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**Tax incentives for
innovation**

Look deeper. Seize
the opportunity.



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Incentives fuel performance

In many countries and industry sectors, an elaborate system of financial incentives is available to fuel research and development (R&D), innovation, and other business investments.

These incentives are typically available for both domestic investments and growth opportunities abroad. The multitude of opportunities becomes more complex when you consider that in many countries, local and regional governments also fund incentives of their own.

Identifying, understanding, and prioritising the right incentives for your organisation may be a time-consuming and challenging undertaking, but it's also one that may generate significant benefits.

Deloitte has Global Investment and Innovation Incentives (G³) practitioners who are ready to provide guidance around the world.

Our world-class capabilities help you pursue the right incentives with confidence, by providing leading practices that help you execute an effective incentive strategy for your circumstances.



The Deloitte difference

We understand the global dynamics that affect the funding of an innovation and investment strategy. Deloitte's G³ team helps you connect the pieces with confidence.



Global reach

G³ helps you see the possibilities by identifying incentive opportunities available to your company worldwide.



Lifecycle view

Each incentive should be considered in the context of the investment and innovation lifecycle to realise the full financial and commercial benefit.



Thought leadership

Governments across the globe seek the insights of Deloitte in the development and design of their own incentive policies.



Technology at the centre

We leverage technology for operational efficiency and to gain a clear vision of relevant opportunities.



Leveraging the ecosystem

Innovation does not happen in a vacuum. Connecting with the relevant government bodies and research institutes is likely to propel your innovation capability. Deloitte helps you to build winning relationships.



Total perspective

Deloitte's broad range of specialised services are available to help you consider the impact of incentives on your wider tax, financial, and commercial activities so you may further enhance and accelerate your business opportunities.



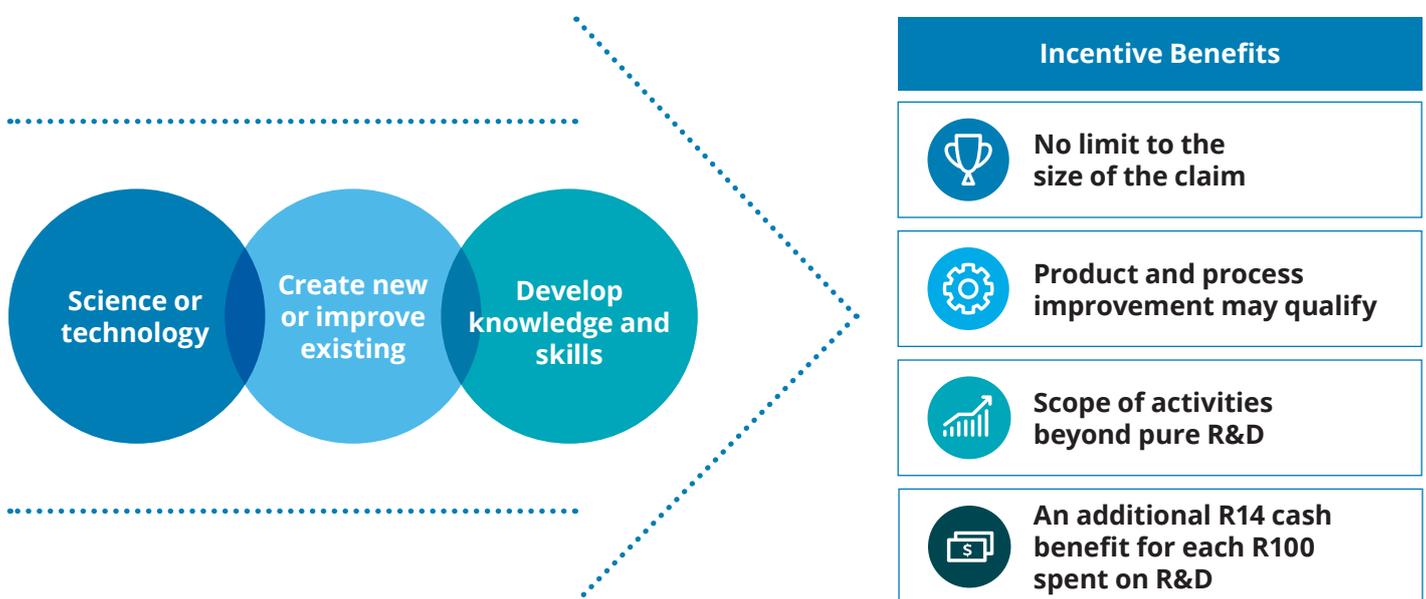
Industry experience

G³ practitioners globally know and understand your industry, your business language, and your technology language.



Tax for innovation: De-risking research and development

The R&D tax allowance (Section 11D of the Income Tax Act) stimulates investment in R&D through encouraging South African companies to invest in scientific or technological research and development - offering a **150% super deduction on qualifying expenditure.**



 **Innovation is often considered a risky investment**

One way to underwrite the risk of innovating – utilise the **150%** tax benefit which covers the following costs:

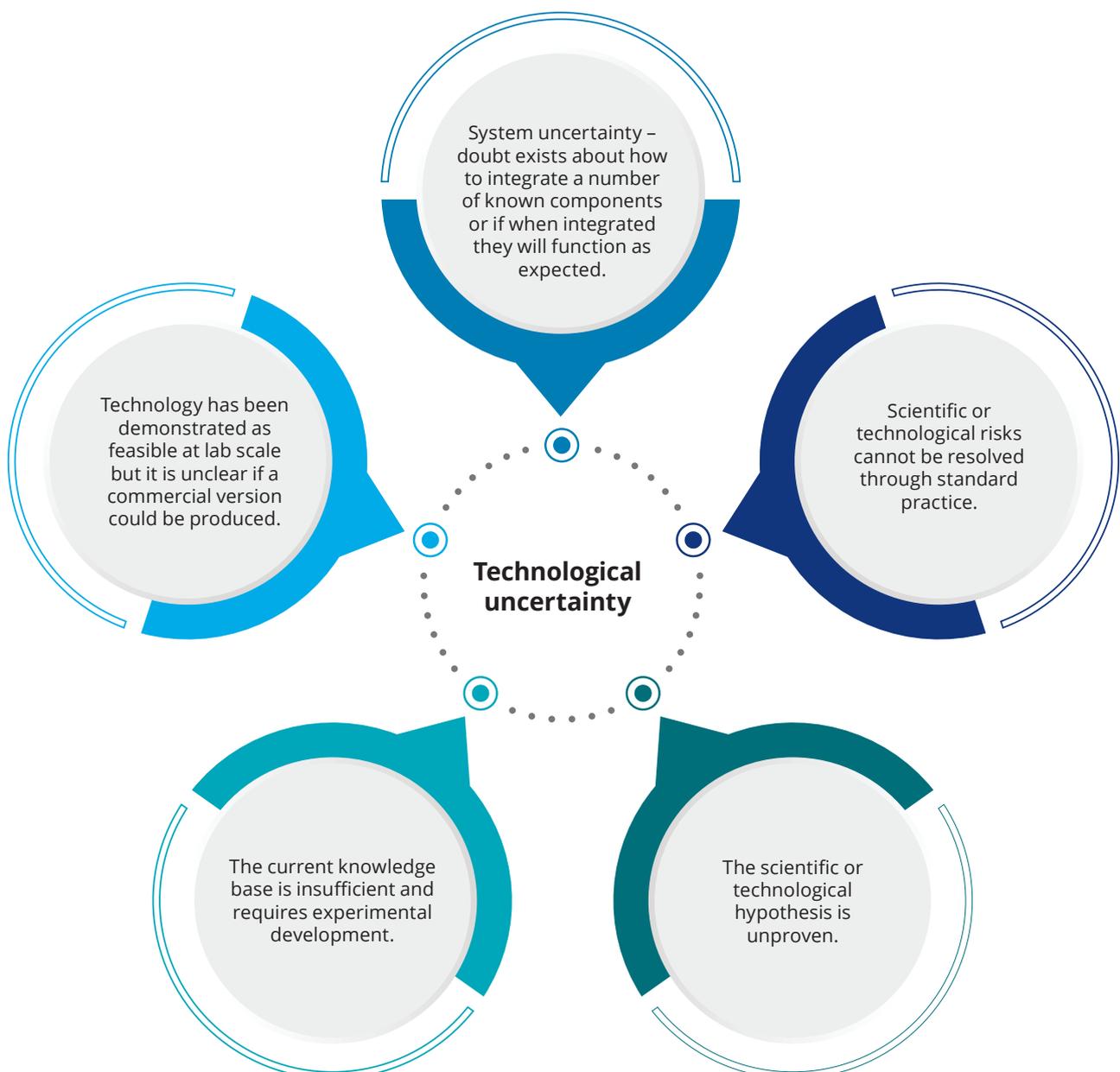
- **People costs:** Salaries and wages of employees involved in R&D
- **Contractors:** Third party personnel used in the process of R&D
- **Software and consumables:** Materials consumed for R&D



How is research and development defined?

What is R&D

Systematic investigations or **experimental** activities where the results are **uncertain** or intended to address a technological uncertainty. The activities should be discovering **new knowledge** or making a **significant improvement** in existing knowledge.





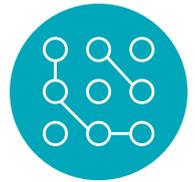
The Deloitte methodology in optimising R&D incentive claims

Business know-how, independence and deep understanding of the South African tax incentives.

01

Translating innovation strategy to R&D components

We translate innovation strategy around **digital transformation, connectivity, cloud, analytics, and big data** into discreet R&D projects – which enhances the return on investment of these projects.



02

Value added incentives

We embed incentives experts into the process to accelerate investments in energy efficiency, infrastructure and/or capital projects.



03

Stakeholder management

We co-ordinate tax and technical teams across operating companies, ensuring stakeholder alignment and efficiency.



04

Regulatory and local knowledge

We understand the incentive landscape and regulatory environment, ensuring you find the right projects which deliver value.



05

Tools and training

Our digital tools reduce the compliance burden allowing you to focus on higher value activities. In addition to our cutting-edge digital tools, we also provide training and improve capacity to proactively identify opportunities.





Look deeper. Seize the opportunity

Deloitte's G³ efficient processes help us to understand your business and analyse the grants and incentives opportunities that apply.

Our global perspective provides insight and confidence to any enterprise that wants a clearer view of its global opportunities.

Get in touch

To learn more about Deloitte and how our use of the global incentives solution can accelerate and streamline your company's R&D incentive claims, contact our G³ R&D tax team:

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