



Capital Allowances Study Key to enhancing your claim

In a nutshell

Undertaking capital allowances study on property construction-related activities and second-hand building purchases can be a relatively complex task. Our team works hard in ensuring that our clients do not miss out on the opportunity to enhance the claim, from identifying the entitlement through to delivering the tax benefits.

Importance of capital allowances study

In the current tax environment in Singapore, the amount of tax declared by a taxpayer would constitute its own tax assessment. Therefore, it is onerous on a taxpayer to ensure that the calculation of tax is correctly computed and declared accordingly, especially when it involves a substantial amount of capital expenditure. Failure to ensure this would result in potential tax penalties to the taxpayer.

Capital Allowances study is therefore important to ensure this amount of claims is made correctly.

Many taxpayers are unaware that this form of tax deduction could lead to their company's efficient tax management. Often overlooked are proper claims of capital allowances on plant and machinery present in a building structure, such as:

- Fire alarm and sprinklers system
- Air-conditioning and ventilation system
- Security, access controls and CCTV
- Building management system
- Data room

Due to lack of understanding, the majority of taxpayers eligible to claim capital allowances on these capital assets do not claim their full entitlement and therefore fail to enhance their claim.

Why Deloitte

Our team is happy to assist you and help to enhance the eligible capital allowances claim through our study. Our combined experience in tax and surveying, as well as detailed knowledge on application of the current legislation is key to delivering value to our clients. We provide a comprehensive report in a structured manner that will form the basis of the capital allowances analysis and computations, and 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.

Enhance the claim of capital allowances

Enhance the management of cash flow



Increase tax efficiency and ensure the correct amount of taxes is paid

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

Proper documentation

Our approach in providing a fully disclosed analysis will help to provide proper documentation to support the claim, thus managing risk of non-compliance.

How we can assist your organisation

We have a team with dual qualifications in tax and surveying that is able to identify plant and machinery items and enhance allocations to qualifying items to optimise the capital allowances claim. We provide a detailed capital allowances study report, segregating total capital expenditure between qualifying and non-qualifying, the corresponding capital allowances rates, reconciliations and proper documentation to support the claim to the tax authority. This study ensures each client benefits from the study and is in compliance with regulations.

Introducing your Deloitte team



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