

Think Ahead



F6 UK

Taxation

F6 UK Examiner

February 2015

December 2014

F6 odd one out

Time pressured

15 to 20 marks often not attempted

December 2014

This was the last examination under the old format, with F6 invariably being the odd one out.

Some candidates found this examination more time pressured than previously, with the VAT sections from question two being omitted by many candidates. Some candidates did not attempt some 15 to 20 marks of the paper, which meant that obtaining 50 marks from the remaining 80 to 85 marks was difficult.

Poor exam technique

For example, Question 1 (a)

This was generally as a result of poor exam technique, with far too long spent on workings. For example, just on question 1 part (a):

- Tax liabilities & balancing payments
- Profit share
- Beneficial loan
- Personal allowance
- NIC

Separate workings were produced for both the income tax liabilities and the balancing payments.

Profit shares were calculated for the two partners who were not relevant to the question.

Alternative beneficial loan calculations were performed when it should have been obvious that the result was the same either way.

Personal allowance workings were performed when it should have been obvious that either the full personal allowance was available, or no personal allowance was available.

NIC calculations were performed for Edward, despite the fact that he was an employee. The question requirement specifically prompted candidates to consider Alfred's Class 4 NIC only.

Advice

Read the requirements

Advice

It is essential to read the question requirements and to then act on them:

- Calculations = no explanations
- Include or omit
- Mark allocation

Calculations mean that (with the odd exception) explanations are not necessary.

Follow the guidance given in the requirement notes as to what to include and what to omit.

Look at the mark allocation – for example, question 1 part (b)(i) needed two dates for 2 marks, so obviously several lines of explanation was unnecessary.

June 2015 onwards

New exam structure

Syllabus reordered

June 2015 onwards

The new examination structure will be introduced.

Syllabus reordered and old sections A and H now combined into just section A covering 'The UK tax system and its administration'. Otherwise no syllabus changes beyond anything arising from the Finance Act.

Section A

15 x 2-mark MCQs

All syllabus areas

Four alternative answers

Question length will balance out

Section A

15 two-mark multiple choice questions, for a total of 30 marks. Note that there are varying structures within the Fundamentals level papers.

Questions will cover all areas of the syllabus.

Each question will be a choice from four alternative answers.

Not all the questions will take the same amount of time to answer, but this will balance out over Section A as a whole.

Section B

Four 10 mark questions

Any syllabus area

Two 15 mark questions

Income tax

Corporation tax

Four 10-mark questions and two 15-mark questions, for a total of 70 marks. The two 15-mark questions will focus on income tax (syllabus area B) and corporation tax (syllabus area E). The four 10-mark questions can be on any area of the syllabus.

Specimen paper

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The specimen paper is a good indication of the approach that will be taken, although the four 10-mark questions may not necessarily be on these same areas:

10 mark questions – Specimen paper

- Q1 - Capital gains tax (Dec 2013)
- Q2 - Inheritance tax (June 2012)
- Q3 - VAT (Dec 2010)
- Q4 - Tax administration (Dec 2010)

Question 1
question 3) (10 marks)

Capital gains tax (based on December 2013

Question 2
(10 marks)

Inheritance tax (based on June 2012 question 5)

Question 3
(10 marks)

VAT (based on December 2010 question 2 (b))

Question 4
4) (10 marks)

Tax administration (based on June 2008 question

15 mark questions

- Q5 - Income tax (June 2012)
- Q6 – Corporation tax (Dec 2012)

Question 5 Income tax (based on June 2012 question 1) (15 marks)

Question 6 Corporation tax (based on December 2012 question 2) (15 marks)

So all the major taxes covered.

Paper will continue to include higher level marks

Numerous examples in the specimen paper

The F6 paper will continue to include higher-level marks which act as a link to paper P6. For example, in the specimen paper there are tax planning marks in question 1, some higher level 'thinking' marks in question 2, several higher-level aspects to question 4, some planning marks in question 5, with question 6 being presented in a format requiring more thought than the normal layout.

Finance Act 2014

- NISAs
- £40,000 pension annual allowance
- PPR reduced to 18 months
- NIC employment allowance
- VAT discounts

Finance Act 2014

Simplification of NISAs, with old ISA limits no longer examinable.

The pension annual allowance reduced to £40,000, although carry forward is at the previous rate of £50,000. Both limits to be shown in the tax rates and allowances.

The CGT final period exemption for principal private residences reduced to 18 months.

Class 1 NIC employment allowance of £2,000 has been introduced, and this will be shown in the tax rates and allowances.

VAT treatment of discounts is being phased out, but no change for examinations in the period 1 April 2015 to 31 March 2016.

Not examinable

- Real time reporting filing penalties
- AIA apportionment

Not examinable (1 April 2015 to 31 March 2016)

Real time reporting late filing penalties

Apportionment of the annual investment allowance

2015 legislation

April 2015 to June 2016

Finance Act 2014

1 September 2016 to 31 March 2017

Examinable legislation to be confirmed

2015 legislation

The exam year for F6 normally runs from 1 April to 31 March. However, 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.

The following exam year for F6 (UK) will be 1 September 2016 to 31 March 2017 and you will be kept informed on which examinable legislation applies to this exam year.

Articles

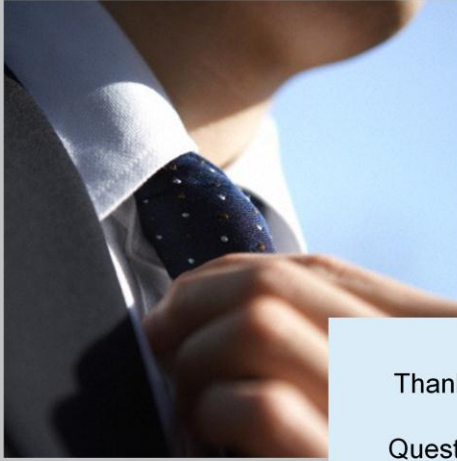
Finance Act 2014

Other articles updated to FA 2014

MCQs included

Articles

Usual Finance Act article, with all other articles updated to the Finance Act 2014. Note that, with the exception of the Finance Act article, all the articles have multiple choice questions at the end broadly similar to what will feature in Section A.



Thank you
Questions?