

Bill 6: Tax avoidance: Companies in partnership

1. [Paper CC/SC \(08\) 48](#) presented draft clauses which rewrite sections 131 to 133 of FA 2004 (companies in partnership) and draft explanatory notes. The Paper was issued on 22 October 2008 and requested comments by 16 January 2009.

2. On 24 November 2008 HM Treasury and HMRC published a consultation document “Principles based approach to financial products avoidance” (http://www.hm-treasury.gov.uk/d/pbr08_financialproducts_802.pdf). That document includes draft legislation on “disguised interest” seeking to take work forward for the *possible introduction* of legislation at Finance Bill 2009. The draft legislation in that consultation document includes a *possible* repeal of, amongst other provisions, sections 131 to 133 of FA 2004 (companies in partnership).

3. Anyone who was intending to offer comments may wish to take this development into account in considering Paper CC/SC (08) 48. The clauses rewriting s131 to 133 of FA 2004 will be published again in the first quarter of 2009 as part of the second draft corporation tax Bill and so there will be a further opportunity to comment on them when the impact of the HM Treasury/HMRC consultation is clear.

Tax Law Rewrite Project

08 December 2008.