

Global Learning Providers' Conference 2017

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 26-27 April 2017.

- **Computer-based exams (CBE) and paper-based exams (PBE) are currently running in parallel. Do the same questions appear in both the CBE and PBE exam or are the questions different?**

For September 2016 and December 2016 the exams were fixed-form and so the CBE and PBE exams for both sittings were the same.

As the CBE exams are rolled out more widely, we are using an exam security model to allow us to offer more than one sitting in a day and in a range of time zones. This means that we have a wider pool of questions available from which CBE exams are drawn. March 2017 was the first exam session where CBE and PBE were different.

- **It is very difficult to teach UK tax overseas, especially in a country where there is no tax regime. It is particularly difficult in non-UK markets where students have no UK tax experience. The syllabus does not seem to have reduced as was advised would happen, and tax legislation is getting more complicated, so it feels like F6 is getting harder. Is this the case?**

It was felt appropriate to bring inheritance tax (IHT) down to F6 some years ago due to the importance of the tax, but only the most basic parts are examinable at F6, with a lot more included at P6. Whenever a topic is added to the syllabus, careful consideration is given as to whether a topic can be removed so that the syllabus does not become too large. ACCA also considers the impact any syllabus changes would have on the markets. Several areas have come out of the F6 syllabus to make it more manageable, such as overseas aspects of corporation tax, transfer pricing, incorporation relief and loss relief following incorporation, loss relief restrictions on partners, change of accounting date, and some detailed admin areas. As well as this UK corporation tax has become much simpler in recent years with only one tax rate. As such, the examining team are comfortable that the syllabus has not become any larger.

- **The examiner's presentation mentioned the higher skills question which aims to bridge the gap between F6 and P6. Students in non-UK markets find this interaction of taxes difficult. There is also often a very long gap between candidates taking F6 and P6. Is it necessary to include questions in F6 and P6 that examine more than one tax?**

Any interaction of more than one tax would be confined to one question and the examining team believe this is necessary to help prepare candidates for P6. For those candidates who choose not to sit P6, F6 will be the only tax that they study and so it is even more important to have a question such as this in the exam.

P6 is the final tax examination before candidates are able to qualify and so it would not be appropriate to look at single taxes in isolation without considering the way particular taxes interact.

ACCA advises candidates who are sitting P6 a long time after they sat F6 to ensure they update their knowledge. This can sometimes require candidates to update themselves across a number of finance acts.

- **For non-UK markets, the terminology used in F6 (e.g. HMRC, statutory concessions) is unfamiliar to candidates. Is it possible to remove this from F6?**

The terminology in F6 can also be challenging for UK candidates who do not work in tax, so this is not just a problem for candidates in non-UK markets. During the review process, the examining team spend a lot of time considering the wording and terminology used so that it does not disadvantage candidates for whom English is not their first language or those who may be less familiar with the UK tax system due to living outside of the UK. There are certain phrases that are fundamental to UK tax, such as HMRC, which it would not be appropriate to avoid.

ACCA recommends that learning providers and candidates make use of the English language support resources which are tailored to each exam. These resources include explanations of some of the key terminology used.

- **Why can't you change the exam year so that it starts in September like the other exams?**

The 1 April to following 31 March exam year for tax has been carefully chosen so that it is in line with the tax year. If the exam year were to change to 1 September to the following 31 August, then by the June sitting, candidates would be out of date by two finance acts.

- **What impact will the change in budget timing have on the tax exam year?**

ACCA are currently considering this in addition to the impact of the truncated Finance Act 2017 which received royal assent on 27 April 2017. ACCA will publicise the confirmed approach in due course.

- **Will the September 2016 and December 2016 CBE exams be updated for Finance Act 2016 and beyond? Will you also be publishing the December 2016 PBE exam in PDF format?**

The CBE specimen exam and some additional constructed response questions have been updated for Finance Act 2016 and this is now available on the website at the following link: <http://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f6/specimen-exams/UK.html#cbe>

There is currently no intention to update the September 2016 and December 2016 CBE exams for Finance Act 2016.

With the move to four sessions, we now normally only publish a sample exam, the constructed response section only, twice per year. However, when something fundamental

has changed (e.g. structure, format etc.) we publish the exams in full, which is why the CBE and paper exams for September 2016 were published in full on the ACCA website. Due to the demand for additional material in CBE format, the F5-F9 CBE exams from December 2016 were also published. For paper-based exams, there was no need to make any additional practice material available.

- **Self-assessment is often set as self-study and it's difficult to get students to engage with it. The objective test question shown in the examiner's presentation is quite detailed. Is something like this likely to come up again?**

The change of exam format does make it easier to examine the whole syllabus so as a result, there may well be some questions which come up which appear less familiar to candidates, or are testing a more obscure aspect of the syllabus. Since the objective test questions are only two marks each, it is unlikely that this should cause a well-prepared candidate any problems.

- **Which of the non-UK markets are offering F6 as CBE and when will PBE be withdrawn for these markets?**

Due to the popularity of F5-F9 session CBEs, we are increasing the availability of these exams all the time. Information about which countries now offer CBE, or will do in the near future, is available at the following link:

<http://www.accaglobal.com/gb/en/student/exam-entry-and-administration/computer-based-exams/session-cbes/where-you-can-take-session-cbes.html>

This link also confirms for selected markets when ACCA will only offer F5-F9 exams by session CBE.

- **For the purposes of tapering the pensions annual allowance, there is a threshold level of income below which tapering will not apply. Is this examinable at F6?**

This is a specifically excluded topic and not examinable at F6. Candidates are advised to read the F6 Finance Act 2016 article which is available on the website as it sets out the key changes to pensions that are examinable. The article can be found here:

<http://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f6/technical-articles/finance-act-2016.html>