

SCHEDULES

SCHEDULE 15

CHANGES IN TRADING STOCK

PART 2

CORPORATION TAX

Transfers of trading stock between trade and trader

- 7 (1) This paragraph applies if something that—
- (a) belongs to a person carrying on a trade, but
 - (b) is not trading stock of the trade,
- becomes trading stock of the trade.
- (2) In calculating the profits of the trade—
- (a) the cost of the stock is taken to be the amount which it would have realised if sold in the open market at the time it became trading stock of the trade, and
 - (b) the value of anything in fact given for it is left out of account.
- (3) The cost is treated as being incurred on the date it became trading stock of the trade.