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SCHEDULES.

SCHEDULE 10

CAPITAL GAINS.

PART I

CAPITAL GAINS TAX AND CORPORATION TAX

Capital receipts not treated as disposals.

- 9 (1) The following provisions (under which the consideration for a part disposal of an asset, instead of giving rise to a gain (or loss) accruing on the part disposal, goes to reduce the expenditure allowable in computing a gain accruing on a subsequent disposal of the asset), that is—
- (a) paragraphs (b) and (c) of paragraph 13(1) of Schedule 6 to the Finance Act 1965,
 - (b) paragraph 3(2) of Schedule 7 to that Act (as extended by paragraph 8 of this Schedule), and
 - (c) paragraph 4 of this Schedule,
- shall have effect subject to the provisions of this paragraph.
- (2) None of those provisions shall apply if immediately before the part disposal there is no expenditure attributable to the asset under paragraphs (a) and (b) of paragraph 4(1) of Schedule 6 to the Finance Act 1965 (deductions allowable in computing a gain), or if the consideration for the part disposal exceeds that expenditure but, if there is any such expenditure and the recipient so elects.—
- (a) the amount of the consideration for the part disposal shall be reduced by the amount of that expenditure, and
 - (b) none of that expenditure shall be allowable as a deduction in computing a gain accruing on the occasion of the part disposal or any subsequent occasion.