Status: *This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

SCHEDULES

NINTH SCHEDULE

MISCELLANEOUS RULES APPLICABLE TO CASE VII OF SCHEDULE D

Appropriations to and from stock in trade

7 (1) Subject to sub-paragraph (3) below, where an asset acquired by a person otherwise than as trading stock of a trade carried on by him is appropriated by him for the purposes of the trade as trading stock (whether on the commencement of the trade or otherwise) and, if he had then sold the asset for its market value, a gain or loss chargeable or allowable under Case VII would have accrued to him, he shall be treated as having thereby disposed of the asset by selling it for its then market value.

(2) Where an asset forming part of the trading stock of a person's trade is appropriated by him for any other purpose, or is retained by him on his ceasing to carry on the trade, he shall be treated as having acquired it for a consideration equal to the amount brought into the accounts of the trade in respect of it for tax purposes on the appropriation or on his ceasing to carry on the trade, as the case may be.

(3) Sub-paragraph (1) above shall not apply in relation to a person's appropriation of an asset for the purposes of a trade if he is chargeable to tax in respect of the profits of the trade under Case I of Schedule D, and elects that instead the market value of the asset at the time of the appropriation shall, in computing the profits of the trade for purposes of tax, be treated as reduced by the amount of the gain or increased by the amount of the loss referred to in that sub-paragraph, and where that sub-paragraph does not apply by reason of such an election, the profits of the trade shall be computed accordingly :

Provided that if a person making an election under this sub-paragraph is at the time of the appropriation carrying on the trade in partnership with others, the election shall not have effect unless concurred in by the others.