An examination of the accounts of the pioneer company should be carried out in spite of the fact that the company will not be assessed to tax. The examination is ti ensure that the pioneer company does not exploit its status to evade tax on its profit arising from its non pioneer activities. The examination will enable the tax authority to:

a. Certify the qualifying capital expenditure at the end of each accounting period
b. Certify the profit or loss at the end of the accounting period
c. Ensure the reasonableness or fairness of the charges in respect of remuneration paid to the directors of the company, interest service, agency or other similar charges made to person who are shareholders of the company.
d. Direct how certain receipts and expenses should be treated
e. Ensure that no distribution of profit in excess of the balance in Account is made during the tax relief

   In determining whether or not a loss has actually been made by pioneer company, the tax authority has the discretion to exclude any sum as may be in excess of an amount appearing to it to be fair and reasonable in respect of charges relating to remuneration, interest, agency and other fees paid to the shareholders. The act gives the tax authority the power to direct that receipt which are part of the pioneer profit but which should have been treated as profit of the following period be so treated and that expenses incurred in the first year of the new trade are properly attributable to the tax relief.