

SCHEDULE 7

PARTNERSHIPS

PART 8

TRANSFERS INVOLVING PROPERTY-INVESTMENT PARTNERSHIPS

Election by property-investment partnership to disapply paragraph 13

- 36 (1) Paragraph 13 does not apply to a transfer of a chargeable interest to a property-investment partnership if the buyer in the transaction elects for that paragraph not to apply.
- (2) Where an election under this paragraph is made in respect of a transaction—
- (a) paragraph 21 (transfer of chargeable interest from a partnership: general) is also disappplied,
 - (b) the chargeable consideration for the transaction is taken to be the market value of the chargeable interest transferred, and
 - (c) the transaction falls within Part 3 (ordinary partnership transactions) of this Schedule.
- (3) An election under this paragraph must be included in the return made in respect of the transaction, or in an amendment of that return (for provision as to amendment of returns, see section 41 of TCMA).
- (4) The election is irrevocable so that the return may not be amended so as to withdraw the election.
- (5) Where an election under this paragraph in respect of a transaction (the “main transaction”) is made in an amendment of a return—
- (a) the election has effect as if it had been made on the date on which the return was made, and
 - (b) any return in respect of an affected transaction may be amended (within the period allowed for amendment of that return) to take account of that election.
- (6) In sub-paragraph (5), “affected transaction” in relation to the main transaction means a transaction—
- (a) to which paragraph 34 (transfer of interest in property-investment partnership) applied, and
 - (b) with an effective date on or after the effective date of the main transaction.