

SCHEDULES

SCHEDULE 8

LEASES

Exclusion of premiums taxed under Schedule A etc.

- 6 (1) If under section 37(4) of the Taxes Act (allowance where, by the grant of a sublease, a lessee has converted a capital amount into a right to income) a person is to be treated as paying additional rent in consequence of having granted a sublease, the amount of any loss accruing to him on the disposal by way of the grant of the sublease shall be reduced by the total amount of rent which he is thereby treated as paying over the term of the sublease (and without regard to whether relief is thereby effectively given over the term of the sublease), but not so as to convert the loss into a gain, or to increase any gain.
- (2) Nothing in section 37 of this Act shall be taken as applying in relation to any amount on which tax is paid under section 35 of the Taxes Act (charge on assignment of lease granted at undervalue).
- (3) If any adjustment is made under section 36(2)(b) of the Taxes Act on a claim under that paragraph, any necessary adjustment shall be made to give effect to the consequences of the claim on the operation of this paragraph or paragraph 5 above.