HMRC - STSM093020 - Partnerships And Stamp Duty Group Relief

Group relief (STSM022110 and STSM042200) for stamp duty is available to bodies corporate that are associated (FA30/S42). Bodies corporate are associated if one is a 75% subsidiary of another or if both are 75% subsidiaries of a third body corporate. Broadly, the 75% relationship refers to the beneficial ownership of the subsidiary company’s issued ordinary share capital.

Limited Liability Partnerships (LLPs)

HMRC accepts that an LLP, as a body corporate, can be the ultimate parent of a group for the purposes of section 42 FA 1930. However, as an LLP does not itself have issued ordinary share capital it cannot be the subsidiary of another body corporate.

Transfers of stock and marketable securities may be made to the parent LLP from a subsidiary body corporate in the same group and qualify for group relief and vice versa. Group relief cannot be claimed on the transfer of stock and marketable securities from a body corporate parent of an LLP to the LLP or to a body corporate subsidiary of the LLP.

English Partnerships

As English limited and general partnerships do not have legal personalities separate from the persons who are the partners, they must be ’looked through’ when establishing bodies corporate that form a group for stamp duty purposes. As such the companies that are the partners of an English general or limited partnership can, depending upon the facts, be grouped with those companies that are below the partnership in the group structure.

Scottish Partnerships

Both Scottish limited and general partnerships have legal personalities separate from the persons who are the partners. They cannot therefore be ‘looked through’ when establishing bodies corporate that form a group. Furthermore, they are not bodies corporate and cannot be the parent of a group of companies.

Non-UK Partnerships

The same principles as expressed above for UK partnerships will be applied on a case by case basis to non-UK partnerships.

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