

SCHEDULES.

SCHEDULE 21

TRANSITIONAL CESSATION RELIEF (SPECIAL RULES FOR TRADES).

- 2 (1) The following sub-paragraphs shall apply to the computation of a company's income from a trade for the purposes of the principal section.
- (2) No regard shall be had—
- (a) to any allowance or charge falling to be made in taxing the trade (within the meaning of Schedule 14 to this Act) ; or
 - (b) to any restriction on the deductions that may be made for directors' remuneration.
- (3) In determining what the taxed income from the trade would have been if the company had ceased to possess the trade as a source of income at the end of the year 1965-66 the computation shall be made, if need be, by division and apportionment or aggregation of income for accounting periods, including any period extending beyond the end of that year, and without regard to the operation of any enactment which would affect the computation on an actual discontinuance of the trade except section 130(1) of the Income Tax Act 1952, with any enactment amending it, and (when a subvention payment is in question) section 20(7) of the Finance Act 1953.
- (4) Where the taxed income referred to in subsection (1) of the principal section (whether the actual income or the income as on a cessation) falls to be ascertained partly by reference to a period in which the company incurred a loss in the trade, that income shall be ascertained as if there had been no such loss (nor any income) in that period ; but in ascertaining for purposes of subsection (2)(b) the taxed income for any period losses incurred in that period and any part of a loss apportionable to that period shall be deducted from income.