



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 12

#### ACCRUED INCOME PROFITS

### CHAPTER 2

#### ACCRUED INCOME PROFITS AND LOSSES

#### *Excluded transferors and transferees*

#### **638 Excluded persons: disregard of certain payments and transfers**

- (1) This section applies if there is a transfer of securities in relation to which a person ("P") is an excluded transferor or excluded transferee.
- (2) In determining whether P has made accrued income profits or accrued income losses under section 628 (making accrued income profits and losses: general rule) and the amount of any such profits or losses, no account is to be taken of any payment treated as made by or to P on the transfer.
- (3) In determining whether P has made accrued income profits under section 630 (making accrued income profits: settlement day outside interest period) and the amount of any such profits, no account is to be taken of the transfer if P is an excluded transferor in relation to it.
- (4) For the cases where a person is an excluded transferor or excluded transferee in relation to a transfer, see—
  - section 639 (small holdings: individuals),
  - section 640 (small holdings: personal representatives),
  - section 641 (small holdings: trustees of a disabled person's trusts),
  - section 642 (traders),
  - section 643 (non-residents),

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*Status: This is the original version (as it was originally enacted).*

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section 644 (individuals to whom the remittance basis applies),  
section 645 (charitable trusts etc),  
section 646 (pension scheme trustees), and  
section 647 (makers of manufactured payments).

- (5) Whether a person is an excluded transferee is also relevant to the application of section 681 (exemption for unrealised interest received by transferee after transfer).