

Global Learning Providers' Conference February 2015

F6 Taxation

This document summarises the Question and Answer discussion which took place in the examiner's workshop at the Global Learning Providers' Conference on 11-12 February 2015.

- **The F6 syllabus is very broad which means that there is a lot for candidates to learn. Is it anticipated that the size of the syllabus will be reduced in the future?**

The syllabus is reviewed annually and any non-essential elements are removed. Every effort is made to keep the syllabus as streamlined as possible while retaining the core elements of the main UK taxes.

- **With the change to the exam format from June 2015 can we assume that, as in the specimen paper, questions 5 and 6 will be on income tax and corporation tax?**

The main focus of the two 15 mark questions will be income tax and corporation tax but that doesn't mean that other elements of other taxes could not be examined within these questions.

- **Does that mean that other sections of the paper will examine income tax and corporation tax?**

The whole syllabus is examinable within Section A and the other Section B questions and therefore, candidates are encouraged to ensure that they cover the whole syllabus as part of their exam preparation.

- **Can you confirm what Finance Act will be examinable in the examination sessions from June 2015 to March 2016?**

Yes, Finance Act 2014 will be applicable for the 4 sessions spanning June 2015 to March 2016.

In addition, due to the uncertainty over the timing of Finance Acts in 2015 as a result of the General Election, the exam year for the UK tax papers has been extended for one further exam session to 30 June 2016.

As a result, the F6 (UK) exam in June 2016 will also examine Finance Act 2014. Therefore, Finance Act 2014 will apply to 5 exam sessions.

- **In terms of the new national insurance (NIC) employment allowance, if candidates are asked to calculate employer's NIC for a sole trader or a company in respect of an individual employee, how will they know if the employment allowance has already been used?**

The question should make it very clear by (for example) specifying that there is only one employee or, alternatively, making clear that the employment allowance is not relevant. Where appropriate the question would clearly specify any assumptions to be made or factors to be ignored.

- **From the examining team's experience of the marking process, is there a general impression that candidates attempt the questions in a paper in the order that they appear?**

As a general impression, maybe around 60-70% of candidates attempt the paper in order. Occasionally, there may be an "unpopular" question that gets left until last. From general impressions in the marking process, there does not appear to be one specific tax which is a favourite of candidates.

- **The tax treatment of VAT discounts is changing (although this is not examinable in tax exams in the sittings 1 April 2015 to 30 June 2016). The change in the tax treatment is also relevant for the financial reporting papers. When will these changes be examinable in the ACCA financial reporting papers?**

For tax purposes, from 1 April 2015 output VAT is charged on the actual amount received where a discount is offered for prompt payment. However, this is not examinable in exams in the sittings from 1 April 2015 to 30 June 2016. Going forward, there are two ways in which suppliers will be able to account for discounts going forward. Either they can provide full details of the potential discount on the original sales invoice or they can issue a subsequent credit note when the discount is confirmed.

In terms of the ACCA financial reporting papers, the treatment of sales tax on prompt payment discounts is not tested. As the ACCA financial reporting exams are International, we cannot assume any knowledge of any particular UK tax legislation. Therefore, in the ACCA financial reporting exams, we use the term "sales tax" and always state the rate of sales tax.