



## **Deloitte School of Tax & Legal** Tax Accounting Workshop

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

This is a full day workshop covering 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 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.

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.

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)
- 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 7. Forward exchange contracts	9:00 a.m. – 10:45 a.m.

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.

Government  
Grants and  
incentives

The accounting and tax treatment of government grants and incentives is a complex area. This session explains the basic accounting and tax principles, with application to various practical scenarios. This session is of particular importance in light of the new section 12P "Exemption of amounts received or accrued in respect of government grants". The practical scenarios discussed will focus on the correct accounting treatment of the scenario, the tax rules applicable in terms of section 12P (tax adjustments) or the related tax incentive section, the deferred tax balance sheet workings, the deferred tax proof, and where relevant, the impact on the tax rate reconciliation (for permanent differences).

3:55 p.m. –  
4:35 p.m.

Uncertain tax  
positions

This session discusses how a company should apply IAS 12 to uncertain tax positions. The discussion links into IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Particular scenarios will be discussed and the principles in these accounting standards applied. Importantly, these discussions will also link into a tax risk management principled discussion, linking the Tax Administration Act and dispute management processes into decisions made on possible tax risk exposures (uncertain tax positions), and how and when to disclose these uncertain tax exposures in terms of the accounting standards.

4:35 p.m. –  
4:45 p.m.

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Wrap-up and questions - 15 Minutes

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### Facilitator:

Richard Loyson specialises in taxation and financial accounting and was a senior lecturer at Nelson Mandela Metropolitan University where he lectured at post graduate level. Richard now consults largely on corporate tax and provides corporate tax services to a number of large listed corporate clients. Richard also provides a range of tax services to smaller to medium sized clients in the Eastern Cape. Richard has been involved with accounting and tax training at various levels over several years. He is a Chartered Accountant and has a Masters in Taxation.

### Dates and Venues:

Cape Town	13 March 2018
Durban	14 March 2018
Johannesburg	15 March 2018
Port Elizabeth	22 March 2018

### Cost:

R2 850 (inclusive of VAT)/R2 500 (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 2 business days. 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. – 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](mailto: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 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](mailto:dsot@deloitte.co.za)

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

Sincerely,

The Deloitte School of Tax & Legal Team



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