

## SCHEDULE 7

### PARTNERSHIPS

#### PART 6

#### OTHER PARTNERSHIP TRANSACTIONS

##### *Introduction*

- 28 This Part of this Schedule makes provision about—
- (a) transactions involving a transfer from a partnership to a partnership, and
  - (b) transactions where the partnership consists entirely of bodies corporate.

##### *Transfer of chargeable interest from a partnership to a partnership*

- 29 (1) This paragraph applies where—
- (a) there is a transfer of a chargeable interest from a partnership to a partnership, and
  - (b) the transfer is both—
    - (i) a transaction to which paragraph 13 (transfer of chargeable interest to a partnership) applies, and
    - (ii) a transaction to which paragraph 21 (transfer of chargeable interest from a partnership) applies.
- (2) Paragraphs 13(3) and 21(2) do not apply.
- (3) The chargeable consideration for the transaction is taken to be what it would have been if paragraph 13(3) had applied or, if greater, what it would have been if paragraph 21(2) had applied.
- (4) Where the whole or part of the chargeable consideration for the transaction is rent—
- (a) paragraph 31 does not apply;
  - (b) the tax chargeable in respect of so much of the chargeable consideration as consists of rent is taken to be the greater of—
    - (i) what the tax chargeable would have been if paragraph 31 applied in relation to a transaction to which paragraph 13 applies, or
    - (ii) what the tax chargeable would have been if paragraph 31 applied in relation to a transaction to which paragraph 21 applies;
  - (c) the disapplication of the zero rate band provided for by paragraph 34 of Schedule 6 has effect if it would have had effect if paragraph 31(6) of this Schedule had applied.

##### *Transfer of chargeable interest from a partnership consisting wholly of bodies corporate*

- 30 (1) This paragraph applies where—
- (a) there is a transaction to which paragraph 21 applies;
  - (b) immediately before the transaction all the partners are bodies corporate;
  - (c) the sum of the lower proportions is 75 or more.
- (2) Paragraphs 21 and 31 have effect with the following modifications.

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*Status: This is the original version (as it was originally enacted).*

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- (3) Paragraph 21 has effect as if for sub-paragraphs (2) and (3) there were substituted—
- “(2) The chargeable consideration for the transaction is taken to be equal to the market value of the interest transferred.”
- (4) Paragraph 31(2) has effect as if for “sub-paragraphs (3) to (6)” there were substituted “sub-paragraph (5)”.
- (5) Paragraph 31 has effect as if sub-paragraphs (3), (4), (6) and (7) were omitted.