

SCHEDULE 7

PARTNERSHIPS

PART 10

INTERPRETATION

Partnership property and partnership share

- 45 (1) Any reference in 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 Schedule to a person's partnership share at any time is to the proportion in which the person is entitled at that time to share in the income profits of the partnership.

Transfer of a chargeable interest

- 46 References in this Schedule to a transfer of a chargeable interest include—
- (a) the creation of a chargeable interest,
 - (b) the variation of a chargeable interest, and
 - (c) the surrender or release of a chargeable interest.

Transfer of chargeable interest to a partnership

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

Transfer of interest in a partnership

- 48 For the purposes 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).

Transfer of a chargeable interest from a partnership

- 49 For the purposes 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.

Market value of leases

- 50 (1) This paragraph applies in relation to a lease for the purposes of this Schedule if—
- (a) the grant of the lease is or was a transaction to which paragraph 13 applies or applied (or a transaction to which paragraph 13 would have applied if that paragraph had been in force at the time of the grant), or

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- (b) the grant of the lease is a transaction to which paragraph 21 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 16(1) of Schedule 6 (tenant’s obligations that do not count as chargeable consideration), or
 - (b) it is an obligation to make a payment to a person.

Connected persons

- 51 (1) Section 1122 of the [Corporation Tax Act 2010 \(c. 4\)](#) (connected persons) has effect for the purposes of this Schedule.
- (2) As applied by sub-paragraph (1), that section has effect with the omission of subsection (7) (partners connected with each other).
- (3) As applied by sub-paragraph (1) for the purposes of paragraphs 15, 16, 23 and 24, that section has effect with the omission of subsection (6)(c) to (e) (trustee connected with settlement).

Arrangements

- 52 In this Schedule, “arrangements” has the meaning given by section 31(3).