



The CRA Can't Touch This \$1,000 Growth Stock

Description

Shopify Inc ([TSX:SHOP](#))([NYSE:SHOP](#)) is an incredible growth stock. Since 2017, shares have risen by 2,700%. The stock is now priced above \$1,000. **Square Inc**, another rapidly-growing company, rose by just 560% over the same period.

What makes Shopify so special? The company operates a [platform](#) business model, which as we'll see, can sustain incredible growth figures for years, or even decades at a time.

The best news is that Shopify stock is capable of delivering big gains *without* the tax consequences. The company pays no dividend, opting instead to reinvest all of its earnings. If you're a [buy-and-hold](#) investor, you can avoid paying the CRA until you decide to sell. If you purchase shares with a TFSA, you'll *never* pay taxes.

This growth stock is poised to continue rising through 2030 and beyond. And due to its business model, you can capitalize and pay little to no taxes.

This growth stock is special

As mentioned, Shopify specializes in a platform business model, which is the key to its long-term success. If you're not familiar with platforms, you're missing out on the best opportunities this century.

Platform businesses don't try to build everything themselves. They build the basic infrastructure, inviting others to build on top.

The App Store by **Apple** is a perfect example. Apple didn't imagine, build, and deploy every app that's available on an iPhone. In fact, it's personally responsible for very little of the development.

Still, the iOS App Store is a multi-billion dollar business — one almost impossible to replicate. And all the company needed to do was add a little code to each phone that allowed outside developers to build on their technology.

The Windows operating system by **Microsoft** is another popular example. Microsoft only built a handful of applications available on a Windows computer. The rest were built by other companies. The key here was opening the door to this outside development, avoiding a closed ecosystem.

This platform approach is the key driver behind today's most successful growth stocks. Microsoft and Apple attained trillion-dollar market caps using this strategy — gains that continued for decades. Shopify looks ready to replicate the success.

Time to go long?

Shopify already has a strong history as a growth stock, but the future looks just as promising.

At its core, Shopify is an e-commerce company. It offers a platform for buyers and sellers to exchange goods. Anybody can spin-up a Shopify storefront in minutes.

But what makes Shopify a platform business? Users can add thousands of different capabilities to their digital shops, including inventory management, payment processing, marketing plug-ins, and much more. The vast majority of these add-ons were created by outside entities. Shopify has figured out how to replicate Apple's App Store for the e-commerce market.

The biggest advantage of platform businesses is that they grow stronger over time. More Shopify users incentivizes more developers. More developers means more features, attracting more users, which in turn attracts more developers. It's a virtuous cycle. As Microsoft and Apple prove, these tailwinds can persist for a long time.

Despite a \$70 billion market cap, Shopify is still in the early stages of becoming a major growth stock. The total addressable market easily totals in the trillions of dollars. If you buy and hold the stock throughout this growth, you'll pay zero in taxes.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:SHOP (Shopify Inc.)

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