

Income Tax (Gains from Short-term Transactions of Shares in Private Real Property Company) Regulations 1997

Table of Contents

Enacting Formula

1 Citation and commencement

2 Consideration of shares acquired under certain circumstances

3 Deduction of expenses

4 Deduction of certain expenses not allowed

5 Timing of acquisition of shares by way of inheritance

6 Timing of acquisition of shares by right of survivorship

7 Exemption from tax of gains on disposal of shares in property dealing or development company

8 Exemption from tax of gains on disposal of shares consequent on matrimonial proceedings

No. S 371

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (GAINS FROM SHORT-TERM
TRANSACTIONS OF SHARES IN PRIVATE
REAL PROPERTY COMPANY) REGULATIONS 1997**

In exercise of the powers conferred by section 10G(9) of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Income Tax (Gains from Short-term Transactions of Shares in Private Real Property Company) Regulations 1997 and shall be deemed to have come into operation on 15th May 1996.

Consideration of shares acquired under certain circumstances

2. For the purposes of computing the amount of any gain or loss under section 10G of the Act of any person arising from the disposal of any shares in a relevant company, the following provisions shall apply:

- (a) where the shares were acquired by him by way of gift inter vivos or settlement without any consideration, the shares shall be deemed to have been acquired by him at a consideration equal to the net asset value of the shares as at the end of the accounting period of the relevant company immediately before the shares were so acquired by him;
- (b) where the shares were acquired by him —
 - (i) as a surviving joint owner by the operation of the right of survivorship upon the death of any other joint owner of the shares; or
 - (ii) as a beneficiary under a will in consequence of the death of the testator, or as a person entitled to succeed beneficially to the estate of an intestate under any written law in consequence of the death of the intestate,

the shares shall be deemed to have been acquired by him at a consideration equal to the amount paid by the deceased for the shares.

Deduction of expenses

3. For the purposes of ascertaining any gain under section 10G of the Act of any person arising from the disposal of any shares in a relevant company to which section 10G(1) of the Act applies, there shall be deducted, subject to regulation 4, all outgoings and expenses wholly and exclusively incurred by the person in the production of such gain, including —

- (a) the acquisition price of the shares;
- (b) any sum payable by way of interest upon any money borrowed by the