

Mr John Barnett
Chairman, CGT & Investment Sub-Committee
Artillery House
11-19 Artillery Row
LONDON
SW1P 1RT

Capital Gains – Technical

Royal House
Prince's Gate
2 - 6 Homer Road
Solihull West Midlands
B91 3WG

Phone 03000 562334

Email owen.jones1@hmrc.gsi.gov.uk

Web hmrc.gov.uk

Date 16 May 2014
Our ref

Dear Mr Barnett

Mixed Partnerships and incorporation relief (TCGA 1992 section 162)

Thank you for letter dated 2 May 2014 relating to the above.

You have asked about mixed partnerships and incorporation relief in section 162 TCGA 1992. You have referred to our guidance at CG65700 and noted that relief is available where the whole of the partnership business, and all its assets other than cash, is transferred as a going concern to a company.

We would, subject to all the other conditions being satisfied, accept that section 162 can apply to the individual members where an LLP transfers its business to the corporate member in exchange for shares in the corporate member. Section 59A(1)(b) treats any dealings by the LLP as those of its members so the transfer of its business by an LLP will be treated as a transfer by its members. Relief would be available to the extent stated in section 162 to any individual member who received shares in exchange for the business.

Yours sincerely

Owen Jones
Technical Advisor