

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 3: Trading income

Overview

Chapter 11: Trade profits: valuation of stock on cessation of trade

Overview

Section 163: Meaning of “trading stock”

607. This section defines trading stock. It is based on sections 100 and 101 of ICTA. The corresponding rule for income tax is in section 174 of ITTOIA.
608. The definition of trading stock applies:
- in section 151 (sound recordings);
 - in this Chapter;
 - in section 185 (adjustment on change of basis); and
 - in section 195 (post-cessation receipts).
609. Section 101(3) of ICTA is invoked by section 100(2) of that Act and is concerned with valuation of incomplete services “at the discontinuance”. So the definition in this section refers to incomplete services “at the time of the cessation”.