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SCHEDULES

SCHEDULE 9

STOCK RELIEF

PART V

INTERPRETATION

"Trading stock"

- 28 (1) Subject to the provisions of this paragraph and of paragraphs 29 and 30 below, in this Schedule "trading stock" means property of any description, whether real or personal, being either—
- (a) property such as is sold in the ordinary course of the trade in question, or would be sold if it were mature or if its manufacture, preparation or construction were complete; or
 - (b) materials such as are used in the manufacture, preparation or construction of any such property as is referred to in paragraph (a) above, and includes work in progress.
- (2) Sub-paragraph (1) above does not apply to—
- (a) securities (which for this purpose includes stocks and shares); or
 - (b) land, other than such as is ordinarily sold in the course of the trade only—
 - (i) after being developed by the person carrying on the trade, or
 - (ii) in the case of a company which is a member of a group, for the purpose of being developed by another company in that group; or
 - (c) goods which the person carrying on the trade has let on hire or hire-purchase.
- (3) In sub-paragraph (2) above, references to development are, in relation to land other than a building, references to the construction or substantial reconstruction of buildings on the land and, in relation to a building, references to its construction or substantial reconstruction and "group" shall be construed in accordance with section 272 of the Taxes Act.
- (4) For the purposes of this Schedule the value of a person's trading stock at any time shall be reduced to the extent to which payments on account have been made at or before that time in respect of that stock.
- (5) References in this Schedule to trading stock are to the trading stock brought into account in computing the profits or gains of a trade in accordance with Case I of Schedule D.
- (6) Where a person not resident in the United Kingdom carries on a trade partly within the United Kingdom and partly abroad, references in this Schedule to his trading

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stock are to the stock attributable to that part of the trade within the charge to United Kingdom tax.