

## 1 Limited liability partnerships

- (1) After section 59A of TCGA 1992 (limited liability partnerships) insert—

### **“59AA Limited liability partnerships: deemed disposal**

- (1) This section applies where—
- (a) a member of a limited liability partnership (the “LLP”) contributed an asset to the LLP in circumstances where section 59A(1) applied in relation to the LLP, and
  - (b) the LLP disposes of the asset, or part of the asset, to the member, or a person connected with the member, in circumstances where section 59A(1) has ceased to apply in relation to the LLP.
- (2) The asset is deemed to have been disposed of and reacquired by the member—
- (a) immediately before it was contributed to the LLP, and
  - (b) for a consideration equal to its market value at that time.
- (3) But—
- (a) any chargeable gain or allowable loss accruing under subsection (2) is to be treated as accruing at the time the asset, or part of the asset, is disposed of by the LLP (as described in subsection (1)(b)), and
  - (b) for the purposes of Schedule 2 to the Finance Act 2019 (returns for disposals of UK land), the disposal under subsection (2) is to be treated as completed at that time.
- (4) Any chargeable gain accruing on the deemed disposal is to be reduced by an amount that is just and reasonable, having regard to any chargeable gain that has otherwise accrued to the member by reference to the asset or part of the asset.”
- (2) The amendment made by this section has effect from 30 October 2024, but does not apply where section 59A(1) of TCGA 1992 ceased to apply in relation to the limited liability partnership before that date.