



Deloitte School of Tax & Legal

The Basics of Calculating Deferred Tax and Reviewing a Tax Calculation

We have the pleasure of inviting you to the “Basics of calculating deferred tax and reviewing a tax calculation” Workshop.

This workshop is an introduction to the basic and fundamental principles for the preparation and review of a corporate tax calculation. The workshop focuses on some of the key tax principles, processes and controls necessary to produce an accurate and complete tax calculation, and is designed around the key proofs and workings that should be prepared for any tax calculation:

- The tax rate reconciliation – with a focus on permanent differences
- The deferred tax proof – with a focus on temporary differences and IAS12 principles
- The fixed asset proof
- The SARS account reconciliation

Each of these proofs and reconciliations will be explained in a practical manner. The theory to key adjustments is explained, but more importantly, participants will work through a number of practical examples which further examine the tax principles behind a specific tax adjustment.

The next focus of the workshop will be the tax accounting treatment of specific transactions. We have identified some of the more common ‘transaction types’ which create complexity for tax accounting.

Selected areas of discussion in the workshop include:

- Revaluation of property
- Leases (we will consider the new accounting standard **IFRS 16 - Leases** and explain how this impacts the tax accounting for leases)
- Prepaid expenditure
- Foreign exchange contracts

- Income received in advance (we will consider the new accounting standard **IFRS 15 – Revenue from Contracts with Customers** and focus on the impact on tax accounting where revenue is deferred)

For each identified area we will explain the background accounting and tax treatment, and then work through practical examples. Each practical example prepared will look at the accounting treatment, the tax adjustment in the tax calculation, the deferred tax balance sheet workings, and the deferred tax proof. We have found that linking the theory into practical examples where participants can implement and understand the interaction of the various elements of accounting, tax and deferred tax principles, is the most effective approach for participants' learning.

The agenda for the workshop is as follows:

Topic	Content	Timing
Registration		08:00 a.m. – 08:30 a.m.
	This session will cover the basic principles of the tax rate reconciliation, explaining why the reconciliation is so important, and discussing which items should be included in the tax rate reconciliation and why.	
The tax rate reconciliation	One of the key tax controls to understand is the process of recording prior year adjustments for differences between the tax calculation prepared for financial statements, the tax calculation submitted with your return, and the SARS assessment issued. This session will also work through the basic process for tracking and making this adjustment and includes a practical worked example for participants to go through.	08:30 a.m. – 8:45 a.m.
Deferred tax introduction	Revision of the key principles of deferred tax. This session explains the basic principles of deferred tax and discusses some of the theory as per the Accounting statement which deals with deferred tax principles, IAS12. Handouts 1. Why deferred tax income statement 2. Why deferred tax balance sheet	8:45 a.m. – 09:00 a.m.
Tax principles on specific temporary adjustments	This session will focus on the tax base and the deferred tax proof, and then work through the following practical examples: 1. Revaluation of investment property 2. Revaluation of property, plant and equipment on which tax allowance allowed 3. Revaluation of property, plant and equipment on which no tax allowance allowed 4. Finance leases 5. Operating leases 6. Pre-payments 7. Forward exchange contracts 8. Income in advance and section 24C 9. Provisions - inclusive of a discussion on the principles of trading stock provisions	9:00 a.m. – 10:45 a.m.
Tea – 15 Minutes		
The Fixed Asset proof	This session will discuss the importance and principles of a fixed asset proof, and make use of a practical example for participants to complete to understand how to complete the proof.	11:00 a.m. – 11:30 a.m.

Maintaining an accurate and complete SARS account working which tracks each year of assessment and reconciles back to the ledger is a fundamental tax control to have in place.

SARS account

This session works through and explains a simple template and process for maintaining the SARS account reconciliation, following which participants will work through a practical example on the SARS account reconciliation.

11:30 a.m. –
12:15 a.m.

Wrap-up and questions - 15 Minutes

Facilitator:

Ronel de Kock

Ronel has over 20 years' experience in Auditing and Taxation, specialising over the years in education and training of Auditing and Taxation. She is a qualified Chartered Accountant with a Master's Degree in Taxation. She is a Senior Manager in the Deloitte School of Tax & Legal. Her main responsibilities are the development and presentation of tax technical training to Deloitte clients and Deloitte staff.

Dates and Venues:

Pretoria	08 August 2019
Cape Town	19 August 2019
Durban	20 August 2019
Port Elizabeth	21 August 2019
Johannesburg	22 August 2019

Cost:

R1 610 (inclusive of VAT)/R1 400 (exclusive of VAT)

Payment is due after the seminar date.

Company Discount: 10% for 2 or more participants from the same company and region. The discount applies from participant 2 onwards.

Alumni Discount: 10% for Deloitte alumni. This applies if you are a former employee of Deloitte and have registered as Deloitte alumni. ([Click here](#) to register as an alumnus)

You will only qualify for one of the 10% discounts

Cancellation Policy:

Our standard cancellation policy is to invoice 50% of the cost of the workshop, for attendance not cancelled at least 2 business days prior to the workshop date. This is to recover the overhead costs incurred relating to your planned attendance and the cost of the course material.

Time:

8:30 a.m. – 12:30 p.m.
(Registration from 8:00)

The course will contribute to **4 hours CPD/CPE**

RSVP:

Please complete the attached excel booking document and return it in excel format to dsot@deloitte.co.za

Course Material:

In the interests of the environment, and to move with technology, this will be a paperless course. We will email you the course material within 2 business days of the planned session date. You will then have the option to bring the course material on your laptop/tablet, or should you prefer, to print the material. We will have plug points in the venues for laptops/tablets

Contact us:

Should you have any administrative questions regarding this workshop, please contact us at dsot@deloitte.co.za

[Deloitte School of Tax & Legal Website](#)

Sincerely,

The Deloitte School of Tax & Legal Team



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