

# FINANCE ACT 2010

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## EXPLANATORY NOTES

### INTRODUCTION

#### *Section 55: Sdl: Partnerships*

##### Summary

1. [Section 55](#) will apply stamp duty land tax (SDLT) anti-avoidance rules to certain partnership transactions.

##### Details of the Section

2. Subsection (1)(a) repeals section 75C(8)(b) of the Finance Act (FA) 2003 which currently reduces the applicability of the SDLT anti-avoidance rule (section 75A of FA 2003) to partnership transactions.
3. Subsection (1)(b) inserts new section 75C(8A) in FA 2003. This new subsection provides that the provisions of Part 3 of Schedule 15 to FA 2003 (the special SDLT partnerships rules) do not apply to a “notional transaction” created by section 75A of FA 2003.
4. Subsection (2) gives effect to the amendments (subject to subsections (3) and (4)) in relation to notional transactions with an effective date on or after 24 March 2010.
5. Subsections (3) and (4) are transitional provisions. They provide, broadly, that the old rules apply to notional transactions where any of the “scheme transactions” is entered into before 24 March 2010.

##### Background Note

6. The special SDLT rules for partnerships are currently being exploited to achieve inappropriate reductions in SDLT for certain land transactions. These changes ensure that SDLT planning schemes which seek to exploit the partnerships rules will be subject to the SDLT anti-avoidance rule at section 75A of FA 2003.
7. The anti-avoidance rule works by creating, and charging to SDLT, a notional land transaction. The notional transaction supplants the actual land transaction under section 75A(4) of FA 2003. Before this section comes into effect, the chargeable consideration for notional transactions in section 75A is subject to the special partnerships rules in Part 3 of Schedule 15 to FA 2003. This will no longer be the case once the section has effect; instead section 75A(5) of FA 2003 will apply.