



Finance (No. 2) Act 1931

1931 CHAPTER 49

PART II

INCOME TAX

10 Income tax in connection with conversion of Government securities

Where in pursuance of an arrangement which is being carried out under section sixty of the Finance Act, 1916, (which relates to the conversion of Government securities) the Treasury direct that the provisions of this section shall have effect, any person who is carrying on a trade which consists wholly or partly in dealing in securities and who in pursuance of the arrangement exchanges securities to which he is beneficially entitled for other securities (whether or not any additional consideration is given for the exchange) shall, unless he gives notice in writing to the surveyor not later than the end of the year of assessment next following the year of assessment in which the exchange takes place that he desires not to be so treated, be treated for income tax purposes (except as regards any income tax payable in respect of interest), both at the time of the exchange and thereafter, as if the exchange had not taken place, and in that case the produce of any subsequent realisation of securities received by him under the exchange (together with any additional consideration, or the appropriate part of any additional consideration, received by him thereunder) shall be treated as the produce of the realisation of the corresponding securities surrendered by him under the exchange.