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## SCHEDULES

### NINTH SCHEDULE

#### MISCELLANEOUS RULES APPLICABLE TO CASE VII OF SCHEDULE D

##### *Dealings in marketable securities, commodities, etc.*

- 8 (1) Where a person disposes of shares, the shares disposed of shall be identified in accordance with the rules contained in this paragraph with the shares acquired by him which could be comprised in that disposal, and shall be so identified notwithstanding that they are otherwise identified by the disposal or by a transfer or delivery giving effect to it (but so that where a person disposes of shares in one capacity, they shall not be identified with shares which he holds or can dispose of only in some other capacity).
- (2) The identification under this paragraph of the shares disposed of on any occasion shall have effect not only for determining the gain or loss accruing by reason of that disposal but for all purposes of Case VII, including its operation in relation to other disposals by the same person and, in a case where that person's acquisition of the shares is or may be relevant to the person acquiring from him, its operation in relation to the last-mentioned person.
- (3) Shares disposed of on an earlier date shall be identified before shares disposed of on a later, and the identification of the shares first disposed of shall accordingly determine the shares which could be comprised in the later disposal.
- (4) Shares disposed of for transfer or delivery on a particular date or in a particular period—
- (a) shall not be identified with shares acquired for transfer or delivery on a later date or in a later period ; and
  - (b) shall be identified with shares acquired for transfer or delivery on or before that date or in or before that period, but on or after the date of the disposal, rather than with shares not so acquired.
- (5) The shares disposed of shall be identified with shares not acquired as legatee rather than with shares acquired as legatee.
- (6) The shares disposed of shall be identified—
- (a) with shares acquired within the six months preceding the disposal (but not earlier than the tenth day of April, nineteen hundred and sixty-two) rather than with shares not so acquired, and with shares so acquired on an earlier date rather than with shares so acquired on a later ; and
  - (b) subject to paragraph (a) above, with shares acquired on a later date rather than with shares acquired on an earlier; and
  - (c) with shares acquired at different times on any one day in as nearly as may be equal proportions.

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- (7) The rules above contained shall have priority according to the order in which they are so contained.
- (8) Notwithstanding anything in sub-paragraphs (3) to (6) above, where, under arrangements designed to postpone the transfer or delivery of shares disposed of, a person by a single bargain acquires shares for transfer or delivery on a particular date or in a particular period and disposes of them for transfer or delivery on a later date or in a later period, then—
- (a) the shares disposed of by that bargain shall be identified with the shares thereby acquired ; and
  - (b) shares previously disposed of which, but for the operation of paragraph (a) above in relation to acquisitions for transfer or delivery on the earlier date or in the earlier period, would have been identified with the shares acquired by that bargain—
    - (i) shall, subject to sub-paragraph (3) above, be identified with any available shares acquired for such transfer or delivery (that is to say, any shares so acquired other than shares to which paragraph (a) above applies and other than shares with which shares disposed of for such transfer or delivery would be identified apart from this sub-paragraph) ; and
    - (ii) in so far as they cannot be so identified shall be treated as disposed of for transfer or delivery on the later date or in the later period above mentioned.
- (9) This paragraph shall apply in relation to a disposal of any assets as it applies in relation to a disposal of shares, where the assets are of a nature to be dealt in without identifying the particular assets disposed of or acquired.
- 9 (1) Subject to sub-paragraph (3) below, where a loss accrues to a person from his acquisition and disposal of any shares, and he re-acquires the same shares within one month after the disposal or, in the case of a re-acquisition otherwise than through a stock exchange, within six months after it, that loss shall not be allowable under Case VII otherwise than by deduction from any gain accruing to him from an acquisition and disposal of the shares beginning with the re-acquisition.
- (2) Subject to sub-paragraph (3) below, where a person disposes of shares and afterwards acquires the like shares within the period referred to in sub-paragraph (1) above, he is to be treated for the purposes of this paragraph as re-acquiring the shares disposed of (or, if the quantity disposed of was greater than the quantity acquired, a part of them equal to the quantity acquired), but so that—
- (a) there cannot be in relation to the same disposal more than one re-acquisition of the same share, nor be by the same acquisition of a share a re-acquisition in relation to more than one disposal; and
  - (b) an acquisition of shares shall, where there has been more than one relevant disposal, be treated as a re-acquisition of shares disposed of on an earlier date rather than of shares disposed of on a later, and as a re-acquisition of shares disposed of at different times on the same date in as nearly as may be equal proportions ; and
  - (c) where there is more than one acquisition of shares relevant to a previous disposal, shares acquired on an earlier date shall be treated in relation to that disposal as the shares re-acquired rather than shares acquired on a later date, and as between shares acquired on any one date those subsequently disposed

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of on an earlier date shall be so treated rather than those subsequently disposed of on a later date, and those subsequently disposed of on any one day shall be so treated in as nearly as may be equal proportions ;

- (d) where a person disposes of shares in one capacity, shares which he acquires in some other capacity shall be disregarded.
- (3) Where a person acquires shares and, under paragraph 8 above, shares previously disposed of by him are identified with those shares, then—
- (a) this paragraph shall not apply in relation to any loss accruing from that acquisition and disposal; and
  - (b) that acquisition shall not be treated for the purposes of this paragraph as a re-acquisition of any shares.
- (4) Where under sub-paragraph (8) of paragraph 8 above shares disposed of are identified with shares acquired by the same bargain, sub-paragraph (3) of this paragraph shall apply as if the disposal had preceded the acquisition.
- (5) Where—
- (a) under arrangements designed to postpone the acceptance of shares acquired, a person by a single bargain disposes of shares for transfer or delivery on a particular date or in a particular period and acquires them for transfer or delivery on a later date or in a later period ; and
  - (b) under paragraph 8 above—
    - (i) the shares disposed of by that bargain are identified with shares previously acquired for transfer or delivery on the earlier date or in the earlier period ; and
    - (ii) shares disposed of afterwards, but within six months of the date of that bargain, are identified with the shares acquired by that bargain ;
- then, subject to sub-paragraph (6) below, sub-paragraph (3) of this paragraph shall apply as if the disposal by that bargain had preceded the acquisition of the shares so identified with those disposed of.
- (6) Where an acquisition of shares is more than once continued by such a bargain as is referred to in paragraph (a) of sub-paragraph (5) above, that sub-paragraph shall apply in relation to each bargain continuing the acquisition, but so that in relation to each such bargain sub-paragraph (ii) of paragraph (b) shall have effect as if the references to the date of and to the shares acquired by the bargain were references to the date of and to the shares acquired by the last of the bargains ; and for the purposes of this sub-paragraph an acquisition continued by one bargain shall be treated as further continued by a later bargain, in so far as the shares disposed of by the later bargain are identified under paragraph 8 above with the shares acquired by the earlier.
- (7) This paragraph shall apply in relation to acquisitions or disposals of any assets as it applies in relation to acquisitions or disposals of shares, where the assets are of a nature to be dealt in without identifying the particular assets disposed of or acquired.