"(A) a capital loss or an amount that would, but for paragraph 40(2)(e) or subsection 85(4) of the amended Act, be a capital loss from the disposition to a corporation after 1971 of the property by a person who owned the property before it so became vested in the subsequent owner, or"

(2) Paragraph 26(9.4)(b) of the said Rules is repealed and the following substituted therefor:

"(b) clause 33(2)(a)(i)(B) of the amended Act shall be read as follows:

"(B) paragraphs 12(1)(o), 18(1)(m) and 20(1)(w) and (ee), section 31, subsection 40(2), section 55, subsection 66(6) and (7) and paragraph 69(2.1)(b) and the provisions of the *Income Tax Application Rules, 1971* relating to section 14?".

(4) Section 26 of the said Rules is further amended by adding thereto, immediately after subsection (17) thereof, the following subsection:

"(17.1) Where a taxpayer is deemed to have acquired a property by virtue of subsection 138(11.3) of the amended Act, this section shall not apply in respect of any subsequent disposition or deemed disposition of the property."

(5) Subsections (1) and (2) are applicable with respect to dispositions occurring after November 12, 1981.

(6) Subsection (3) is applicable in determining the adjusted cost base of a partnership interest after October 28, 1980 and, where a person has elected before 1982 under subsection 222(3) of chapter 48 of the Statutes of Canada, 1980-81-82, subsection (3) is applicable in determining the adjusted cost base of a partnership interest disposed of by him after 1978 and before October 29, 1980.