



THE SUPREME COURT OF APPEAL
REPUBLIC OF SOUTH AFRICA

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

From: The Registrar, Supreme Court of Appeal

Date: 1 October 2010

Status: Immediate

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal

ACKERMANS LTD v THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE

1. In 2004 Ackermans Ltd sold its retail business as a going concern to Pepkor Ltd. Ackermans claimed a deduction under the Income Tax Act of R17m in respect of three liabilities which Pepkor had assumed under the sale agreement. The Commissioner of the SA Revenue Service disallowed the deduction. The SCA held that Ackermans had incurred no expenditure in respect of the three liabilities and was accordingly not entitled to any deduction.

2. An appeal by Pep Stores (SA) Ltd for similar relief was dismissed for the same reason.

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