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FINANCIAL INTELLIGENCE



YOUR FINANCIAL ADVISORS

THE TAX-DEDUCTIBLE EXPENSES

Financial intelligence is one of the main features that to lead you to business success. Remember that staying updated on financial news will help in the achievement of your business goals.

CPV Corporate, as an international financial advisor, provides you with relevant and useful information in accounting, audit, and finance.

Lately, we received many questions from our clients regarding tax-deductibles for different expenses that companies carry out during business operations.

And we understand why: if expenses are tax-deductible, then the taxable profit of the company will be reduced for all such costs, which will eventually, reduce the tax on the company.

In for order to be tax-deductible, THE GENERAL RULE is necessary that those expenses must be related to the ordinary activity of the company, which would be appropriate and reasonable for the business activity of the company.

WHAT EXPENSES ARE DEDUCTED FOR TAX PURPOSES:

1. Interest paid for loans payable
2. Accounting and auditing fees
3. Legal and other professional charges related to the operation of the company (like nominee, services or legal services)
4. Consulting services related to obtaining and managing loans (relevant reports expressing a professional opinion and recommendation should support such consulting services)
5. Entertaining expenses, such as bills from restaurants (the maximum amount allowed for deduction from taxable profit as “entertaining expenses” are limited up to 1% on the turnover of the company)
6. Advertising fees

7. Expenses related to business trips (accommodations invoice issued on the name of the company, air tickets, taxi bills)
8. Motor vehicle expenses (petrol) and maintenance of a car-van used for work purposes
9. Office rental fees if the company is renting an office
10. Expenses for electricity, water, telephone and internet (invoices must be issued on the company name)
11. Repair and maintenance expenses
12. Expenses for the acquisition of a software
13. Staff costs
14. Social insurance expenses
15. Education fees for professional training of the company's employees in connection with their responsibilities.

SAMPLE OF EXPENSES THAT ARE NOT ACCEPTED FOR TAX DEDUCTION:

- Medical services are not accepted.
- All personal expenses of the owner and family are not accepted.
- Expenses related to an acquisition of shares are not acceptable for tax purposes.

For example, if you received a loan for the acquisition of shares, then the interest expenses from the loan are not tax-deductible.

3 RELEVANT COMPONENTS OF YOUR EXPENSES:

It is worth to pay attention to that all expenses must be:

- supported with the relevant invoices
- related directly to the company's business activities.
- and issued in the name of the company



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