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SCHEDULES

SCHEDULE 9

STOCK RELIEF

PART V

INTERPRETATION

"Trading stock"

- 29 (1) For the purpose of determining under this Schedule whether any property is a person's trading stock anything which—
- (a) is used by a person ("the contractor") in carrying out, or results from the carrying out by him of, a contract for the manufacture, preparation or construction of any property ; and
 - (b) by virtue of a provision in the contract or of any rule of law vests in the other party to the contract before the contract has been fully performed by the contractor;
- shall, until the contract has been so performed, be treated as belonging to the contractor, and, subject to sub-paragraph (2) below, as not belonging to the other party.
- (2) Where the value of any property treated as belonging to the contractor by virtue of sub-paragraph (1) above falls to be reduced under paragraph 28(4) above by reference to payments made by the other party, sub-paragraph (1) above shall not preclude the property being treated, at a value equal to the payments, as belonging to the other party.
- (3) For the purpose of determining under this Schedule whether any property is a person's trading stock any goods which—
- (a) have been sold to a person subject to a condition reserving ownership to the seller pending full payment by that person ; but
 - (b) are treated in the accounts of the seller as sold and in the accounts of the person mentioned in paragraph (a) above as bought,
- shall be treated as belonging to that person and not to the seller.