



MACBITES

USE OF AN "ASSET REGISTER" TO ASSIST WITH RECORD KEEPING

Keeping adequate records of all assets purchased and disposed of for a minimum of five years is necessary for capital gains tax (CGT) purposes.

However, you can choose to enter information from your CGT records into an asset register. If you keep an asset register, you may be able to discard records that you might otherwise need to keep for much longer. The asset register must contain all of the information that can reasonably be expected to be relevant to working out whether you have made a capital gain or capital loss, otherwise you must retain your original documents.

The following represent the minimum level of information you should transfer from your original documents to an asset register:

- date of acquisition of the asset
- cost of the asset
- a description, amount and date for each cost associated with the purchase of the asset (for example, stamp duty and legal fees)
- a description, amount and date for expenses incurred to increase the asset's value that is reflected in the state or nature of the asset at the time of the CGT event (for example, expenses incurred to erect a garage on residential property)
- date the CGT event happened to the asset; and
- capital proceeds received when the CGT event happened

This information **must be certified** – and, as tax agents, we can do this for you. If you use an asset register you **must** keep your original documents for **at least five years** from the date the relevant asset register entry is certified.

The asset register may be formatted as a table, schedule or some other form. An asset register will **not** satisfy the record keeping legislation if the information is only stored in an electronic form that can be easily altered.

Please contact us should you wish to discuss.

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