

Changes to legislation: Finance Act 2003, Cross Heading: is up to date with all changes known to be in force on or before 14 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 15

STAMP DUTY LAND TAX: PARTNERSHIPS

[^{F1}PART 3

TRANSACTIONS TO WHICH SPECIAL PROVISIONS APPLY

Textual Amendments

- F1** Sch. 15 Pt. 3 substituted (with effect in accordance with Sch. 41 para. 3 of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 41 para. 1](#)

Transfer of chargeable interest from a partnership: general

- 18 (1) This paragraph applies where a chargeable interest is transferred—
- (a) from a partnership to a person who is or has been one of the partners, or
 - (b) from a partnership to a person connected with a person who is or has been one of the partners.
- [^{F2}(2) The chargeable consideration for the transaction shall (subject to paragraph 24) be taken to be equal to—
- $$MV \times (100SLP)\%$$
- where—
- MV is the market value of the interest transferred, and
- SLP is the sum of the lower proportions.]
- (5) Paragraph 20 provides for determining the sum of the lower proportions.
- (6) Paragraph 19 applies ^{F3}... if the whole or part of the chargeable consideration for the transaction is rent.
- (7) For the purposes of this paragraph property that was partnership property before the partnership was dissolved or otherwise ceased to exist shall be treated as remaining partnership property until it is distributed.
- [^{F4}(8) This paragraph has effect subject to any election under paragraph 12A.]

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Textual Amendments

- F2** Sch. 15 para. 18(2) substituted for Sch. 15 para. 18(2)-(4) (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 5\(1\)](#)
- F3** Words in Sch. 15 para. 18(6) repealed (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 5\(2\)](#), [Sch. 26 Pt. 7\(2\)](#)
- F4** Sch. 15 para. 18(8) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 31 para. 7](#)

Transfer of chargeable interest from a partnership: chargeable consideration including rent

19 (1) This paragraph applies in relation to a transaction to which paragraph 18 applies where the whole or part of the chargeable consideration for the transaction is rent.

^{F5}(2) Schedule 5 (amount of tax chargeable: rent) has effect with the modifications set out in sub-paragraphs (2A) to (2C).

(2A) In paragraph 2—

- (a) for “the net present value of the rent payable over the term of the lease” substitute “ the relevant chargeable proportion of the net present value of the rent payable over the term of the lease ”, and
- (b) for “the net present values of the rent payable over the terms of all the leases” substitute “ the relevant chargeable proportions of the net present values of the rent payable over the terms of all the leases ”.

(2B) In paragraph ^{F6}9A(6) —

- (a) for “the annual rent” substitute “ the relevant chargeable proportion of the annual rent ”, and
- (b) for “the total of the annual rents” substitute “ the relevant chargeable proportion of the total of the annual rents ”.

(2C) For paragraph 9(4) substitute—

“(4) Tax chargeable under this Schedule is in addition to any tax chargeable under section 55 ^{F7}or 74(1A)]^{F8}or Schedule ^{F9}4A or] 6B as they have] effect by virtue of paragraph 18 of Schedule 15.”.

(2D) For the purposes of sub-paragraphs (2A) and (2B) the relevant chargeable proportion is—

(100SLP)%
 where SLP is the sum of the lower proportions.]

(8) Paragraph 20 provides for determining the sum of the lower proportions.

(9) This paragraph is subject to paragraph 24.

Textual Amendments

- F5** Sch. 15 para. 19(2)-(2D) substituted for Sch. 15 para. 19(2)-(7) (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 6](#)
- F6** Word in Sch. 15 para. 19(2B) substituted (with effect in accordance with s. 95(13) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [s. 95\(11\)\(b\)](#)

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| F7 | Words in Sch. 15 para. 19(2C) inserted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by Finance Act 2012 (c. 14) , Sch. 35 para. 9(2)(a) |
| F8 | Words in Sch. 15 para. 19(2C) substituted (with effect in accordance with Sch. 22 para. 9 of the amending Act) by Finance Act 2011 (c. 11) , Sch. 22 para. 8 |
| F9 | Words in Sch. 15 para. 19(2C) inserted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by Finance Act 2012 (c. 14) , Sch. 35 para. 9(2)(b) |

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

- 20 (1) The sum of the lower proportions in relation to a transaction to which paragraph 18 applies is determined as follows:—

Step One

Identify the relevant owner or owners.

A person is a relevant owner if—

- (a) immediately after the transaction, he is entitled to a proportion of the chargeable interest, and
- (b) immediately before the transaction, he was a partner or connected with a partner.

Step Two

For each relevant owner, identify the corresponding partner or partners.

A person is a corresponding partner in relation to a relevant owner if, immediately before the transaction—

- (a) he was a partner, and
- (b) he was the relevant owner [^{F10}or was an individual connected with the relevant owner].

[^{F11}(If there is no relevant owner with a corresponding partner, the sum of the lower proportions is nil.)]

Step Three

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

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

Step Four

Find the lower proportion for each person who is a corresponding partner in relation to one or more relevant owners.

The lower proportion is—

- (a) the proportion of the chargeable interest attributable to the partner, or
- (b) if lower, the partnership share attributable to the partner.

The proportion of the chargeable interest attributable to the partner is—

- (i) if he is a corresponding partner in relation to only one relevant owner, the proportion (if any) of the chargeable interest apportioned to him (at Step Three) in respect of that owner;

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- (ii) if he is a corresponding partner in relation to more than one relevant owner, the sum of the proportions (if any) of the chargeable interest apportioned to him (at Step Three) in respect of each of those owners.

Paragraph 21 provides for determining the partnership share attributable to the partner.

Step Five

Add together the lower proportions of each person who is a corresponding partner in relation to one or more relevant owners.

The result is the sum of the lower proportions.

- (2) For the purposes of this paragraph persons who are entitled to a chargeable interest as beneficial joint tenants^{F12}... shall be taken to be entitled to the chargeable interest as beneficial tenants in common^{F12}... in equal shares.
- [^{F13}(3) For the purpose of paragraph (b) of Step 2 a company is to be treated as an individual connected with the relevant owner in so far as it—
- (a) holds property as trustee, and
 - (b) is connected with the relevant owner only because of [^{F14}section 1122(6) of the Corporation Tax Act 2010].]

Textual Amendments

- F10** Words in Sch. 15 para. 20(1) substituted (with effect in accordance with s. 72(13) of the amending Act) by Finance Act 2007 (c. 11), s. 72(7)(a) (with s. 72(2)(16)(17))
- F11** Words in Sch. 15 para. 20(1) inserted (with effect in accordance with s. 72(13) of the amending Act) by Finance Act 2007 (c. 11), s. 72(7)(b) (with s. 72(2)(16)(17))
- F12** Words in Sch. 15 para. 20(2) omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of Scotland Act 2012 (c. 11), s. 44(2)(b)(3)(b), Sch. 3 para. 26(3) (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F13** Sch. 15 para. 20(3) inserted (with effect in accordance with s. 72(13) of the amending Act) by Finance Act 2007 (c. 11), s. 72(8) (with s. 72(2)(16)(17))
- F14** Words in Sch. 15 para. 20(3)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 418(3) (with Sch. 2)

Transfer of chargeable interest from a partnership: partnership share attributable to partner

- 21 (1) This paragraph provides for determining the partnership share attributable to a partner for the purposes of paragraph 20 (1) (see Step Four).
- (2) Paragraph 22 applies for determining the partnership share attributable to a partner where—
- (a) the effective date of the transfer of the relevant chargeable interest to the partnership was before 20th October 2003, or
 - (b) the effective date of the transfer of the relevant chargeable interest to the partnership was on or after that date and—
 - (i) the instrument by which the transfer was effected has been duly stamped with *ad valorem* stamp duty, or
 - (ii) any tax payable in respect of the transfer has been duly paid under this Part.

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- (3) Where the effective date of the transfer of the relevant chargeable interest to the partnership was on or after 20th October 2003 but neither of the conditions in sub-paragraphs (i) and (ii) of sub-paragraph (2)(b) is met, the partnership share attributable to the partner is zero.
- (4) The relevant chargeable interest is—
- (a) the chargeable interest which ceases to be partnership property as a result of the transaction to which paragraph 18 applies, or
 - (b) where the transaction to which paragraph 18 applies is the grant or creation of a chargeable interest, the chargeable interest out of which that interest is granted or created.
- 22 (1) Where this paragraph applies, the partnership share attributable to the partner is determined as follows:—

Step One

Find the partner's actual partnership share on the relevant date.

In a case falling within paragraph 21(2)(a), the relevant date—

- (a) if the partner was a partner on 19th October 2003, is that date;
- (b) if the partner became a partner after that date, is the date on which he became a partner.

In a case falling within paragraph 21(2)(b), the relevant date—

- (a) if the partner was a partner on the effective date of the transfer of the relevant chargeable interest to the partnership, is that date;
- (b) if the partner became a partner after that date, is the date on which he became a partner.

Step Two

Add to that partnership share any increases in the partner's partnership share which—

- (a) occur in the period starting on the day after the relevant date and ending immediately before the transaction to which paragraph 18 applies, and
- (b) count for this purpose.

The result is the increased partnership share.

An increase counts for the purpose of paragraph (b) only if—

- (i) where the transfer which resulted in the increase took place on or before the date on which the Finance Act 2004 was passed, the instrument by which the transfer was effected has been duly stamped with *ad valorem* stamp duty under the enactments relating to stamp duty;
- (ii) where the transfer which resulted in the increase took place after that date, any tax payable in respect of the transfer has been duly paid under this Part.

Step Three

Deduct from the increased partnership share any decreases in the partner's partnership share which occur in the period starting on the day after the relevant date and ending immediately before the transaction to which paragraph 18 applies.

The result is the partnership share attributable to the partner.

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- (2) If the effect of applying Step Three would be to reduce the partnership share attributable to the partner below zero, the partnership share attributable to the partner is zero.
- (3) In a case falling within paragraph 21(2)(a), if the partner ceased to be a partner before 19th October 2003, the partnership share attributable to the partner is zero.
- (4) In a case falling within paragraph 21(2)(b), if the partner ceased to be a partner before the effective date of the transfer of the relevant chargeable interest to the partnership, the partnership share attributable to the partner is zero.
- (5) Paragraph 21(4) (relevant chargeable interest) applies for the purposes of this paragraph.

Transfer of chargeable interest from a partnership to a partnership

- 23 (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 10 applies, and
 - (ii) a transaction to which paragraph 18 applies.

[^{F15}(2) Paragraphs 10(2) and 18(2) do not apply.

- (2A) The chargeable consideration for the transaction shall be taken to be what it would have been if paragraph 10(2) had applied or, if greater, what it would have been if paragraph 18(2) had applied.
- (3) Where the whole or part of the chargeable consideration for the transaction is rent—
 - (a) paragraphs 11 and 19 do not apply;
 - (b) the tax chargeable in respect of so much of the chargeable consideration as consists of rent shall be taken to be what it would have been if paragraph 11 had applied or, if greater, what it would have been if paragraph 19 had applied;
 - (c) the disapplication of the 0% band provided for by paragraph [^{F16}9A] of Schedule 5 has effect if—
 - (i) it would have had effect if paragraph 11(2B) of this Schedule had applied, or
 - (ii) it would have had effect if paragraph 19(2B) of this Schedule had applied.]

Textual Amendments

- F15** Sch. 15 para. 23(2)-(3) substituted for Sch. 15 para. 23(2)(3) (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 8](#)
- F16** Word in Sch. 15 para. 23(3)(c) substituted (with effect in accordance with s. 95(13) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [s. 95\(11\)\(c\)](#)

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

- 24 (1) This paragraph applies where—

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- (a) there is a transaction to which paragraph 18 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 18, 19 and 23 have effect with these modifications.

(3) In paragraph 18, for [F17 sub-paragraphs (2) and (5)] substitute—

“(2) The chargeable consideration for the transaction shall be taken to be equal to the market value of the interest transferred.”.

[F18(4A) In paragraph 19(2), for “sub-paragraphs (2A) to (2C)” substitute “ sub-paragraph (2C) ”.

(5) In paragraph 19, omit sub-paragraphs (2A), (2B), (2D) and (8).]

(9) Paragraph 20 provides for determining the sum of the lower proportions.

Textual Amendments

F17 Words in Sch. 15 para. 24(3) substituted (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 7\(1\)](#)

F18 Sch. 15 para. 24(4A)(5) substituted for Sch. 15 para. 24(4)-(8) (with effect in accordance with Sch. 24 para. 11(1)(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 24 para. 7\(2\)](#)

Application of exemptions and reliefs

25 (1) Where paragraph 10, 14, 17 or 18 applies, paragraph 1 of Schedule 3 (exemption of transactions for which there is no chargeable consideration) does not apply.

(2) But (subject to [F19 paragraphs 27 and 28]) this Part of this Schedule has effect subject to any other provision affording exemption or relief from stamp duty land tax.

Textual Amendments

F19 Words in Sch. 15 para. 25(2) substituted (with effect in accordance with Sch. 39 para. 10(4) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 39 para. 8\(3\)](#) (with [Sch. 39 paras. 11-13](#))

Application of disadvantaged areas relief

F20 26

Textual Amendments

F20 Sch. 15 para. 26 omitted (with effect in accordance with Sch. 39 para. 10(4) of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 39 para. 8\(2\)\(b\)\(ii\)](#) (with [Sch. 39 paras. 11-13](#))

Application of group relief

27 (1) Part 1 of Schedule 7 (group relief) applies to—

- (a) a transaction to which paragraph 10 applies, and

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- (b) a transaction that is a chargeable transaction by virtue of paragraph 17, with these modifications.
- (2) In paragraph 3(1)(a), for “the purchaser” substitute “ a partner who was a partner at the effective date of the relevant transaction (“the relevant partner”) ”.
- (3) In paragraph 3(1), for paragraph (b) substitute—
- “(b) at the time the relevant partner ceases to be a member of the same group as the vendor (“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 relevant 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.”.
- (4) In paragraph 3(3), for the words from “the transferee company” to the end substitute “ 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. ”.
- (5) In paragraph 3(4), omit the definition of “relevant associated company”.
- (6) In paragraphs 4 to 6, for “the purchaser” (wherever appearing) substitute “ the relevant partner ”.
- [^{F2127A}(1) This paragraph applies where in calculating the sum of the lower proportions in relation to a transaction (in accordance with paragraph 12)—
- (a) a company (“the connected company”) would have been a corresponding partner of a relevant owner (“the original owner”) but for the fact that paragraph (b) of Step Two includes connected persons only if they are individuals, and
- (b) the connected company and the original owner are members of the same group.
- (2) The charge in respect of the transaction shall be reduced to the amount that would have been payable had the connected company been a corresponding partner of the original owner for the purposes of calculating the sum of the lower proportions.
- (3) The provisions of Part 1 of Schedule 7 apply to group relief under sub-paragraph (2) above as to group relief under paragraph 1(1) of Schedule 7, but—
- (a) with the omission of paragraph 2(2)(a),
- (b) with the substitution for “the purchaser” in paragraph 3(1)(a) of “a partner who was, at the effective date of the transaction, a partner and a member of the same group as the transferor (“the relevant partner”)”, and
- (c) with the other modifications specified in paragraph 27(3) to (6) above.]

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Textual Amendments

F21 Sch. 15 para. 27A inserted (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [s. 72\(9\)](#) (with [s. 72\(2\)\(16\)\(17\)](#))

Application of charities relief

- 28 (1) Schedule 8 (charities relief) applies to the transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 14 or 17 with these modifications.
- (2) In paragraph 1(1), for “A land transaction is exempt from charge if the purchaser is a charity” substitute “ A transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 14 or 17 of Schedule 15 is exempt from charge if the transferee is a charity ”.
- (3) In paragraph 1(2)—
- (a) for “the purchaser must intend to hold the subject-matter of the transaction” substitute “ every chargeable interest held as partnership property immediately after the transfer must be held ”;
 - (b) in paragraphs (a) and (b) for “the purchaser” substitute “ the transferee ”.
- (4) In paragraph 1(3) for “the purchaser” substitute “ the transferee ”.
- (5) In paragraph 2(1), for paragraph (b) substitute—
- “(b) at the time of the disqualifying event the partnership property includes a chargeable interest—
 - (i) that was held as partnership property immediately after the relevant transaction, or
 - (ii) that is derived from an interest held as partnership property at that time.”.
- (6) In paragraph 2(3)(a), for “the purchaser” substitute “ the transferee ”.
- (7) In paragraph 2(3), for paragraph (b) substitute—
- “(b) any chargeable interest held as partnership property immediately after the relevant transaction, or any interest or right derived from it, being used or held otherwise than for qualifying charitable purposes.”.
- (8) For paragraph 2(4) substitute—
- “(4) In sub-paragraphs (1) and (2) an “appropriate proportion” means an appropriate proportion having regard to—
 - (a) the chargeable interests held as partnership property immediately after the relevant 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.”.
- (9) After paragraph 2 insert—

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“Interpretation

- 3 (1) 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 Part 3 of Schedule 15 (see paragraph 36 of that Schedule).
- (2) Paragraph 34 (1) of Schedule 15 (meaning of references to partnership property) applies for the purposes of this Schedule as it applies for the purposes of Part 3 of that Schedule.”.

Acquisition of interest in partnership not chargeable except as specially provided

- 29 Except as provided by—
- (a) paragraph 10 (transfer of chargeable interest to a partnership), or
 - (b) paragraph 14 (transfer of partnership interest: consideration given and chargeable interest held), or
 - (c) paragraph 17 (transfer of partnership interest pursuant to earlier arrangements),
- the acquisition of an interest in a partnership is not a chargeable transaction, notwithstanding that the partnership property includes land.

Transactions that are not notifiable

- 30 (1) A transaction which is a chargeable transaction by virtue of paragraph 14 or 17 (transfer of partnership interest) is a notifiable transaction if (but only if) the consideration for the transaction exceeds the zero rate threshold.
- (2) The consideration for a transaction exceeds the zero rate threshold if [^{F22}one or more] of the following conditions are met—
- (a) the relevant consideration for the purposes of section 55 (amount of tax chargeable: general) is such that the [^{F23}amount of tax chargeable under that section is not zero];
 - [^{F24}(aa) paragraph 3 of Schedule 4A applies to the transaction;]
 - (b) the relevant rental value for the purposes of Schedule 5 (amount of tax chargeable: rent) is such that the rate of tax chargeable under that Schedule is 1% or higher.

Textual Amendments

- F22** Words in Sch. 15 para. 30(2) substituted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 35 para. 9\(3\)\(a\)](#)
- F23** Words in Sch. 15 para. 30(2)(a) substituted (with effect in accordance with s. 2(2) of the amending Act) by [Stamp Duty Land Tax Act 2015 \(c. 1\)](#), [Sch. para. 16](#) (with s. 2(3)-(6))
- F24** Sch. 15 para. 30(2)(aa) inserted (with effect in accordance with Sch. 35 para. 10 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 35 para. 9\(3\)\(b\)](#)

Stamp duty on transfers of partnership interests: continued application

- 31 (1) Nothing in section 125 (abolition of stamp duty except in relation to stock or marketable securities), or in Part 2 of Schedule 20 (amendments and repeals

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consequential on that section) [^{F25}or in Schedule 24 to the Finance Act 2014 (abolition of stamp duty in relation to certain securities)], affects the application of the enactments relating to stamp duty in relation to an instrument by which a transfer of an interest in a partnership is effected.

- (2) In Part 1 of Schedule 20 (provisions supplementing section 125) references to stock or marketable securities shall be read as including any property that is the subject-matter of a transaction by which an interest in a partnership is transferred.
- (3) In their application in relation to an instrument by which a transfer of an interest in a partnership is effected, the enactments relating to stamp duty have effect subject to paragraphs 32 and 33.

Textual Amendments

F25 Words in Sch. 15 para. 31(1) inserted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(2\)](#)

Stamp duty on transfers of partnership interests: modification

- 32 (1) This paragraph applies where—
- (a) stamp duty under Part 1 of Schedule 13 to the Finance Act 1999 (transfer on sale) is chargeable on an instrument effecting a transfer of an interest in a partnership, and
 - (b) the relevant partnership property includes a chargeable interest.
- (2) The “relevant partnership property”, in relation to a transfer of an interest in a partnership, is every chargeable interest held as partnership property immediately after the transfer, other than any interest that was transferred to the partnership in connection with the transfer.
- (3) The consideration for the transaction shall (subject to sub-paragraph (8)) be taken to be equal to the actual consideration for the transaction less the excluded amount.
- (4) The excluded amount is a proportion of the net market value of the relevant partnership property immediately after the transfer.
- (5) That proportion is—
- (a) if the person acquiring the interest in the partnership was not a partner before the transfer, his partnership share immediately after the transfer;
 - (b) if he was a partner before the transfer, the difference between his partnership share before and after the transfer.
- (6) The net market value of a chargeable interest at a particular date is—

MVSL

where—

MV is the market value of the chargeable interest at that date, and

SL is the amount outstanding at that date on any loan secured solely on the chargeable interest.

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- (7) If, in relation to a chargeable interest, SL is greater than MV, the net market value of the chargeable interest shall be taken to be nil.
- (8) If the excluded amount is greater than the actual consideration for the transaction, the consideration for the transaction shall be taken to be nil.
- (9) Where this paragraph applies in relation to an instrument, the instrument shall not be regarded as duly stamped unless it has been stamped in accordance with section 12 of the Stamp Act 1891.
- 33 ^{F26}(1) This paragraph applies where stamp duty under Part 1 of Schedule 13 to the Finance Act 1999 (transfer on sale) is, apart from this paragraph, chargeable on an instrument effecting a transfer of an interest in a partnership.
- (1A) If the relevant partnership property does not include any ^{F27}[relevant] securities, no stamp duty shall (subject to sub-paragraph (8)) be chargeable on the instrument.]
- (3) ^{F28}[If the relevant partnership property includes ^{F29}[relevant] securities,] the stamp duty chargeable on the instrument shall not exceed the stamp duty that would be chargeable if—
- (a) the instrument were an instrument effecting a transfer of ^{F30}... ^{F31}[those securities], and
- ^{F32}(b) the consideration for the transfer were equal to the appropriate proportion of the net market value of ^{F30}... those securities immediately after the transfer.]
- ^{F33}(3A) The “relevant partnership property”, in relation to a transfer of an interest in a partnership, is the partnership property immediately after the transfer, other than any partnership property that was transferred to the partnership in connection with the transfer.]
- ^{F34}(4)
- (5) ^{F35}[The appropriate] proportion is—
- (a) if the person acquiring the interest in the partnership was not a partner before the transfer, his partnership share immediately after the transfer;
- (b) if he was a partner before the transfer, the difference between his partnership share before and after the transfer.
- (6) The net market value of ^{F36}[relevant] securities at a particular date is—
- MVSL
- where—
- MV is the market value of the ^{F36}[relevant] securities at that date, and
- SL is the amount outstanding at that date on any loan secured solely on the ^{F36}[relevant] securities.
- (7) If, in relation to any ^{F37}[relevant] securities, SL is greater than MV, the net market value of the ^{F37}[relevant] securities shall be taken to be nil.
- (8) Where this paragraph applies in relation to an instrument, the instrument shall not be regarded as duly stamped unless it has been stamped in accordance with section 12 of the Stamp Act 1891.

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[^{F38}(8A) In this paragraph “relevant securities” means stock or marketable securities other than any stock or marketable securities admitted to trading on a recognised growth market but not listed on any market.]

(9) This paragraph shall be construed as one with the Stamp Act 1891.

Textual Amendments

- F26** Sch. 15 para. 33(1)(1A) substituted for Sch. 15 para. 33(1)(2) (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(2\)](#)
- F27** Word in Sch. 15 para. 33(1A) substituted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(a\)](#)
- F28** Words in Sch. 15 para. 33(3) inserted (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(3\)\(a\)](#)
- F29** Word in Sch. 15 para. 33(3) substituted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(b\)](#)
- F30** Words in Sch. 15 para. 33(3) omitted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(c\)](#)
- F31** Words in Sch. 15 para. 33(3)(a) substituted (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(3\)\(b\)](#)
- F32** Sch. 15 para. 33(3)(b) substituted (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(3\)\(c\)](#)
- F33** Sch. 15 para. 33(3A) inserted (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(4\)](#)
- F34** Sch. 15 para. 33(4) repealed (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(5\)](#), [Sch. 11 Pt. 3\(1\)](#)
- F35** Words in Sch. 15 para. 33(5) substituted (with effect in accordance with Sch. 10 para. 22(4) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 10 para. 21\(6\)](#)
- F36** Word in Sch. 15 para. 33(6) substituted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(d\)](#)
- F37** Word in Sch. 15 para. 33(7) substituted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(e\)](#)
- F38** Sch. 15 para. 33(8A) inserted (with effect in accordance with Sch. 24 para. 12(4) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 24 para. 11\(3\)\(f\)](#)

Interpretation: partnership property and partnership share

- 34 (1) Any reference in this Part of this Schedule to partnership property is to an interest or right held by or on behalf of a partnership, or the members of a partnership, for the purposes of the partnership business.
- (2) Any reference in this Part of this Schedule to a person’s partnership share at any time is to the proportion in which he is entitled at that time to share in the income profits of the partnership.

Interpretation: transfer of chargeable interest to a partnership

- 35 For the purposes of this Part of this Schedule, there is a transfer of a chargeable interest to a partnership in any case where a chargeable interest becomes partnership property.

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Interpretation: transfer of interest in a partnership

- [^{F39}36 For the purposes of this Part of this Schedule, where a person acquires or increases a partnership share there is a transfer of an interest in the partnership (to that partner and from the other partners).]

Textual Amendments

- F39** Sch. 15 para. 36 substituted (with effect in accordance with s. 72(13)(14) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 72\(10\)](#) (with s. 72(2)(16)(17))

Interpretation: transfer of chargeable interest from a partnership

- 37 For the purposes of this Part of this Schedule, there is a transfer of a chargeable interest from a partnership in any case where—
- (a) a chargeable interest that was partnership property ceases to be partnership property, or
 - (b) a chargeable interest is granted or created out of partnership property and the interest is not partnership property.

Interpretation: market value of leases

- 38 (1) This paragraph applies in relation to a lease for the purposes of this Part of this Schedule if—
- (a) the grant of the lease is or was a transaction to which paragraph 10 applies or applied (or a transaction to which paragraph 10 would have applied if that paragraph had been in force at the time of the grant), or
 - (b) the grant of the lease is a transaction to which paragraph 18 applies.
- (2) In determining the market value of the lease, an obligation of the tenant under the lease is to be taken into account if (but only if)—
- (a) it is an obligation such as is mentioned in paragraph 10 (1) of Schedule 17A, or
 - (b) it is an obligation to make a payment to a person.

Interpretation: connected persons

- 39 (1) [^{F40}Section 1122 of the Corporation Tax Act 2010] (connected persons) has effect for the purposes of this Part of this Schedule.
- (2) As applied by sub-paragraph (1), that section has effect with the omission of [^{F41}subsection (7)] (partners connected with each other).
- [^{F42}(3) As applied by sub-paragraph (1) for the purposes of paragraph 12 or 20, that section has effect with the omission of [^{F43}subsection (6)(c) to (e)] (trustee connected with settlement).]

Textual Amendments

- F40** Words in Sch. 15 para. 39(1) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 418\(4\)\(a\)](#) (with Sch. 2)

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- F41** Words in Sch. 15 para. 39(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 418\(4\)\(b\)](#) (with [Sch. 2](#))
- F42** Sch. 15 para. 39(3) inserted (with effect in accordance with s. 72(13) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 72\(11\)](#) (with s. [72\(2\)\(16\)\(17\)](#))
- F43** Words in Sch. 15 para. 39(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 418\(4\)\(c\)](#) (with [Sch. 2](#))

Interpretation: arrangements

- 40 In this Part of this Schedule “arrangements” includes any scheme, agreement or understanding, whether or not legally enforceable.]

Changes to legislation:

Finance Act 2003, Cross Heading: is up to date with all changes known to be in force on or before 14 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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Changes and effects yet to be applied to :

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 57(3) inserted by [2011 c. 11 Sch. 22 para. 4](#)
- s. 87(3)(a)(ia) inserted by [S.I. 2003/2760 Sch. para. 3\(4\)\(a\)](#) (This amendment not applied to legislation.gov.uk. The affecting S.I. is revoked and superseded by [S.I. 2003/2816](#))
- Sch. 12 para. 3(2)(aa) inserted by [2007 asp 3 Sch. 5 para. 32](#) (This effect was superseded by the repeal of Sch. 12 para. 3 by Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 16)
- Sch. 12 para. 1A inserted by [2007 c. 15 Sch. 13 para. 147\(2\)](#) (The amending provision was repealed before coming into force.)
- Sch. 12 para. 1A omitted by [2008 c. 9 Sch. 43 para. 9](#) (The amending provision was repealed before coming into force.)