

## SCHEDULE 7

### PARTNERSHIPS

#### PART 9

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

##### *Application of charities relief*

- 42 (1) Schedule 18 (charities relief) applies to the transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 18 or 34 with the following modifications.
- (2) Paragraph 1(b) has effect as if for “a buyer in a land transaction” there were substituted “a transferee under a transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 18 or 34 of Schedule 7”.
- (3) Paragraph 2 has effect as if—
- (a) in sub-paragraph (1), for “a buyer in a land transaction” there were substituted “a transferee under a transfer of an interest in a partnership by virtue of paragraph 18 or 34 of Schedule 7”;
  - (b) in sub-paragraph (1)(a), for “if C intends to hold the subject-matter of the transaction” there were substituted “if every chargeable interest held as partnership property immediately after the transfer is held”;
  - (c) sub-paragraph (1)(b) were omitted;
  - (d) in sub-paragraph (2), for “C holds the subject-matter of the transaction” there were substituted “a chargeable interest held as partnership property is held”;
  - (e) after sub-paragraph (2) there were inserted—
    - “(2A) There is a transfer of an interest in a partnership for the purposes of this Schedule if there is such a transfer for the purposes of Schedule 7 (see paragraph 48 of that Schedule).
    - (2B) Paragraph 45(1) of Schedule 7 (meaning of references to partnership property) applies for the purposes of this Schedule as it applies for the purposes of that Schedule.”;
  - (f) in sub-paragraph (4), for “a buyer in a land transaction” there were substituted “a transferee under a transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 18 or 34 of Schedule 7”;
  - (g) in sub-paragraph (4)(b), for “the subject-matter of the transaction” there were substituted “any chargeable interest held as partnership property immediately after the transaction”.
- (4) Paragraph 3 has effect as if—
- (a) for “a land transaction” there were substituted “a transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 18 or 34 of Schedule 7”;
  - (b) for “the buyer” there were substituted “the transferee”.
- (5) Paragraph 4 has effect as if—

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*Status: This is the original version (as it was originally enacted).*

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- (a) in sub-paragraph (1)(a), for “a land transaction” were substituted “a transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 18 or 34 of Schedule 7”;
- (b) for sub-paragraph (4) there were substituted—
  - “(4) At the time of the disqualifying event the partnership property includes a chargeable interest—
    - (a) that was held as partnership property immediately after the relieved transaction, or
    - (b) that is derived from an interest held as partnership property at that time.”;
- (c) for sub-paragraph (6) there were substituted—
  - “(6) An “appropriate proportion” means an appropriate proportion having regard to—
    - (a) the chargeable interests held as partnership property immediately after the relieved transaction and the chargeable interests held as partnership property at the time of the disqualifying event, and
    - (b) the extent to which any chargeable interest held as partnership property at that time becomes used or held for purposes other than qualifying charitable purposes.”