



Deloitte School of Tax Tax Accounting – Durban 22 August 2017

We have the pleasure of inviting you to our Tax Accounting Workshop.

This is a full day workshop which will cover general tax accounting topics as well as looking at how to deal with specific transactions.

The workshop will commence with an introduction to the basic and fundamental principles for the preparation or 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 is explained in a practical manner. For each of the proofs or reconciliations, the theory to key adjustments is explained,

but more importantly, participants will work through a number of practical examples which explain the tax principles behind a specific tax adjustment.

We will then move on the tax accounting treatment of specific transactions. We have identified some of the more common 'transaction types' which create complexity for tax accounting. Dedicated sessions will further examine each 'transaction type' identified, which will allow participants to understand and implement the correct tax accounting treatment thereof when back at the office.

Selected areas of discussion in the workshop include:

- Share based payments
- Employee benefits
- Sale of business (including use of the intragroup provisions)
- Debt Reductions
- Government Grants and incentives
- Uncertain tax positions

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.
The tax rate reconciliation	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. 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	9:00 a.m. – 10:45 a.m.

7. Forward exchange contracts
8. Income in advance and section 24C
9. Provisions - inclusive of a discussion on the principles of trading stock provisions

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.
SARS account	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. 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.
Lunch – 45 Minutes		
Introduction	Outline learning plan for the afternoon	1:00 p.m. – 1:05 p.m.
Share based payments	Share based payments - a discussion on the accounting and deferred tax implications of equity and cash settled schemes in terms of IFRS2 and IAS12. This session will also include working through two practical examples of a cash settled and equity settled share scheme, detailing the tax and deferred tax adjustments over the life cycle of the scheme, linking and explaining the calculation of the IFRS2 charge in each year, the journal entries posted, the tax adjustments, the deferred tax balance sheet workings and the deferred tax proof for each.	1:05 p.m. – 2:05 p.m.
Sale of a business	This session will focus on the practical aspects in tax accounting for the sale of the assets of a business. The session will work through practical examples on the sale of the assets of a business, where the sale is made in terms of section 45 of the Income Tax Act, and where the sale is made outside of this section. Participants will have an understanding of the workings, accounting entries, tax adjustments, deferred tax balance sheet workings and deferred tax proofs on these types of transactions. We will also discuss the recently released Interpretation note 94 issued by SARS relating to the assumption of contingent liabilities, and the impact to consider of the recently introduced section 23N - Limitation of interest deductions in respect of reorganisation and acquisition transactions.	2:05 p.m. – 2:50 p.m.
Tea – 15 Minutes		
Employee Benefits	This session considers IAS 19 - Employee Benefits. This standard was revised for periods beginning 1 January 2013. There are some significant changes to the statement which impact the accounting treatment of employee benefits which this session will touch on, but the focus will be on the tax and deferred tax treatment of employee benefits.	3:05 p.m. – 3:35 p.m.
Debt Reductions	From 1 January 2013 a new set of rules applies to debt reductions. This session will cover the theory on these rules and then work through practical examples on debt reductions.	3:35 p.m. – 3:55 p.m.

Time:

8:30 a.m. – 5:00 p.m.
(Registration from 8:00)
The course will contribute to 8 hours CPD/CPE

RSVP:

Please note that we use an online booking system. Kindly complete the online booking form using the link below.

The link will open the booking page of the Deloitte School of Tax but it will not select the course or region for you. Please be sure to select the correct course, date and region from the drop-down menu.

You will be able to register several people using one form. (Please contact us at dsot@deloitte.co.za if you wish to make bookings for more than 20 people at once.)

[Register Here](#)

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 business 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

[Deloitte School of Tax Website](#)

Sincerely,

The Deloitte School of Tax Team



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