

**DEPARTMENT OF TRADE AND INDUSTRY**  
**NOTICE 711 OF 2016**

**SECTION 12I TAX ALLOWANCE PROGRAMME**

The Minister of Trade and Industry, Dr Rob Davies - in terms of section 12I (19)d of the Income Tax Act, 1962 (Act 58 of 1962) as amended (herein after referred to as the Act) and the Regulations promulgated in the Government Gazette No. 33385 of 23 July 2010 - hereby publishes the decision to **approve** an application received for the 12I Tax Allowance Programme.

**Particulars of applicant**

- Name of applicant: [KAP Diversified Industrial \(Pty\) Ltd](#)
- [KAP Diversified Industrial \(Pty\) Ltd - Boksburg Phase 3 Expansion](#) is a project to manufacture [Medium Density Fibreboard](#). The project will invest a total of [R 105 000 000](#) with the value of qualifying manufacturing assets equal to [R 105 000 000](#). The project is classifiable under SIC [3221](#) or SIC [1621](#) in version 7.
- Description and costs of qualifying manufacturing assets:

| Assets                         | Expected Date of Assets In Use | Value of Qualifying Assets (R) |
|--------------------------------|--------------------------------|--------------------------------|
| Plant and Machinery            | June 2017                      | 44 060 144                     |
| Buildings                      | June 2017                      | 60 939 856                     |
| <b>Total Qualifying Assets</b> |                                | <b>105 000 000</b>             |

- Date of approval: [25 July 2016](#).
- Envisaged date of commercial production: [June 2017](#).
- Additional investment allowance benefit period: [July 2016 to July 2020](#).
- [KAP Diversified Industrial \(Pty\) Ltd](#) is approved as a [Brownfield](#) project and awarded [7 points](#) and afforded [Preferred Status](#).
- The approved amount for the additional **investment** allowance in respect of manufacturing assets to be brought into use by the company is [R 57 750 000 \(fifty seven million seven hundred and fifty thousand rand\)](#)
- The approved amount for the additional **training** allowance is [R 1 476 000 \(one million four hundred and seventy six thousand rand\)](#)
- Total potential national revenue to be forgone by virtue of deduction of the approved allowances of the company will be [R 16 583 280](#).

**Enquiries relating to this publication should be made to:**

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