



## Deloitte School of Tax & Legal Fixed Assets & Capital Allowances Back to Basics

Understanding the key tax principles relating to fixed assets are of importance to any business. It is essential that businesses take care to identify the capital expenditure eligible for capital allowances and categorise the assets to the specified rates in order to correctly calculate and declare its tax liability.

This practical workshop aims to revise the fundamental tax principles related to capital expenditure and focuses on a basic tax theoretical framework to apply when making decisions on how to classify expenditure incurred relating to fixed assets, for example, whether to capitalise or not, and if capitalised, which allowance to correctly apply.

The workshop will also address the tax principles regarding leased assets and common mistakes made in practice regarding the tax accounting of leased assets, as well as key relevant capital gains tax principles to apply.

All participants will receive a **training manual** which contain the essential information on the key tax principles and the application thereof to practical examples that they will then have as a reference source after the training session.

The agenda for the workshop is as follows:

Topic	Content	Timing
Registration	<b>Cape Town and Port Elizabeth will both start at 9:30 with registration from 9am</b>	08:00a.m. – 08:30a.m.

Basic Theoretical Framework: Classification of expenditure	We will discuss the basic tax theoretical framework to apply when making decisions on how to classify expenditure incurred relating to "repairs and maintenance" and will focus on the following key sections of the Income Tax Act: 1. Section 11(a) & 23(g) - General deduction formula 2. Section 11(d) - Deduction of expenditure on repair of property The session will focus on the practical application of the theoretical framework to common examples which are encountered in practice.	08:30a.m. - 9:15a.m.
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Capital Allowances	This session will work through the key principles of the main categories of assets allowances, including recoupments and capital gains tax principles. The session will cover: 1. Section 11(e) Wear & tear allowance on non-manufacturing plant or equipment 2. Section 12B Renewable energy allowance 3. Section 12C Manufacturing plant or equipment allowance 4. Section 13(1) Manufacturing building allowance 5. Section 13quin Commercial building allowance We will work through examples focusing on the practical application of the theory of the key areas covered in the session.	9:15a.m. - 10:30a.m.
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Tea - 15 Minutes

Capital Allowances	Session Continues	10:45a.m. - 11:10a.m.
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Leased Assets	This session will refresh the key principles regarding the tax treatment of leased assets, including recoupments and capital gains tax principles. We will also work through basic examples on order to understand the practical application of these principles. In this session we will cover: 1. Capital allowances available to lessor and lessee: - Section 11(g): Leasehold improvement allowance - Section 11(f): Deduction of lease premiums - Section 11(h): Lessor Special Allowance 2. Section 8(5) recoupments 3. Limitation of deductions available to lessor (Section 23A) 4. Sale and leaseback arrangements (Sections 23D & 23G) 5. Tax accounting treatment of operating and finance leases (and the application of <b>new IFRS 16 - Leases</b> )	11:10a.m. - 12:15a.m.
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Wrap-up and questions - 15 minutes

Facilitator:

**Catherine Bailey**

Catherine is a registered Master Tax Practitioner MTP(SA) with SAIT. She has a Master's Degree in Taxation from the University of Pretoria.

Catherine initially studied a BCom Statistics Undergraduate degree, with tax and accounting at a third year level. This was followed by an honours (for which she came top of the class) and masters in tax. Catherine won a research prize to present her mini thesis at an international conference in Germany.

Catherine's Deloitte experience is in Corporate Tax and International Tax.

Dates and Venues:

Port Elizabeth	18 June 2019
Cape Town	19 June 2019
Johannesburg	24 June 2019
Durban	25 June 2019

Cost:

R1 667.50 (inclusive of VAT)/R1 450 (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 within two business days. This is to recover the overhead costs incurred relating to your planned attendance and the cost of the course material.

Times:

**Johannesburg and Durban**

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

**Cape Town and Port Elizabeth**

**9:30 a.m. – 1:30 p.m.** (Registration from 9:00)

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

RSVP:

Please complete the DSOT excel booking document and return it in excel format to [dsot@deloitte.co.za](mailto: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 48 hours 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](mailto:dsot@deloitte.co.za)

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

Sincerely,

The Deloitte School of Tax & Legal Team



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