are—
- (a) the persons who are partners at the effective date of the transaction, and
 - (b) any person who becomes a member of the partnership after the effective date of the transaction.
- (3) This paragraph has effect subject to paragraph 8 (representative partners).

Joint and several liability of responsible partners

- 7 (1) Where the responsible partners are liable—
- (a) to make a payment of tax or to interest on unpaid tax,
 - (b) to make a payment in accordance with an assessment under paragraph 29 of Schedule 10 (recovery of excessive repayment), or
 - (c) to a penalty under this Part of this Act or to interest on such a penalty,
- the liability is a joint and several liability of those partners.
- [^{F2}(1A) No amount may be recovered by virtue of sub-paragraph (1)(a) or (b) from a person who did not become a responsible partner until after the effective date of the transaction in respect of which the tax is payable.]
- (2) No amount may be recovered by virtue of sub-paragraph (1)(c) from a person who did not become a responsible partner until after the relevant time.
- (3) The relevant time for this purpose is—
- (a) in relation to so much of a penalty as is payable in respect of any day, or to interest on so much of a penalty as is so payable, the beginning of that day;
 - (b) in relation to any other penalty, or interest on such a penalty, the time when the act or omission occurred that caused the penalty to become payable.

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Textual Amendments

F2 Sch. 15 para. 7(1A) inserted (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), s. 305

Representative partners

- 8 (1) Anything required or authorised to be done by or in relation to the responsible partners may instead be done by or in relation to any representative partner or partners.
- (2) This includes making the declaration required by paragraph 1(1)(c) of Schedule 10^{F3}... (declaration that return^{F3}... is complete and correct).
- (3) A representative partner means a partner nominated by a majority of the partners to act as the representative of the partnership for the purposes of this Part of this Act.
- (4) Any such nomination, or the revocation of such a nomination, has effect only after notice of the nomination, or revocation, has been given to the Inland Revenue.

Textual Amendments

F3 Words in Sch. 15 para. 8(2) omitted (with effect in accordance with s. 94(5) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 30 para. 12](#)

[^{F4}PART 3

TRANSACTIONS TO WHICH SPECIAL PROVISIONS APPLY

Textual Amendments

F4 Sch. 15 Pt. 3 substituted (with effect in accordance with Sch. 41 para. 3 of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 41 para. 1](#)

Introduction

- 9 (1) This Part of this Schedule applies to certain transactions involving—
- (a) the transfer of a chargeable interest to a partnership (paragraph 10),
 - (b) the transfer of an interest in a partnership (paragraphs 14, 17, 31 and 32), or
 - (c) the transfer of a chargeable interest from a partnership (paragraph 18).
- (2) References in this Part of this Schedule to the transfer of a chargeable interest include—
- (a) the grant or creation of a chargeable interest,
 - (b) the variation of a chargeable interest, and
 - (c) the surrender, release or renunciation of a chargeable interest.

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Transfer of chargeable interest to a partnership: general

- 10 (1) This paragraph applies where—
- (a) a partner transfers a chargeable interest to the partnership, or
 - (b) a person transfers a chargeable interest to a partnership in return for an interest in the partnership, or
 - (c) a person connected with—
 - (i) a partner, or
 - (ii) a person who becomes a partner as a result of or in connection with the transfer,
 transfers a chargeable interest to the partnership.

It applies whether the transfer is in connection with the formation of the partnership or is a transfer to an existing partnership.

- [^{F5}(2) The chargeable consideration for the transaction shall (subject to paragraph 13) be taken to be equal to—

$$MV \times (100SLP)\%$$

where—

MV is the market value of the interest transferred, and

SLP is the sum of the lower proportions.]

- (5) Paragraph 12 provides for determining the sum of the lower proportions.
- (6) Paragraph 11 applies ^{F6}... if the whole or part of the chargeable consideration for the transaction is rent.
- (7) Paragraphs 6 to 8 (responsibility of partners) have effect in relation to a transaction to which this paragraph applies, but the responsible partners are—
- (a) those who were partners immediately before the transfer and who remain partners after the transfer, and
 - (b) any person becoming a partner as a result of, or in connection with, the transfer.

- [^{F7}(8) This paragraph has effect subject to any election under paragraph 12A.]

Textual Amendments

- F5** Sch. 15 para. 10(2) substituted for Sch. 15 para. 10(2)-(4) (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 2\(1\)](#)
- F6** Words in Sch. 15 para. 10(6) repealed (with effect in accordance with [Sch. 24 para. 11\(1\)\(4\)](#) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 2\(2\)](#), [Sch. 26 Pt. 7\(2\)](#)
- F7** Sch. 15 para. 10(8) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 31 para. 5](#)

Transfer of chargeable interest to a partnership: chargeable consideration including rent

- 11 (1) This paragraph applies in relation to a transaction to which paragraph 10 applies where the whole or part of the chargeable consideration for the transaction is rent.
- [^{F8}(2) Schedule 5 (amount of tax chargeable: rent) has effect with the modifications set out in sub-paragraphs (2A) to (2C).

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- (2A) In paragraph 2—
- (a) for “the net present value of the rent payable over the term of the lease” substitute “ the relevant chargeable proportion of the net present value of the rent payable over the term of the lease ”, and
 - (b) for “the net present values of the rent payable over the terms of all the leases” substitute “ the relevant chargeable proportions of the net present values of the rent payable over the terms of all the leases ”.
- (2B) In paragraph [^{F9}9A(6)] —
- (a) for “the annual rent” substitute “ the relevant chargeable proportion of the annual rent ”, and
 - (b) for “the total of the annual rents” substitute “ the relevant chargeable proportion of the total of the annual rents ”.
- (2C) For paragraph 9(4) substitute—
- “(4) Tax chargeable under this Schedule is in addition to any tax chargeable under section 55 [^{F10}or 74(1A)] [^{F11}or Schedule [^{F12}4A or] 6B as they have] effect by virtue of paragraph 10 of Schedule 15.”.
- (2D) For the purposes of sub-paragraphs (2A) and (2B) the relevant chargeable proportion is—
- (100SLP)%
where SLP is the sum of the lower proportions.]
- (8) Paragraph 12 provides for determining the sum of the lower proportions.
- (9) This paragraph is subject to paragraph 13.

Textual Amendments

- F8** Sch. 15 para. 11(2)-(2D) substituted for Sch. 15 para. 11(2)-(7) (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 3](#)
- F9** Word in Sch. 15 para. 11(2B)(a) substituted (with effect in accordance with s. 95(13) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [s. 95\(11\)\(a\)](#)
- F10** Words in [Sch. 15 para. 11\(2C\)](#) inserted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 35 para. 9\(2\)\(a\)](#)
- F11** Words in Sch. 15 para. 11(2C) substituted (with effect in accordance with Sch. 22 para. 9 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 22 para. 8](#)
- F12** Words in [Sch. 15 para. 11\(2C\)](#) inserted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 35 para. 9\(2\)\(b\)](#)

Transfer of chargeable interest to a partnership: sum of the lower proportions

- 12 (1) The sum of the lower proportions in relation to a transaction to which paragraph 10 applies is determined as follows:—

Step One

Identify the relevant owner or owners.

A person is a relevant owner if—

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- (a) immediately before the transaction, he was entitled to a proportion of the chargeable interest, and
- (b) immediately after the transaction, he is a partner or connected with a partner.

Step Two

For each relevant owner, identify the corresponding partner or partners.

A person is a corresponding partner in relation to a relevant owner if, immediately after the transaction—

- (a) he is a partner, and
- (b) he is the relevant owner ^{F13}or is an individual connected with the relevant owner].

^{F14}(If there is no relevant owner with a corresponding partner, the sum of the lower proportions is nil.)]

Step Three

For each relevant owner, find the proportion of the chargeable interest to which he was entitled immediately before the transaction.

Apportion that proportion between any one or more of the relevant owner's corresponding partners.

Step Four

Find the lower proportion for each person who is a corresponding partner in relation to one or more relevant owners.

The lower proportion is—

- (a) the proportion of the chargeable interest attributable to the partner, or
- (b) if lower, the partner's partnership share immediately after the transaction.

The proportion of the chargeable interest attributable to the partner is—

- (i) if he is a corresponding partner in relation to only one relevant owner, the proportion (if any) of the chargeable interest apportioned to him (at Step Three) in respect of that owner;
- (ii) if he is a corresponding partner in relation to more than one relevant owner, the sum of the proportions (if any) of the chargeable interest apportioned to him (at Step Three) in respect of each of those owners.

Step Five

Add together the lower proportions of each person who is a corresponding partner in relation to one or more relevant owners.

The result is the sum of the lower proportions.

- (2) For the purposes of this paragraph persons who are entitled to a chargeable interest as beneficial joint tenants ^{F15}... shall be taken to be entitled to the chargeable interest as beneficial tenants in common ^{F15}... in equal shares.
- ^{F16}(3) For the purpose of paragraph (b) of Step 2 a company is to be treated as an individual connected with the relevant owner in so far as it—
 - (a) holds property as trustee, and

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- (b) is connected with the relevant owner only because of ^{F17}section 1122(6) of the Corporation Tax Act 2010.]

Textual Amendments

- F13** Words in Sch. 15 para. 12(1) substituted (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 72\(3\)\(a\)](#) (with s. 72(2)(16)(17))
- F14** Words in Sch. 15 para. 12(1) inserted (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 72\(3\)\(b\)](#) (with s. 72(2)(16)(17))
- F15** Words in Sch. 15 para. 12(2) omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of [Scotland Act 2012 \(c. 11\), s. 44\(2\)\(b\)\(3\)\(b\)](#), [Sch. 3 para. 26\(2\)](#) (with s. 29(5)(6)); S.I. 2015/637, [art. 2](#)
- F16** Sch. 15 para. 12(3) inserted (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 72\(4\)](#) (with s. 72(2)(16)(17))
- F17** Words in Sch. 15 para. 12(3)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\)](#), [Sch. 1 para. 418\(2\)](#) (with [Sch. 2](#))

Election by property-investment partnership to disapply paragraph 10

- ^{F18}12A(1) Paragraph 10 does not apply to a transfer of a chargeable interest to a property-investment partnership if the purchaser in relation to the transaction elects for that paragraph not to apply.
- (2) Where an election under this paragraph is made in respect of a transaction—
- paragraph 18 (if relevant) is also disappplied,
 - the chargeable consideration for the transaction shall be taken to be the market value of the chargeable interest transferred, and
 - the transaction falls within Part 2 of this Schedule.
- (3) An election under this paragraph must be included in the land transaction return made in respect of the transaction or in an amendment of that return.
- (4) Such an election is irrevocable and a land transaction return may not be amended so as to withdraw the election.
- (5) Where an election under this paragraph in respect of a transaction (the “main transaction”) is made in an amendment of a land transaction return—
- the election has effect as if it had been made on the date on which the land transaction return was made, and
 - any land transaction return in respect of an affected transaction may be amended (within the period allowed for amendment of that return) to take account of that election.
- (6) In sub-paragraph (5) “affected transaction”, in relation to the main transaction, means a transaction—
- to which paragraph 14 applied, and
 - with an effective date on or after the effective date of the main transaction.
- (7) In this paragraph “property-investment partnership” has the meaning given in paragraph 14(8).]

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Textual Amendments

F18 Sch. 15 para. 12A and cross-heading inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 31 para. 6](#) (with [Sch. 31 para. 11](#))

Transfer of chargeable interest to a partnership consisting wholly of bodies corporate

^{F19}13

Textual Amendments

F19 Sch. 15 para. 13 repealed (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), s. 72(5), [Sch. 27 Pt. 4\(1\)](#) (with s. 72(2)(16)(17))

[^{F20}Transfer ^{F21}... of interest in property-investment partnership]

14 (1) This paragraph applies where—

- (a) there is a transfer of an interest in a [^{F22}property-investment] partnership,
- ^{F23}(b)
- (c) the relevant partnership property includes a chargeable interest.

(2) The transfer—

- (a) shall be taken for the purposes of this Part to be a land transaction;
- (b) is a chargeable transaction.

(3) The purchaser under the transaction is the person who acquires an increased partnership share or, as the case may be, becomes a partner in consequence of the transfer.

[^{F24}(3A) A transfer to which this paragraph applies is a Type A transfer if it takes the form of arrangements entered into under which—

- (a) the whole or part of a partner's interest as partner is acquired by another person (who may be an existing partner), and
- (b) consideration in money or money's worth is given by or on behalf of the person acquiring the interest.

(3B) A transfer to which this paragraph applies is also a Type A transfer if it takes the form of arrangements entered into under which—

- (a) a person becomes a partner,
- (b) the interest of an existing partner in the partnership is reduced or an existing partner ceases to be a partner, and
- (c) there is a withdrawal of money or money's worth from the partnership by the existing partner mentioned in paragraph (b) (other than money or money's worth paid from the resources available to the partnership prior to the transfer).

(3C) Any other transfer to which this paragraph applies is a Type B transfer.]

^{F23}(4)

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- (5) The “relevant partnership property”, in relation to [^{F25}a Type A transfer] of an interest in a partnership, is every chargeable interest held as partnership property immediately after the transfer, other than—
- (a) any [^{F26}chargeable] interest that was transferred to the partnership in connection with the transfer;
 - (b) a lease to which paragraph 15 (exclusion of market rent leases) applies [^{F27}, and
 - (c) any chargeable interest that is not attributable economically to the interest in the partnership that is transferred.]
- [^{F28}(5A) The “relevant partnership property”, in relation to a Type B transfer of an interest in a partnership, is every chargeable interest held as partnership property immediately after the transfer, other than—
- (a) any chargeable interest that was transferred to the partnership in connection with the transfer,
 - (b) a lease to which paragraph 15 (exclusion of market rent leases) applies,
 - (c) any chargeable interest that is not attributable economically to the interest in the partnership that is transferred,
 - (d) any chargeable interest that was transferred to the partnership on or before 22 July 2004,
 - (e) any chargeable interest in respect of whose transfer to the partnership an election has been made under paragraph 12A, and
 - (f) any other chargeable interest whose transfer to the partnership did not fall within paragraph 10(1)(a), (b) or (c).]
- (6) The chargeable consideration for the transaction shall be taken to be equal to a proportion of the market value of the relevant partnership property.
- (7) That proportion is—
- (a) if the person acquiring the interest in the partnership was not a partner before the transfer, his partnership share immediately after the transfer;
 - (b) if he was a partner before the transfer, the difference between his partnership share before and after the transfer.
- [^{F29}(8) In this paragraph—
- “property-investment partnership” means a partnership whose sole or main activity is investing or dealing in chargeable interests (whether or not that activity involves the carrying out of construction operations on the land in question);
- “construction operations” has the same meaning as in Chapter 3 of Part 3 of the Finance Act 2004 (see section 74 of that Act).]
- [^{F30}(9) An interest in respect of the transfer of which this paragraph applies shall be treated as a chargeable interest for the purposes of paragraph 3(1) of Schedule 7 to the extent that the relevant partnership property consists of a chargeable interest.]

Textual Amendments

F20 Sch. 15 para. 14 heading substituted (with effect in accordance with Sch. 24 para. 11(2)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 9\(1\)](#)

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- F21** Words in Sch. 15 para. 14 cross-heading repealed (with effect in accordance with s. 72(13)(14) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), s. 72(6)(b), **Sch. 27 Pt. 4(1)** (with s. 72(2)(16)(17))
- F22** Word in Sch. 15 para. 14(1)(a) inserted (with effect in accordance with Sch. 24 para. 11(2)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), **Sch. 24 para. 9(2)**
- F23** Sch. 15 para. 14(4) repealed (with effect in accordance with s. 72(13)(14) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), s. 72(6)(a), **Sch. 27 Pt. 4(1)** (with s. 72(2)(16)(17))
- F24** Sch. 15 para. 14(3A)-(3C) inserted (with effect in accordance with s. 97(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 31 para. 1(2)**
- F25** Words in Sch. 15 para. 14(5) substituted (with effect in accordance with s. 97(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 31 para. 1(3)(a)**
- F26** Word in Sch. 15 para. 14(5)(a) inserted (with effect in accordance with s. 97(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 31 para. 1(3)(b)**
- F27** Sch. 15 para. 14(5)(c) and word inserted (with effect in accordance with s. 97(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 31 para. 1(3)(c)**
- F28** Sch. 15 para. 14(5A) inserted (with effect in accordance with s. 97(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 31 para. 1(4)**
- F29** Sch. 15 para. 14(8) inserted (with effect in accordance with Sch. 24 para. 11(2)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), **Sch. 24 para. 9(3)**
- F30** Sch. 15 para. 14(9) inserted (with effect in accordance with s. 72(13)(14) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), s. 72(6)(b) (with s. 72(2)(16)(17))

Exclusion of market rent leases

- 15 (1) A lease held as partnership property immediately after a transfer of an interest in the partnership is not relevant partnership property for the purposes of paragraph 14(5) [^{F31}or (5A)] if the following four conditions are met.
- (2) The first condition is that—
- (a) no chargeable consideration other than rent has been given in respect of the grant of the lease, and
 - (b) no arrangements are in place at the time of the transfer for any chargeable consideration other than rent to be given in respect of the grant of the lease.
- (3) The second condition is that the rent payable under the lease as granted was a market rent at the time of the grant.
- (4) The third condition is that—
- (a) the term of the lease is 5 years or less, or
 - (b) if the term of the lease is more than 5 years—
 - (i) the lease provides for the rent payable under it to be reviewed at least once in every 5 years of the term, and
 - (ii) the rent payable under the lease as a result of a review is required to be a market rent at the review date.
- (5) The fourth condition is that there has been no change to the lease since it was granted which is such that, immediately after the change has effect, the rent payable under the lease is less than a market rent.
- (6) The market rent of a lease at any time is the rent which the lease might reasonably be expected to fetch at that time in the open market.
- (7) A review date is a date from which the rent determined as a result of a rent review is payable.

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Textual Amendments

F31 Words in Sch. 15 para. 15(1) inserted (with effect in accordance with s. 97(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 31 para. 2**

Partnership interests: application of provisions about exchanges etc.

- 16 (1) Where paragraph 5 of Schedule 4 (exchanges) applies to the acquisition of an interest in a partnership in consideration of entering into a land transaction with an existing partner, the interest in the partnership shall be treated as a major interest in land for the purposes of that paragraph if the relevant partnership property includes a major interest in land.
- (2) In sub-paragraph (1) “relevant partnership property” has the meaning given by paragraph 14(5) [^{F32}or (5A) (as appropriate)].
- (3) The provisions of paragraph 6 of Schedule 4 (partition etc: disregard of existing interest) do not apply where this paragraph applies.

Textual Amendments

F32 Words in Sch. 15 para. 16(2) inserted (with effect in accordance with s. 97(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 31 para. 3**

Transfer of partnership interest pursuant to earlier arrangements

- 17 (1) This paragraph applies where—
- (a) there is a transfer of a chargeable interest to a partnership (“the land transfer”);
 - (b) the land transfer falls within paragraph (a), (b) or (c) of paragraph 10(1);
 - (c) there is subsequently a transfer of an interest in the partnership (“the partnership transfer”);
 - (d) the partnership transfer is made—
 - (i) if the land transfer falls within paragraph 10(1)(a) or (b), by the person who makes the land transfer;
 - (ii) if the land transfer falls within paragraph 10(1)(c), by the partner concerned;
 - (e) the partnership transfer is made pursuant to arrangements that were in place at the time of the land transfer;
 - (f) the partnership transfer is not (apart from this paragraph) a chargeable transaction.
- (2) The partnership transfer—
- (a) shall be taken for the purposes of this Part to be a land transaction;
 - (b) is a chargeable transaction.
- (3) The partners shall be taken to be the purchasers under the transaction.
- (4) The chargeable consideration for the transaction shall be taken to be equal to a proportion of the market value, as at the date of the transaction, of the interest transferred by the land transfer.

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- (5) That proportion is—
- (a) if the person making the partnership transfer is not a partner immediately after the transfer, his partnership share immediately before the transfer;
 - (b) if he is a partner immediately after the transfer, the difference between his partnership share before and after the transfer.
- (6) The partnership transfer and the land transfer shall be taken to be linked transactions.
- (7) Paragraphs 6 to 8 (responsibility of partners) have effect in relation to the partnership transfer, but the responsible partners are—
- (a) those who were partners immediately before the transfer and who remain partners after the transfer, and
 - (b) any person becoming a partner as a result of, or in connection with, the transfer.

^{F33}Withdrawal of money etc from partnership after transfer of chargeable interest

Textual Amendments

F33 Sch. 15 para. 17A and cross-heading inserted (with effect in accordance with Sch. 10 para. 16(3)(6)-(9) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 10](#)

- 17A (1) This paragraph applies where—
- (a) there is a transfer of a chargeable interest to a partnership (“the land transfer”);
 - (b) the land transfer falls within paragraph (a), (b) or (c) of paragraph 10(1);
 - (c) during the period of three years beginning with the date of the land transfer, a qualifying event occurs.
- [at the time of the qualifying event, an election has not been made in respect of the land transfer under paragraph 12A.]^{F34}(d)
- (2) A qualifying event is—
- (a) a withdrawal from the partnership of money or money's worth which does not represent income profit by the relevant person—
 - (i) withdrawing capital from his capital account,
 - (ii) reducing his interest, or
 - (iii) ceasing to be a partner, or
 - (b) in a case where the relevant person has made a loan to the partnership—
 - (i) the repayment (to any extent) by the partnership of the loan, or
 - (ii) a withdrawal by the relevant person from the partnership of money or money's worth which does not represent income profit.
- (3) For this purpose the relevant person is—
- (a) where the land transfer falls within paragraph 10(1)(a) or (b), the person who makes the land transfer, and
 - (b) where the land transfer falls within paragraph 10(1)(c), the partner concerned or a person connected with him.
- (4) The qualifying event—
- (a) shall be taken to be a land transaction, and

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(b) is a chargeable transaction.

(5) The partners shall be taken to be the purchasers under the transaction.

(6) Paragraphs 6 to 8 (responsibility of partners) have effect in relation to the transaction.

(7) The chargeable consideration for the transaction shall be taken to be—

- (a) in a case falling within sub-paragraph (2)(a), equal to the value of the money or money's worth withdrawn from the partnership,
- (b) in a case falling within sub-paragraph (2)(b)(i), equal to the amount repaid, and
- (c) in a case falling within sub-paragraph (2)(b)(ii), equal to so much of the value of the money or money's worth withdrawn from the partnership as does not exceed the amount of the loan,

but (in any case) shall not exceed the market value, as at the effective date of the land transfer, of the chargeable interest transferred by the land transfer, reduced by any amount previously chargeable to tax.]

[^{F35}(8) Where—

- (a) a qualifying event gives rise to a charge under this paragraph, and
- (b) the same event gives rise to a charge under paragraph 14 (transfer for consideration of interest in property-investment partnership),

the amount of the charge under this paragraph is reduced (but not below nil) by the amount of the charge under that paragraph.]

Textual Amendments

F34 Sch. 15 para. 17A(1)(d) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 31 para. 8](#)

F35 Sch. 15 para. 17A(8) inserted (with effect in accordance with Sch. 24 para. 11(3)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 10](#)

Transfer of chargeable interest from a partnership: general

18 (1) This paragraph applies where a chargeable interest is transferred—

- (a) from a partnership to a person who is or has been one of the partners, or
- (b) from a partnership to a person connected with a person who is or has been one of the partners.

[^{F36}(2) The chargeable consideration for the transaction shall (subject to paragraph 24) be taken to be equal to—

$$MV \times (100SLP)\%$$

where—

MV is the market value of the interest transferred, and

SLP is the sum of the lower proportions.]

(5) Paragraph 20 provides for determining the sum of the lower proportions.

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- (6) Paragraph 19 applies ^{F37} ... if the whole or part of the chargeable consideration for the transaction is rent.
- (7) For the purposes of this paragraph property that was partnership property before the partnership was dissolved or otherwise ceased to exist shall be treated as remaining partnership property until it is distributed.
- [^{F38}(8) This paragraph has effect subject to any election under paragraph 12A.]

Textual Amendments

- F36** Sch. 15 para. 18(2) substituted for Sch. 15 para. 18(2)-(4) (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 5\(1\)](#)
- F37** Words in Sch. 15 para. 18(6) repealed (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 5\(2\)](#), [Sch. 26 Pt. 7\(2\)](#)
- F38** Sch. 15 para. 18(8) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 31 para. 7](#)

Transfer of chargeable interest from a partnership: chargeable consideration including rent

- 19 (1) This paragraph applies in relation to a transaction to which paragraph 18 applies where the whole or part of the chargeable consideration for the transaction is rent.
- [^{F39}(2) Schedule 5 (amount of tax chargeable: rent) has effect with the modifications set out in sub-paragraphs (2A) to (2C).
- (2A) In paragraph 2—
- for “the net present value of the rent payable over the term of the lease” substitute “ the relevant chargeable proportion of the net present value of the rent payable over the term of the lease ”, and
 - for “the net present values of the rent payable over the terms of all the leases” substitute “ the relevant chargeable proportions of the net present values of the rent payable over the terms of all the leases ”.
- (2B) In paragraph [^{F40}9A(6)] —
- for “the annual rent” substitute “ the relevant chargeable proportion of the annual rent ”, and
 - for “the total of the annual rents” substitute “ the relevant chargeable proportion of the total of the annual rents ”.
- (2C) For paragraph 9(4) substitute—
- “(4) Tax chargeable under this Schedule is in addition to any tax chargeable under section 55 [^{F41}or 74(1A)] [^{F42}or Schedule [^{F43}4A or] 6B as they have] effect by virtue of paragraph 18 of Schedule 15.”.
- (2D) For the purposes of sub-paragraphs (2A) and (2B) the relevant chargeable proportion is—
- (100SLP)%
where SLP is the sum of the lower proportions.]
- (8) Paragraph 20 provides for determining the sum of the lower proportions.

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(9) This paragraph is subject to paragraph 24.

Textual Amendments

- F39** Sch. 15 para. 19(2)-(2D) substituted for Sch. 15 para. 19(2)-(7) (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 6](#)
- F40** Word in Sch. 15 para. 19(2B) substituted (with effect in accordance with s. 95(13) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [s. 95\(11\)\(b\)](#)
- F41** Words in Sch. 15 para. 19(2C) inserted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 35 para. 9\(2\)\(a\)](#)
- F42** Words in Sch. 15 para. 19(2C) substituted (with effect in accordance with Sch. 22 para. 9 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 22 para. 8](#)
- F43** Words in Sch. 15 para. 19(2C) inserted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 35 para. 9\(2\)\(b\)](#)

Transfer of chargeable interest from a partnership: sum of the lower proportions

20 (1) The sum of the lower proportions in relation to a transaction to which paragraph 18 applies is determined as follows:—

Step One

Identify the relevant owner or owners.

A person is a relevant owner if—

- (a) immediately after the transaction, he is entitled to a proportion of the chargeable interest, and
- (b) immediately before the transaction, he was a partner or connected with a partner.

Step Two

For each relevant owner, identify the corresponding partner or partners.

A person is a corresponding partner in relation to a relevant owner if, immediately before the transaction—

- (a) he was a partner, and
- (b) he was the relevant owner [^{F44}or was an individual connected with the relevant owner].

[^{F45}(If there is no relevant owner with a corresponding partner, the sum of the lower proportions is nil.)]

Step Three

For each relevant owner, find the proportion of the chargeable interest to which he is entitled immediately after the transaction.

Apportion that proportion between any one or more of the relevant owner's corresponding partners.

Step Four

Find the lower proportion for each person who is a corresponding partner in relation to one or more relevant owners.

The lower proportion is—

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- (a) the proportion of the chargeable interest attributable to the partner, or
- (b) if lower, the partnership share attributable to the partner.

The proportion of the chargeable interest attributable to the partner is—

- (i) if he is a corresponding partner in relation to only one relevant owner, the proportion (if any) of the chargeable interest apportioned to him (at Step Three) in respect of that owner;
- (ii) if he is a corresponding partner in relation to more than one relevant owner, the sum of the proportions (if any) of the chargeable interest apportioned to him (at Step Three) in respect of each of those owners.

Paragraph 21 provides for determining the partnership share attributable to the partner.

Step Five

Add together the lower proportions of each person who is a corresponding partner in relation to one or more relevant owners.

The result is the sum of the lower proportions.

- (2) For the purposes of this paragraph persons who are entitled to a chargeable interest as beneficial joint tenants^{F46} ... shall be taken to be entitled to the chargeable interest as beneficial tenants in common^{F46} ... in equal shares.
- [^{F47}(3) For the purpose of paragraph (b) of Step 2 a company is to be treated as an individual connected with the relevant owner in so far as it—
 - (a) holds property as trustee, and
 - (b) is connected with the relevant owner only because of [^{F48}section 1122(6) of the Corporation Tax Act 2010].]

Textual Amendments

- F44** Words in Sch. 15 para. 20(1) substituted (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 72\(7\)\(a\)](#) (with s. 72(2)(16)(17))
- F45** Words in Sch. 15 para. 20(1) inserted (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 72\(7\)\(b\)](#) (with s. 72(2)(16)(17))
- F46** Words in Sch. 15 para. 20(2) omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of [Scotland Act 2012 \(c. 11\), s. 44\(2\)\(b\)\(3\)\(b\)](#), [Sch. 3 para. 26\(3\)](#) (with s. 29(5)(6)); S.I. 2015/637, [art. 2](#)
- F47** Sch. 15 para. 20(3) inserted (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 72\(8\)](#) (with s. 72(2)(16)(17))
- F48** Words in Sch. 15 para. 20(3)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\)](#), [Sch. 1 para. 418\(3\)](#) (with [Sch. 2](#))

Transfer of chargeable interest from a partnership: partnership share attributable to partner

- 21 (1) This paragraph provides for determining the partnership share attributable to a partner for the purposes of paragraph 20 (1) (see Step Four).
- (2) Paragraph 22 applies for determining the partnership share attributable to a partner where—
 - (a) the effective date of the transfer of the relevant chargeable interest to the partnership was before 20th October 2003, or

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- (b) the effective date of the transfer of the relevant chargeable interest to the partnership was on or after that date and—
 - (i) the instrument by which the transfer was effected has been duly stamped with *ad valorem* stamp duty, or
 - (ii) any tax payable in respect of the transfer has been duly paid under this Part.
 - (3) Where the effective date of the transfer of the relevant chargeable interest to the partnership was on or after 20th October 2003 but neither of the conditions in sub-paragraphs (i) and (ii) of sub-paragraph (2)(b) is met, the partnership share attributable to the partner is zero.
 - (4) The relevant chargeable interest is—
 - (a) the chargeable interest which ceases to be partnership property as a result of the transaction to which paragraph 18 applies, or
 - (b) where the transaction to which paragraph 18 applies is the grant or creation of a chargeable interest, the chargeable interest out of which that interest is granted or created.
- 22 (1) Where this paragraph applies, the partnership share attributable to the partner is determined as follows:—

Step One

Find the partner's actual partnership share on the relevant date.

In a case falling within paragraph 21(2)(a), the relevant date—

- (a) if the partner was a partner on 19th October 2003, is that date;
- (b) if the partner became a partner after that date, is the date on which he became a partner.

In a case falling within paragraph 21(2)(b), the relevant date—

- (a) if the partner was a partner on the effective date of the transfer of the relevant chargeable interest to the partnership, is that date;
- (b) if the partner became a partner after that date, is the date on which he became a partner.

Step Two

Add to that partnership share any increases in the partner's partnership share which—

- (a) occur in the period starting on the day after the relevant date and ending immediately before the transaction to which paragraph 18 applies, and
- (b) count for this purpose.

The result is the increased partnership share.

An increase counts for the purpose of paragraph (b) only if—

- (i) where the transfer which resulted in the increase took place on or before the date on which the Finance Act 2004 was passed, the instrument by which the transfer was effected has been duly stamped with *ad valorem* stamp duty under the enactments relating to stamp duty;
- (ii) where the transfer which resulted in the increase took place after that date, any tax payable in respect of the transfer has been duly paid under this Part.

Step Three

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Deduct from the increased partnership share any decreases in the partner's partnership share which occur in the period starting on the day after the relevant date and ending immediately before the transaction to which paragraph 18 applies.

The result is the partnership share attributable to the partner.

- (2) If the effect of applying Step Three would be to reduce the partnership share attributable to the partner below zero, the partnership share attributable to the partner is zero.
- (3) In a case falling within paragraph 21(2)(a), if the partner ceased to be a partner before 19th October 2003, the partnership share attributable to the partner is zero.
- (4) In a case falling within paragraph 21(2)(b), if the partner ceased to be a partner before the effective date of the transfer of the relevant chargeable interest to the partnership, the partnership share attributable to the partner is zero.
- (5) Paragraph 21(4) (relevant chargeable interest) applies for the purposes of this paragraph.

Transfer of chargeable interest from a partnership to a partnership

- 23 (1) This paragraph applies where—
- (a) there is a transfer of a chargeable interest from a partnership to a partnership, and
 - (b) the transfer is both—
 - (i) a transaction to which paragraph 10 applies, and
 - (ii) a transaction to which paragraph 18 applies.

[^{F49}(2) Paragraphs 10(2) and 18(2) do not apply.

- (2A) The chargeable consideration for the transaction shall be taken to be what it would have been if paragraph 10(2) had applied or, if greater, what it would have been if paragraph 18(2) had applied.
- (3) Where the whole or part of the chargeable consideration for the transaction is rent—
 - (a) paragraphs 11 and 19 do not apply;
 - (b) the tax chargeable in respect of so much of the chargeable consideration as consists of rent shall be taken to be what it would have been if paragraph 11 had applied or, if greater, what it would have been if paragraph 19 had applied;
 - (c) the disapplication of the 0% band provided for by paragraph [^{F50}9A] of Schedule 5 has effect if—
 - (i) it would have had effect if paragraph 11(2B) of this Schedule had applied, or
 - (ii) it would have had effect if paragraph 19(2B) of this Schedule had applied.]

Textual Amendments

- F49** Sch. 15 para. 23(2)-(3) substituted for Sch. 15 para. 23(2)(3) (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 8](#)

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F50 Word in Sch. 15 para. 23(3)(c) substituted (with effect in accordance with s. 95(13) of the amending Act) by [Finance Act 2008 \(c. 9\), s. 95\(11\)\(c\)](#)

Transfer of chargeable interest from a partnership consisting wholly of bodies corporate

- 24 (1) This paragraph applies where—
- (a) there is a transaction to which paragraph 18 applies;
 - (b) immediately before the transaction all the partners are bodies corporate;
 - (c) the sum of the lower proportions is 75 or more.
- (2) Paragraphs 18, 19 and 23 have effect with these modifications.
- (3) In paragraph 18, for ^{F51}sub-paragraphs (2) and (5)] substitute—
- “(2) The chargeable consideration for the transaction shall be taken to be equal to the market value of the interest transferred.”.
- ^{F52}(4A) In paragraph 19(2), for “sub-paragraphs (2A) to (2C)” substitute “ sub-paragraph (2C) ”.
- (5) In paragraph 19, omit sub-paragraphs (2A), (2B), (2D) and (8).]
- (9) Paragraph 20 provides for determining the sum of the lower proportions.

Textual Amendments

- F51** Words in Sch. 15 para. 24(3) substituted (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\), Sch. 24 para. 7\(1\)](#)
- F52** Sch. 15 para. 24(4A)(5) substituted for Sch. 15 para. 24(4)-(8) (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\), Sch. 24 para. 7\(2\)](#)

Application of exemptions and reliefs

- 25 (1) Where paragraph 10, 14, 17 or 18 applies, paragraph 1 of Schedule 3 (exemption of transactions for which there is no chargeable consideration) does not apply.
- (2) But (subject to ^{F53}paragraphs 27 and 28]) this Part of this Schedule has effect subject to any other provision affording exemption or relief from stamp duty land tax.

Textual Amendments

- F53** Words in Sch. 15 para. 25(2) substituted (with effect in accordance with Sch. 39 para. 10(4) of the amending Act) by [Finance Act 2012 \(c. 14\), Sch. 39 para. 8\(3\)](#) (with [Sch. 39 paras. 11-13](#))

Application of disadvantaged areas relief

^{F54}26

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Textual Amendments

F54 Sch. 15 para. 26 omitted (with effect in accordance with Sch. 39 para. 10(4) of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 39 para. 8\(2\)\(b\)\(ii\)](#) (with [Sch. 39 paras. 11-13](#))

Application of group relief

- 27 (1) Part 1 of Schedule 7 (group relief) applies to—
- (a) a transaction to which paragraph 10 applies, and
 - (b) a transaction that is a chargeable transaction by virtue of paragraph 17, with these modifications.
- (2) In paragraph 3(1)(a), for “the purchaser” substitute “ a partner who was a partner at the effective date of the relevant transaction (“the relevant partner”) ”.
- (3) In paragraph 3(1), for paragraph (b) substitute—
- “(b) at the time the relevant partner ceases to be a member of the same group as the vendor (“the relevant time”), a chargeable interest is held by or on behalf of the members of the partnership and that chargeable interest—
 - (i) was acquired by or on behalf of the partnership under the relevant transaction, or
 - (ii) is derived from a chargeable interest so acquired, and has not subsequently been acquired at market value under a chargeable transaction for which group relief was available but was not claimed.”.
- (4) In paragraph 3(3), for the words from “the transferee company” to the end substitute “ or on behalf of the partnership and to the proportion in which the relevant partner is entitled at the relevant time to share in the income profits of the partnership. ”.
- (5) In paragraph 3(4), omit the definition of “relevant associated company”.
- (6) In paragraphs 4 to 6, for “the purchaser” (wherever appearing) substitute “ the relevant partner ”.

[^{F55}27A(1) This paragraph applies where in calculating the sum of the lower proportions in relation to a transaction (in accordance with paragraph 12)—

- (a) a company (“the connected company”) would have been a corresponding partner of a relevant owner (“the original owner”) but for the fact that paragraph (b) of Step Two includes connected persons only if they are individuals, and
 - (b) the connected company and the original owner are members of the same group.
- (2) The charge in respect of the transaction shall be reduced to the amount that would have been payable had the connected company been a corresponding partner of the original owner for the purposes of calculating the sum of the lower proportions.
- (3) The provisions of Part 1 of Schedule 7 apply to group relief under sub-paragraph (2) above as to group relief under paragraph 1(1) of Schedule 7, but—

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- (a) with the omission of paragraph 2(2)(a),
- (b) with the substitution for “the purchaser” in paragraph 3(1)(a) of “a partner who was, at the effective date of the transaction, a partner and a member of the same group as the transferor (“the relevant partner”); and
- (c) with the other modifications specified in paragraph 27(3) to (6) above.]

Textual Amendments

F55 Sch. 15 para. 27A inserted (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), s. 72(9) (with s. 72(2)(16)(17))

Application of charities relief

- 28 (1) Schedule 8 (charities relief) applies to the transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 14 or 17 with these modifications.
- (2) In paragraph 1(1), for “A land transaction is exempt from charge if the purchaser is a charity” substitute “ A transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 14 or 17 of Schedule 15 is exempt from charge if the transferee is a charity ”.
- (3) In paragraph 1(2)—
- (a) for “the purchaser must intend to hold the subject-matter of the transaction” substitute “ every chargeable interest held as partnership property immediately after the transfer must be held ”;
 - (b) in paragraphs (a) and (b) for “the purchaser” substitute “ the transferee ”.
- (4) In paragraph 1(3) for “the purchaser” substitute “ the transferee ”.
- (5) In paragraph 2(1), for paragraph (b) substitute—
- “(b) at the time of the disqualifying event the partnership property includes a chargeable interest—
 - (i) that was held as partnership property immediately after the relevant transaction, or
 - (ii) that is derived from an interest held as partnership property at that time.”.
- (6) In paragraph 2(3)(a), for “the purchaser” substitute “ the transferee ”.
- (7) In paragraph 2(3), for paragraph (b) substitute—
- “(b) any chargeable interest held as partnership property immediately after the relevant transaction, or any interest or right derived from it, being used or held otherwise than for qualifying charitable purposes.”.
- (8) For paragraph 2(4) substitute—
- “(4) In sub-paragraphs (1) and (2) an “appropriate proportion” means an appropriate proportion having regard to—
 - (a) the chargeable interests held as partnership property immediately after the relevant transaction and the chargeable interests held as partnership property at the time of the disqualifying event, and

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- (b) the extent to which any chargeable interest held as partnership property at that time becomes used or held for purposes other than qualifying charitable purposes.”

(9) After paragraph 2 insert—

“Interpretation

- 3 (1) There is a transfer of an interest in a partnership for the purposes of this Schedule if there is such a transfer for the purposes of Part 3 of Schedule 15 (see paragraph 36 of that Schedule).
- (2) Paragraph 34 (1) of Schedule 15 (meaning of references to partnership property) applies for the purposes of this Schedule as it applies for the purposes of Part 3 of that Schedule.”

Acquisition of interest in partnership not chargeable except as specially provided

29 Except as provided by—

- (a) paragraph 10 (transfer of chargeable interest to a partnership), or
- (b) paragraph 14 (transfer of partnership interest: consideration given and chargeable interest held), or
- (c) paragraph 17 (transfer of partnership interest pursuant to earlier arrangements),

the acquisition of an interest in a partnership is not a chargeable transaction, notwithstanding that the partnership property includes land.

Transactions that are not notifiable

- 30 (1) A transaction which is a chargeable transaction by virtue of paragraph 14 or 17 (transfer of partnership interest) is a notifiable transaction if (but only if) the consideration for the transaction exceeds the zero rate threshold.
- (2) The consideration for a transaction exceeds the zero rate threshold if [^{F56}one or more] of the following conditions are met—
- (a) the relevant consideration for the purposes of section 55 (amount of tax chargeable: general) is such that the [^{F57}amount of tax chargeable under that section is not zero];
- [^{F58}(aa) paragraph 3 of Schedule 4A applies to the transaction;]
- (b) the relevant rental value for the purposes of Schedule 5 (amount of tax chargeable: rent) is such that the rate of tax chargeable under that Schedule is 1% or higher.

Textual Amendments

- F56** Words in Sch. 15 para. 30(2) substituted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 35 para. 9\(3\)\(a\)](#)
- F57** Words in Sch. 15 para. 30(2)(a) substituted (with effect in accordance with s. 2(2) of the amending Act) by [Stamp Duty Land Tax Act 2015 \(c. 1\)](#), [Sch. para. 16](#) (with s. 2(3)-(6))
- F58** Sch. 15 para. 30(2)(aa) inserted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 35 para. 9\(3\)\(b\)](#)

Status: Point in time view as at 12/02/2015.

Changes to legislation: Finance Act 2003, SCHEDULE 15 is up to date with all changes known to be in force on or before 01 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Stamp duty on transfers of partnership interests: continued application

- 31 (1) Nothing in section 125 (abolition of stamp duty except in relation to stock or marketable securities), or in Part 2 of Schedule 20 (amendments and repeals consequential on that section) [^{F59}or in Schedule 24 to the Finance Act 2014 (abolition of stamp duty in relation to certain securities)], affects the application of the enactments relating to stamp duty in relation to an instrument by which a transfer of an interest in a partnership is effected.
- (2) In Part 1 of Schedule 20 (provisions supplementing section 125) references to stock or marketable securities shall be read as including any property that is the subject-matter of a transaction by which an interest in a partnership is transferred.
- (3) In their application in relation to an instrument by which a transfer of an interest in a partnership is effected, the enactments relating to stamp duty have effect subject to paragraphs 32 and 33.

Textual Amendments

F59 Words in Sch. 15 para. 31(1) inserted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(2\)](#)

Stamp duty on transfers of partnership interests: modification

- 32 (1) This paragraph applies where—
- (a) stamp duty under Part 1 of Schedule 13 to the Finance Act 1999 (transfer on sale) is chargeable on an instrument effecting a transfer of an interest in a partnership, and
- (b) the relevant partnership property includes a chargeable interest.
- (2) The “relevant partnership property”, in relation to a transfer of an interest in a partnership, is every chargeable interest held as partnership property immediately after the transfer, other than any interest that was transferred to the partnership in connection with the transfer.
- (3) The consideration for the transaction shall (subject to sub-paragraph (8)) be taken to be equal to the actual consideration for the transaction less the excluded amount.
- (4) The excluded amount is a proportion of the net market value of the relevant partnership property immediately after the transfer.
- (5) That proportion is—
- (a) if the person acquiring the interest in the partnership was not a partner before the transfer, his partnership share immediately after the transfer;
- (b) if he was a partner before the transfer, the difference between his partnership share before and after the transfer.
- (6) The net market value of a chargeable interest at a particular date is—
- MVSL
- where—
- MV is the market value of the chargeable interest at that date, and

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SL is the amount outstanding at that date on any loan secured solely on the chargeable interest.

- (7) If, in relation to a chargeable interest, SL is greater than MV, the net market value of the chargeable interest shall be taken to be nil.
- (8) If the excluded amount is greater than the actual consideration for the transaction, the consideration for the transaction shall be taken to be nil.
- (9) Where this paragraph applies in relation to an instrument, the instrument shall not be regarded as duly stamped unless it has been stamped in accordance with section 12 of the Stamp Act 1891.
- 33 ^{F60}(1) This paragraph applies where stamp duty under Part 1 of Schedule 13 to the Finance Act 1999 (transfer on sale) is, apart from this paragraph, chargeable on an instrument effecting a transfer of an interest in a partnership.
- (1A) If the relevant partnership property does not include any ^{F61}[relevant] securities, no stamp duty shall (subject to sub-paragraph (8)) be chargeable on the instrument.]
- (3) ^{F62}If the relevant partnership property includes ^{F63}[relevant] securities,] the stamp duty chargeable on the instrument shall not exceed the stamp duty that would be chargeable if—
- (a) the instrument were an instrument effecting a transfer of ^{F64}... ^{F65}[those securities], and
- ^{F66}(b) the consideration for the transfer were equal to the appropriate proportion of the net market value of ^{F64}... those securities immediately after the transfer.]
- ^{F67}(3A) The “relevant partnership property”, in relation to a transfer of an interest in a partnership, is the partnership property immediately after the transfer, other than any partnership property that was transferred to the partnership in connection with the transfer.]
- ^{F68}(4)
- (5) ^{F69}The appropriate] proportion is—
- (a) if the person acquiring the interest in the partnership was not a partner before the transfer, his partnership share immediately after the transfer;
- (b) if he was a partner before the transfer, the difference between his partnership share before and after the transfer.
- (6) The net market value of ^{F70}[relevant] securities at a particular date is—
- MVSL
- where—
- MV is the market value of the ^{F70}[relevant] securities at that date, and
- SL is the amount outstanding at that date on any loan secured solely on the ^{F70}[relevant] securities.
- (7) If, in relation to any ^{F71}[relevant] securities, SL is greater than MV, the net market value of the ^{F71}[relevant] securities shall be taken to be nil.

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- (8) Where this paragraph applies in relation to an instrument, the instrument shall not be regarded as duly stamped unless it has been stamped in accordance with section 12 of the Stamp Act 1891.
- [^{F72}(8A) In this paragraph “relevant securities” means stock or marketable securities other than any stock or marketable securities admitted to trading on a recognised growth market but not listed on any market.]
- (9) This paragraph shall be construed as one with the Stamp Act 1891.

Textual Amendments

- F60** Sch. 15 para. 33(1)(1A) substituted for Sch. 15 para. 33(1)(2) (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(2\)](#)
- F61** Word in Sch. 15 para. 33(1A) substituted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(a\)](#)
- F62** Words in Sch. 15 para. 33(3) inserted (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(3\)\(a\)](#)
- F63** Word in Sch. 15 para. 33(3) substituted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(b\)](#)
- F64** Words in Sch. 15 para. 33(3) omitted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(c\)](#)
- F65** Words in Sch. 15 para. 33(3)(a) substituted (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(3\)\(b\)](#)
- F66** Sch. 15 para. 33(3)(b) substituted (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(3\)\(c\)](#)
- F67** Sch. 15 para. 33(3A) inserted (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(4\)](#)
- F68** Sch. 15 para. 33(4) repealed (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(5\)](#), [Sch. 11 Pt. 3\(1\)](#)
- F69** Words in Sch. 15 para. 33(5) substituted (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(6\)](#)
- F70** Word in Sch. 15 para. 33(6) substituted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(d\)](#)
- F71** Word in Sch. 15 para. 33(7) substituted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(e\)](#)
- F72** Sch. 15 para. 33(8A) inserted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(f\)](#)

Interpretation: partnership property and partnership share

- 34 (1) Any reference in this Part of this Schedule to partnership property is to an interest or right held by or on behalf of a partnership, or the members of a partnership, for the purposes of the partnership business.
- (2) Any reference in this Part of this Schedule to a person’s partnership share at any time is to the proportion in which he is entitled at that time to share in the income profits of the partnership.

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Interpretation: transfer of chargeable interest to a partnership

- 35 For the purposes of this Part of this Schedule, there is a transfer of a chargeable interest to a partnership in any case where a chargeable interest becomes partnership property.

Interpretation: transfer of interest in a partnership

- [^{F73}36 For the purposes of this Part of this Schedule, where a person acquires or increases a partnership share there is a transfer of an interest in the partnership (to that partner and from the other partners).]

Textual Amendments

- F73** Sch. 15 para. 36 substituted (with effect in accordance with s. 72(13)(14) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 72\(10\)](#) (with s. 72(2)(16)(17))

Interpretation: transfer of chargeable interest from a partnership

- 37 For the purposes of this Part of this Schedule, there is a transfer of a chargeable interest from a partnership in any case where—
- (a) a chargeable interest that was partnership property ceases to be partnership property, or
 - (b) a chargeable interest is granted or created out of partnership property and the interest is not partnership property.

Interpretation: market value of leases

- 38 (1) This paragraph applies in relation to a lease for the purposes of this Part of this Schedule if—
- (a) the grant of the lease is or was a transaction to which paragraph 10 applies or applied (or a transaction to which paragraph 10 would have applied if that paragraph had been in force at the time of the grant), or
 - (b) the grant of the lease is a transaction to which paragraph 18 applies.
- (2) In determining the market value of the lease, an obligation of the tenant under the lease is to be taken into account if (but only if)—
- (a) it is an obligation such as is mentioned in paragraph 10 (1) of Schedule 17A, or
 - (b) it is an obligation to make a payment to a person.

Interpretation: connected persons

- 39 (1) [^{F74}Section 1122 of the Corporation Tax Act 2010] (connected persons) has effect for the purposes of this Part of this Schedule.
- (2) As applied by sub-paragraph (1), that section has effect with the omission of [^{F75}subsection (7)] (partners connected with each other).
- [^{F76}(3) As applied by sub-paragraph (1) for the purposes of paragraph 12 or 20, that section has effect with the omission of [^{F77}subsection (6)(c) to (e)] (trustee connected with settlement).]

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Textual Amendments

- F74** Words in Sch. 15 para. 39(1) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 418(4)(a)** (with [Sch. 2](#))
- F75** Words in Sch. 15 para. 39(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 418(4)(b)** (with [Sch. 2](#))
- F76** Sch. 15 para. 39(3) inserted (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), s. **72(11)** (with s. 72(2)(16)(17))
- F77** Words in Sch. 15 para. 39(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 418(4)(c)** (with [Sch. 2](#))

Interpretation: arrangements

- 40 In this Part of this Schedule “arrangements” includes any scheme, agreement or understanding, whether or not legally enforceable.]

Status:

Point in time view as at 12/02/2015.

Changes to legislation:

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