



INTRODUCTION Attribution of profits to a permanent establishment (PE) of a non-resident company involves complex issues especially when it relates to fiscally transparent entities such as partnerships. One such issue has been dealt with by the UK's First-Tier Tribunal (FTT) in *Bloomberg Inc. & BLP Acquisition Holdings LLC vs. HMRC* [2018] UKFTT 205 (TC). The tax tribunal was called upon to determine the limits of a legal fiction, this time that of the 'separate and distinct' PE. The appellants' argument that this fiction was 'strong' was robustly rebutted. The purpose of the fiction was to allocate taxes. It did not mean that a PE could also be deemed to hold assets. **FACTS OF THE CASE** The two appellan.....