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SEA Capital Allowances Study
Key to enhancing your claim

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In a nutshell

Capital allowances is essentially the means by which a business writes off its qualifying capital expenditure against its taxable business profits. Known as tax depreciation in some jurisdictions, it is an allowance or deduction given by tax authorities to the taxpayers as an important element in computing their income tax liabilities. In addition to this, many jurisdictions offer accelerated, special, and valuable reliefs available for certain types of components in a building (e.g., energy saving and green components).








At Deloitte Southeast Asia, the Capital Allowances Study group works hard to help in making sure our clients do not miss the opportunity to enhance the claim for capital allowances or tax depreciation.

Importance of capital allowances study

Our experience indicates that many businesses are under-utilising their claim for capital allowances especially when it involves big sum of capital expenditures such as construction, renovation and acquisition of buildings. This is often the case where qualifying expenditures are “hidden” behind walls, underneath the floors, in roof spaces and in ducts. Most businesses do not have the expertise to identify and document these hidden qualifying expenditures, resulting in capital allowances that are often under-claimed.

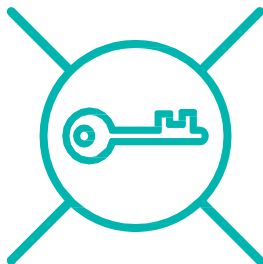
Capital allowances study is therefore important to ensure this amount of claims is made correctly and documented properly. Undertaking a thorough capital allowances study on property construction-related activities and building purchases can be a relatively complex and daunting task. It is a rather technical aspect with many areas that are not fully understood by taxpayers or preparers of tax returns.

Often overlooked are proper claims of capital allowances on plant and machinery present in the structure of a building such as:

- | | | | | | |
|---|---|---|------------------------------|---|--------------------------------|
|  | • Fire alarm and sprinklers system |  | • Building management system |  | • Electrical management system |
|  | • Air-conditioning and ventilation system |  | • Lift and escalator system |  | • Data room |
|  | • Security, access controls and CCTV | | | | |

Enhance the claim of capital allowances

Enhance the management of cash flow



Increase tax efficiency and ensure the correct amount of taxes paid

Ensure proper documentation to support the claim, thus risk of non-compliance can be efficiently managed

How we can assist your organisation

Ensuring an entitlement to claim and enhancing the claim for capital allowances available for different properties requires a specialist approach and a unique combination of skills. Our Capital Allowances Study group brings together a unique team of specialists combining tax, accounting and surveying skills with expertise in property issues and construction expenditures, to assist you in enhancing your claim for capital allowances beyond what would have traditionally been claimed.

Our specialists have the skills and experience to interpret and apply statute and precedent case law according to each client's individual circumstances. Our analysis is documented in a comprehensive report that will form the basis of the capital allowances analysis and computations, reconcile the total capitalised costs to the accounting and income tax records, in accordance with the legislation and best practice, to be reviewed by the tax authority. A fully disclosed analysis will help to provide proper documentation to support the capital allowances claim, thus managing the risk of non-compliance.

Introducing our Deloitte Southeast Asia Team



Yap Hsien Yew

Executive Director

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Hsien Yew is a Tax Partner with Deloitte in Singapore. Hsien Yew has more than 20 years of experience serving clients in Singapore and across the Asia Pacific region. He has a proven track record of delivering exceptional value to local, multinational, and listed companies in various sectors. Hsien Yew specializes in providing tax advisory and planning services that help clients navigate complex tax environments and achieve their business objectives. He has extensive experience in tax mergers and acquisitions, due diligence reviews, corporate restructurings, cross-border transactions, tax assessment applications, and tax incentive applications to Singapore authorities. Specifically in the field of capital allowances, Hsien Yew has assisted clients in reviewing the capital allowances claims for their expenditure and has assisted clients in dispute resolution with the Singapore tax authorities in relation to capital allowances claims.



Chee Pei Pei

Executive Director

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Pei Pei has more than 30 years of tax experience in both business tax and expatriate tax matters. She has been with Deloitte since 2012. She is currently the leader for KSG ("Korean Service Group") and leads the Johor Bahru tax practice. She is also the Leader for Deloitte Private Malaysia. Pei Pei has undertaken various tax engagements such as capital allowances maximisation projects for a commercial bank in Kuala Lumpur and other similar projects for commercial and retail properties including new buildings and refurbishment projects. She has also been involved in identifying contentious items and proposing alternatives to support and enhance the capital allowances claim. She has been involved in restructuring of operations, mergers and acquisitions, establishment of business in Malaysia and cross border investments.



Sarah Abdul Sukor

Associate Director

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Sarah has more than 15 years of combined experience in quantity surveying and capital allowances. Prior to joining Deloitte, she served a capital allowances specialist firm in London and has extensive experience working with a diverse client base, ranging from reputable organisations, banks, department stores, petrol retailers and hotels to restaurants and property investors in the UK and Ireland. Sarah holds a Bachelor Degree Hons (Quantity Surveying) from University Technology Malaysia and is a chartered member of the Royal Institution of Chartered Surveyors and the Royal Institution of Surveyors Malaysia.



Louise Lee Sin Looi

Manager

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Louise has over 9 years of experience, with 6 years in corporate tax and 3 years in the civil engineering industry. She has been involved in numerous capital allowances assignments for various types of buildings, such as shopping malls, convention centres, commercial offices, hotels, medical centres and financial institutions. In her course of work in capital allowances projects, Louise worked closely with onsite and offsite professionals to see the projects to completion. She was also involved in serving clients in tax advisory, corporate tax compliances, tax incentives, tax audit and tax investigation work. Louise holds a Bachelor Degree Hons (Civil Engineering) from University Technology Malaysia and a Master of Science in Finance from University of Strathclyde.



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