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## SCHEDULES.

### SCHEDULE 10

#### CAPITAL GAINS.

#### PART II

#### SHORT-TERM CAPITAL GAINS

##### *Insolvents' assets.*

- 14 (1) For the purposes of section 12(5) of the Finance Act 1962 (property held by nominee or trustee for a person absolutely entitled to the property) assets held by a person as trustee or assignee in bankruptcy or under a deed of arrangement shall be regarded as assets to which the bankrupt or debtor is absolutely entitled as against the trustee or assignee and, without prejudice to the general provisions of the Income Tax Acts as to the assessment of any such trustee or assignee, tax in respect of any gain accruing on an acquisition and disposal shall be assessable on and recoverable from any such trustee or assignee not only where the acquisition and disposal were effected by him but also where either the acquisition or disposal was effected by him and the other was effected by the bankrupt or debtor.
- (2) Assets vesting in a trustee in bankruptcy after the death of the bankrupt, or held by a trustee or assignee in bankruptcy or under a deed of arrangement at the death of the bankrupt or debtor, shall for the purposes of Case VII be regarded as held by a personal representative of the deceased, and sub-paragraph (1) above shall not apply after the death.
- (3) In this paragraph " deed of arrangement " has the same meaning as in paragraph 10 above.
- (4) Section 15(6) of the Finance Act 1962 (which exempts short-term gains accruing to a person as trustee or assignee in bankruptcy) shall cease to have effect.
- (5) This paragraph does not have effect in relation to assets transferred from the bankrupt or debtor before 4th May 1966.

##### *Apportionment of cost of acquisition of new holding of shares, etc.*

- 15 (1) This paragraph shall apply to a new holding, as denned in sub-paragraph (1)(b) of paragraph 10 of Schedule 9 to the Finance Act 1962 (which, as extended by section 16(4) of that Act, provides for a new holding resulting from a reorganisation or reduction of the capital of a company or unit trust scheme being treated as the same as the original holding)—
- (a) if it consists of more than one class of shares in or debentures of the company and one or more of those classes is of shares or debentures which, at any time not later than the end of the period of three months beginning with the

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- date on which the reorganisation or reduction of capital took effect, or of such longer period as the Board may by notice in writing allow, had quoted market values on a recognised stock exchange in the United Kingdom or elsewhere, or
- (b) if it consists of more than one class of rights of unit holders and one or more of those classes is of rights the prices of which were published daily by the managers of the scheme at any time not later than the end of that period of three months (or longer if so allowed).
- (2) Where for the purpose of computing the gain or loss accruing to a person from the acquisition and disposal of the whole or any part of any class of shares or securities or rights of unit holders forming part of a new holding to which this paragraph applies it is necessary to apportion costs of acquisition between what is disposed of and what is retained, the cost of acquisition of the new holding shall first be apportioned between the entire classes of shares or debentures or rights of which it consists by reference to market value on the first day (whether that day fell before the reorganisation or reduction of capital took effect or later) on which market values or prices were quoted or published for the shares, debentures or rights as mentioned in sub-paragraph (1) (a) or (1)(b) above (with such adjustment of the market value of any class as may be required to offset any liability attaching thereto but forming part of the cost to be apportioned); and this sub-paragraph shall have effect notwithstanding sub-paragraph (5) of the said paragraph 10 (which requires apportionment by reference to market value at the date of disposal).
- (3) The foregoing provisions of this paragraph shall have effect as if contained in the said paragraph 10 and paragraphs 11, 12 and 13 of the said Schedule 9 (which apply the said paragraph 10 subject to modifications) shall have effect accordingly.
- (4) For the purposes of this paragraph the day on which a reorganisation of share capital involving the allotment of shares or debentures or unit holders' rights takes effect is the day following the day on which the rights to renounce any allotment expires.
- (5) This paragraph applies to a disposal of part of a new holding at any time after the end of the year 1965-66 and, if a person so elects by notice in writing given to the inspector not later than the end of the year 1966-67 as respects a new holding, it shall also apply to a disposal by that person of part of that new holding at any time in the year 1965-66 ; and such adjustments shall be made whether by way of discharge or repayment of tax or assessment to tax or otherwise as are required to give effect to the election.