



Corporation Tax Act 2009

2009 CHAPTER 4

PART 3

TRADING INCOME

CHAPTER 11

TRADE PROFITS: VALUATION OF STOCK ON CESSATION OF TRADE

162 Valuation of trading stock on cessation

- (1) If a company permanently ceases to carry on a trade, in calculating the profits of the trade—
 - (a) trading stock belonging to the trade at the time of the cessation must be valued, and
 - (b) the value must be determined in accordance with sections 164 to 167 (bases of valuation).
- (2) But no valuation of the stock is required under this Chapter if paragraph 1(2) of Schedule 28AA to ICTA (provision not at arm's length) has effect in relation to any provision which—
 - (a) is made or imposed in relation to the stock, and
 - (b) has effect in connection with the cessation.
- (3) If there is a partnership change, no valuation of the stock is required under this Chapter so long as a company carrying on the trade in partnership immediately before the change continues to carry it on in partnership after the change.
- (4) The reference in subsection (3) to a partnership change is to a change in the persons carrying on the trade in circumstances where the trade is carried on by persons in partnership immediately before or immediately after the change (or at both those times).