

*These notes refer to the Income Tax (Trading and Other Income)
Act 2005 (c.5) which received Royal Assent on 24 March 2005*

INCOME TAX (TRADING AND OTHER INCOME) ACT 2005

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: Trading income

Chapter 2: Income taxed as trade profits

Section 5: Charge to tax on trade profits

43. This section charges the profits of a trade, profession or vocation to tax. It is based on section 18(1) and (3) of ICTA.
44. **Part 2** of Schedule 4 to this Act defines “trade” by reference to section 832(1) of ICTA. Section 832(1) of ICTA defines trade so as to include every “manufacture, adventure or concern in the nature of trade”. This brings within the meaning of trade an isolated transaction (or a small number of transactions) which, while in the nature of trade, is not sufficiently extensive to amount to a trade.