

## SCHEDULES

### SCHEDULE 10

#### CONVERTIBLE SECURITIES

##### PART II

##### CHARGE TO TAX

##### *Income elements*

- 15 (1) This paragraph has effect for the purposes of paragraph 14 above.
- (2) The income element for an income period shall be determined in accordance with the formula—

$$\frac{A \times B}{100} - C$$

- (3) For the purposes of sub-paragraph (2) above—
- (a) A is the adjusted issue price of the security,
  - (b) B is the figure included in the percentage representing the yield to redemption for the redemption period which consists of the income period or in which the income period falls, and
  - (c) C is the amount of interest (if any) payable in respect of the income period.
- (4) The partial income element for an income period a part of which consists of or falls within the ownership period shall be determined in accordance with the formula—

$$D \times \frac{E}{F}$$

- (5) For the purposes of sub-paragraph (4) above—
- (a) D is the income element for the income period (determined in accordance with the formula mentioned in sub-paragraph (2) above),
  - (b) E is the number of days in the income period which consist of or fall within the ownership period, and
  - (c) F is the number of days in the income period.
- (6) The adjusted issue price of a security, in relation to a particular income period, is the aggregate of the issue price of the security and the income elements for all previous income periods of the security (determined in accordance with the formula mentioned in sub-paragraph (2) above).