

TR 6

Facts

A resident company deals in shares which are quoted on the Mauritius Stock Exchange and Over the Counter Market. However, it holds shares in companies whose shares are not quoted. Such shares are held purely for capital growth and may be disposed of in the future.

Point at issue

Whether profits/losses arising from sale of shares which are not quoted on the Mauritius Stock Exchange or over the Counter Market would be taxable and deductible respectively.

Ruling

Sale of shares, whether quoted or not, constitutes a transaction effected in the ordinary course of the company's business and any profits or losses arising from the sale of unquoted shares are taxable and tax deductible respectively, as one of the main objectives of the company is to invest and deal in shares.