The wrapper decides the cost of the same idea

> **WRAPPER COST STRUCTURE**
>
> The complete set of charges each way of holding a name carries. Cash ownership: dealing costs and any purchase taxes, paid once, then nothing - no meter, ever. CFD: no purchase tax, leverage available, and a financing meter running every night. The same idea in the two wrappers can differ in cost by an order of magnitude, and holding period is almost the entire decision.

Every track opens its costs module the same way, and equities gives the pattern its cleanest case study: two wrappers on the identical share, one of which can be paid for once and owned in silence.

The cash structure

Buy shares and the costs happen at the doorway: the spread, a commission if charged, and - on UK names - stamp duty on the purchase. Then the meter stops. No financing, no roll, no expiry: a cash position held five years pays nothing after day one except the exit spread. It is the only instrument on this platform whose holding cost is genuinely zero, and that single fact reorganises the arithmetic of every long-horizon idea.

The CFD structure, familiar and different

No stamp duty: the CFD references the share without buying it, which is precisely why the purchase tax does not apply - the wrapper's one genuine cost advantage, at the doorway only.Financing, nightly: the borrowed-notional meter from three tracks, running on the full position - the cost that grows with every night held.Leverage available, dividends as adjustments, no votes: the module 1 lesson 5 differences, each with a price tag this module will attach.

Holding period is the decision

A one-week trade pays the CFD's few nights of financing and saves the stamp duty - the wrapper wins. A one-year hold pays financing that dwarfs the tax saved many times over - ownership wins, heavily. Lesson 5 works the crossover in money, and the module's standing question is set here: not 'which wrapper is cheaper' but 'cheaper for this idea, at this holding period, at this size' - the commodities question, with an ownership option that changes the answer more often than newcomers expect.

Check your understanding

1. What is unique about cash equity ownership among every instrument on this platform?

a. It has no entry costs

b. Its holding cost is genuinely zero - after the doorway costs, no meter of any kind runs, for as long as the position exists

c. It cannot lose more than half its value

Answer: b. No financing, no roll, no expiry, no funding timestamps. Every other instrument charged for time somewhere; owned shares simply sit - which reshapes all long-horizon arithmetic.

2. Why does a CFD on a UK share legitimately avoid stamp duty?

a. Brokers absorb the tax as a marketing cost

b. The duty applies to share purchases, and a CFD references the price without buying the share

c. CFDs are taxed at exit instead

Answer: b. No purchase, no purchase tax - the wrapper's one real doorway advantage. Whether it survives the financing meter depends entirely on holding period, which lesson 5 works in money.