

## SCHEDULE 7

### PARTNERSHIPS

#### PART 5

#### TRANSACTIONS INVOLVING TRANSFERS FROM A PARTNERSHIP

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

22 The sum of the lower proportions in relation to a transaction to which paragraph 21 applies is determined as follows—

*Step 1*

Identify the relevant owner or owners (see paragraph 23).

*Step 2*

For each relevant owner, identify the corresponding partner or partners (see paragraph 24).

If there is no relevant owner with a corresponding partner, the sum of the lower proportions is zero.

*Step 3*

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

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

*Step 4*

Find the lower of the following (“the lower proportion”) for each corresponding partner—

- (a) the proportion of the chargeable interest attributable to the partner (see paragraph 25);
- (b) the partnership share attributable to the partner (see paragraphs 26 and 27).

*Step 5*

Add together the lower proportions of each corresponding partner.

The result is the sum of the lower proportions.