

Meaning of “permanently discontinued” for purposes of terminal loss. ITA67 s314(1) 388.—For the purposes of sections 385 to 389, a trade or profession shall be treated as permanently discontinued and a new trade or profession set up or commenced when it is so treated for the purposes of section 69, or where by reference to section 1008 (1)(a)(ii) a several trade of a partner has been deemed to have been permanently discontinued; but—

(a) a person who continues to be engaged in carrying on the trade or profession immediately after such a discontinuance shall not be entitled to relief in respect of any terminal loss on that discontinuance, and

(b) on any discontinuance, a person not continuing to be so engaged may be given relief in respect of a terminal loss against profits or gains on which the person was charged in respect of the same trade or profession for a period before a previous discontinuance, if the person has been continuously engaged in carrying on the trade or profession between the 2 discontinuances, and, in the person's case, if the previous discontinuance occurred within 12 months before the others, it shall be disregarded for the purposes of section 386 (2).