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*Changes to legislation: There are currently no known outstanding effects for the Land and Buildings Transaction Tax (Scotland) Act 2013, Paragraph 32 . (See end of Document for details)*

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## SCHEDULE 17 PARTNERSHIPS

### PART 7

#### PROPERTY INVESTMENT PARTNERSHIPS

##### *Transfer of interest in partnership treated as land transaction*

- 32 (1) This paragraph applies where—
- (a) there is a transfer of an interest in a property-investment partnership, and
  - (b) the relevant partnership property includes a chargeable interest.
- (2) The transfer—
- (a) is treated as a land transaction, and
  - (b) is a chargeable transaction.
- (3) The buyer in 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.
- (4) The chargeable consideration for the transaction is taken to be equal to a proportion of the market value of the relevant partnership property.
- (5) That proportion is—
- (a) if the person acquiring the interest in the partnership was not a partner before the transfer, the person's partnership share immediately after the transfer,
  - (b) if the person was a partner before the transfer, the difference between the person's partnership share before and after the transfer.
- (6) The relevant partnership property, in relation to 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 chargeable interest that was transferred to the partnership in connection with the transfer,
  - (b) a lease to which paragraph 33 (exclusion of market rent leases) applies, and
  - (c) any chargeable interest that is not attributable economically to the interest in the partnership that is transferred.
- (7) 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 33 (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 in respect of whose transfer to the partnership an election has been made under paragraph 35, and
  - (e) any other chargeable interest whose transfer to the partnership did not fall within paragraph 12(1)(a), (b) or (c).
- (8) A Type A transfer is—

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- (a) a transfer that takes the form of arrangements entered into under which—
    - (i) the whole or part of a partner's interest as partner is acquired by another person (who may be an existing partner), and
    - (ii) consideration in money or money's worth is given by or on behalf on the person acquiring the interest, or
  - (b) a transfer that takes the form of arrangements entered into under which—
    - (i) a person becomes a partner,
    - (ii) the interest of an existing partner in the partnership is reduced or an existing partner ceases to be a partner, and
    - (iii) there is a withdrawal of money or money's worth from the partnership by the existing partner mentioned in sub-paragraph (ii) (other than money or money's worth paid from the resources available to the partnership prior to the transfer).
- (9) Any other transfer to which this paragraph applies is a Type B transfer.
- (10) An interest in respect of the transfer of which this paragraph applies is to be treated as a chargeable interest for the purposes of paragraph 15 of schedule 10 to the extent that the relevant partnership property consists of a chargeable interest.

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**Commencement Information**

**II** Sch. 17 para. 32 in force at 1.4.2015 by [S.S.I. 2015/108](#) , [art. 2](#)

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