

Restriction on deductions in computing profits. ITA67 s535; FA74 s51 1088.—(1) In determining the amount of profits or gains for the purpose of income tax—

(a) no deductions shall be made other than those expressly provided for by the Income Tax Acts, and

(b) no deduction shall be made on account of any annuity or other annual payment (other than interest) to be paid out of such profits or gains in regard that a proportionate part of the income tax is allowed to be deducted on making any such payment.

(2) In determining the amount of profits or gains from any property described in the Income Tax Acts or from any office or employment of profit, no deduction shall be made on account of diminution of capital employed, or of loss sustained, in any trade or in any profession or employment.