

SCHEDULES

SCHEDULE 36

PROMOTERS OF TAX AVOIDANCE SCHEMES: PARTNERSHIPS

PART 4

INTERPRETATION

Meaning of “controlling member”

- 19 (1) For the purposes of this Schedule a person (“P”) is a “controlling member” of a partnership at any time when the person has a right to a share of more than half the assets, or of more than half the income, of the partnership.
- (2) For that purpose there are to be attributed to P any interests or rights of—
- (a) any individual who is connected with P (if P is an individual), and
 - (b) any body corporate that P controls.
- (3) An individual is “connected” with P if the individual is—
- (a) P’s spouse or civil partner;
 - (b) a relative of P;
 - (c) the spouse or civil partner of a relative of P;
 - (d) a relative of P’s spouse or civil partner, or
 - (e) the spouse or civil partner of a relative of P’s spouse or civil partner.
- (4) In sub-paragraph (3) “relative” means brother, sister, ancestor or lineal descendant.
- (5) P controls a body corporate (“B”) if P has power to secure—
- (a) by means of the holding of shares or the possession of voting power in relation to B or any other body corporate, or
 - (b) as a result of any powers conferred by the articles of association or other document regulating that or any other body corporate,
- that the affairs of B are conducted in accordance with P’s wishes.

Meaning of “managing partner”

- 20 In this Schedule “managing partner”, in relation to a partnership, means a member of the partnership who directs or is on a day-to-day level in control of, the management of the business of the partnership.

Power to amend definitions

- 21 (1) The Treasury may by regulations amend paragraph 19 or 20.

Status: This is the original version (as it was originally enacted).

- (2) Regulations under sub-paragraph (1) may include any amendment of this Schedule that is necessary in consequence of any amendment made by virtue of sub-paragraph (1).