TRADING STOCK

SECTION 9C

Amounts **received by / accrued to** a taxpayer / any **expenditure** incurred in respect of an **equity share** shall be deemed **capital of nature** if held continuously for **3 years**.

RECOUPMENT

- Change to private use (Cost Price)
- Donations (Market Value (MV))
- Non trade disposals at < MV (MV)
- Dividend in specie (MV)
- Other (MV)

R0 ACQUISITION COST

1. Cost Price = Market Value on acquisition date
2. S40CA - MV of shares + S24B gain

THE BASICS

1. Expenses are deducted from income
2. Proceeds are included in gross income

SPECIAL VALUATIONS

1. Change intention - MV on date of change.
2. Reduction of debt rules apply before section 22

CLOSING STOCK

Added to gross income at:

- Cost price to taxpayer
- Reduced by any obsolete costs

OPENING STOCK

Deducted from gross income at:

- Amount added back previously, or
- Cost price to taxpayer (not previously added back)

COST PRICE

1. Cost incurred, **plus**
2. IFRS costing
3. Recoupment pertaining to stock