HMRC - STSM022160 - Stamp Duty: Transfer Of A Partnership Interest

Stamp Duty (SD) is chargeable under the provisions of FA03/SCH15/PARAS 31, 32 & 33 on any instrument that transfers an interest in a partnership The amount of SD payable depends on the extent to which the partnership assets include stock or marketable securities.

If the partnership property does not include any stock or marketable securities, then no SD will be payable, but the document will need to have the “adjudged not liable” stamp impressed to be properly stamped.

If the partnership property does contain stock or marketable securities, then stamp duty is chargeable upon the instrument of transfer at the appropriate rate for the amount of consideration given for the partnership interest, but the duty payable is not to exceed that which would be payable if

the instrument was regarded as one transferring the stock or marketable securities,

and the consideration was the ‘appropriate proportion’ of the net market value of the stock or marketable securities (after deducting any loan secured solely on that chargeable interest).

The ‘appropriate proportion’ is the percentage of partnership interest which is transferred. The effect of these rules is that the duty payable is limited to 0.5 per cent of the proportion of the stock or marketable securities represented by the interest in the partnership that is changing hands.

Documents for stamping should be sent to Birmingham Stamp Office together with a remittance for the duty payable, if any.

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