

(ii) For an indefinite period, the day on which it is reasonably expected that period will end:

“Financial statement” in relation to a person means—

- (a) A balance sheet;
- (b) A profit and loss account;
- (c) Group accounts;

and includes any supporting note or statement that accompanies the financial statement; but does not include—

- (d) Any statement of production quality or production volume;
- (e) Any statement prepared in relation to the exercise of any rights in respect of which royalties are payable:

“Periodic charges” means expenditure regularly incurred on a rated annual or more frequent basis, and includes local authority levies (other than rates), licences, and registrations:

“Qualified person” means—

- (a) A person qualified for appointment as an auditor of a company in terms of section 165 of the Companies Act 1955; or
- (b) A person similarly qualified, according to the law in any other jurisdiction, for appointment as an auditor of a body corporate.

3. *Determination*—Any person who incurs expenditure that is deductible in the income year commencing on the 1st day of April 1988, shall not be required to comply with section 104A of the Income Tax Act 1976, in respect of the expenditure and the income year, where—

- (a) The expenditure is of a kind described in column (1) of the Schedule hereto; and
- (b) The sum of all of the amounts of unexpired portion of the kind of expenditure does not exceed the amount, if any, specified in relation to that expenditure in column (2) of the Schedule hereto; and
- (c) The length of time between balance date and the subsequent expiry date of the expenditure does not exceed the number of months, if any, specified in relation to that expenditure in column (3) of the Schedule hereto; and
- (d) In relation to expenditure on goods of any of the kinds specified in categories (d) and (k) of the Schedule hereto, the goods are in the possession of the person at balance date:

Provided that this determination shall not apply to any expenditure to the extent that deduction of the expenditure has been deferred to a subsequent income year for financial reporting purposes:

Provided also that, for the purposes of this determination, any expenditure taken into account in calculating the assessable income of a partnership for the purposes of section 10 of the Income Tax Act 1976, or that should properly be so taken into account, shall be treated as expenditure incurred by that partnership and by no other person.

**Schedule**

<i>Description of Expenditure</i> Column (1)	<i>Total Amounts of Unexpired Portion</i> Column (2)	<i>Number of Months</i> Column (3)
(a) Rental for the lease of land or buildings relating to a period ending more than 1 month after balance date.	\$20,000	6
(b) Rental for the lease of land or buildings other than such rental dealt with elsewhere in this determination		1

<i>Description of Expenditure</i> Column (1)	<i>Total Amounts of Unexpired Portion</i> Column (2)	<i>Number of Months</i> Column (3)
(c) Rental for the lease or bailment of livestock or bloodstock.	\$20,000	6
(d) Purchase of consumable aids.	\$50,000	
(e) Insurance premiums under an insurance contract where the total amount of such expenditure incurred in the income year in respect of the contract does not exceed \$10,000.		12
(f) Payment in respect of equipment service contracts or warranties where the consideration for the contract or warranty forms an inseparable and indeterminate part of the consideration for the asset or assets to which it relates.		
(g) Payment in respect of a contract for the service or maintenance of plant, equipment or machinery where the total amount of such expenditure incurred in the income year in respect of the contract does not exceed \$20,000.		3
(h) Payment for the use or maintenance of telephone and other communication equipment.		2
(i) Services, other than those dealt with elsewhere in this determination.	\$10,000	6
(j) Periodic charges, other than those dealt with elsewhere in this determination.	\$10,000	12
(k) Purchase of stationery.		
(l) Subscriptions for any newspaper, journal, or other periodical including the maintenance or annotation of any documentary information service.		
(m) Motor vehicle registration and drivers' licence fees.		
(n) Subscriptions, or other fees (but excluding any payment in respect of a franchise agreement) entitling membership of any trade, professional, or other association where the amount of such expenditure incurred in the income year in respect of the association does not exceed \$5,000.		12
(o) Postal and courier services, including such expenditure for franking, private post boxes and private post bags, business reply post and freepost, and including expenditure evidenced by the possession of postal stamps.		
(p) Rates made and levied under Part IX of the Local Government Act 1974, to the extent of the amount invoiced on or before balance date.		
(q) Advanced bookings for travel and hotel or motel accommodation.	\$10,000	6
(r) Advertising.	\$10,000	6
(s) Road User Charges.		
(t) Audit fees.		

This determination is signed by me on the 20th day of January in the year 1989.

R. D. ADAIR,  
Deputy Commissioner of Inland Revenue.