

SCHEDULE 7

PARTNERSHIPS

PART 9

APPLICATION OF EXEMPTIONS, RELIEFS, PROVISIONS OF TCMA AND NOTIFICATION PROVISIONS

Application of group relief

- 40 (1) Schedule 16 (group relief) applies to—
- (a) a transaction to which paragraph 13 applies, and
 - (b) a transaction that is a chargeable transaction by virtue of paragraph 18, with the following modifications.
- (2) Paragraph 8 has effect as if—
- (a) in sub-paragraph (2)(a), for “the buyer” there were substituted “a partner who was a partner at the effective date of the relieved transaction (“the relevant partner”)”;
 - (b) for sub-paragraph (2)(b) there were substituted—
 - “(b) at the time the relevant partner ceases to be a member of the same group as the seller (“the relevant time”), a chargeable interest is held by or on behalf of the members of the partnership and that chargeable interest—
 - (i) was acquired by or on behalf of the partnership under the relieved transaction, or
 - (ii) is derived from a chargeable interest so acquired, and has not subsequently been acquired at market value under a chargeable transaction for which group relief was available but was not claimed.”;
 - (c) in sub-paragraph (4), for the words from “the transferee company” to the end there were substituted “or on behalf of the partnership and to the proportion in which the relevant partner is entitled at the relevant time to share in the income profits of the partnership”;
 - (d) in sub-paragraph (5), the definition of “relevant associated company” were omitted.
- (3) Paragraphs 9 to 14 have effect as if for “the buyer” (each time it occurs) there were substituted “the relevant partner”.