

## EXAMINABLE DOCUMENTS – JUNE AND DECEMBER 2012

### Paper FTX (UK) Foundations in taxation

The following notes refer to Paper FTX (UK) only. Guidance for other variant papers – where available – is published on the ACCA website.

Legislation which received Royal Assent on or before 30 September annually will be assessed in the examination sessions being held in the following calendar year. Therefore, examinations in June and December 2012 will be assessed on legislation which received Royal Assent on or before 30 September 2011.

#### Finance Act

The latest Finance Act which will be examined in Paper FTX (UK) at the June and December 2012 sessions is the Finance Act 2011.

With regard to prospective legislation when, for example, provisions included in the Finance Act will only take effect at some date in the future, such legislation will not normally be examined until such time as it actually takes effect. The same rule applies to the effective date of the provisions of an Act introduced by statutory instrument.

The study guide offers more detailed guidance on the depth and level at which the examinable documents should be examined. The study guide should therefore be read in conjunction with the examinable documents list.

#### Articles

The following relevant articles have been published in *Student Accountant* and are also available on the ACCA website:

FTX (UK):

- Finance Act 2011 – September 2011
- Approach to examining multiple choice questions – November 2010

#### Supplementary Instructions and Tax Rates and Allowances

The following supplementary instructions and tax rates and allowances will be reproduced in the exam paper in the June and December 2012 exams. In addition, other specific information necessary for candidates to answer individual questions will be given as part of the question.

<b>SUPPLEMENTARY INSTRUCTIONS</b>			
1.	Calculations and workings need only be made to the nearest £.		
2.	All apportionments should be made to the nearest month.		
3.	All workings should be shown.		
<b>Income tax</b>			
		Normal rates	Dividend rates
		%	%
Basic rate	£1 – £35,000	20	10
Higher rate	£35,001 to £150,000	40	32.5
Additional rate	£150,001 and over	50	42.5
A starting rate of 10% applies to savings income where it falls within the first £2,560 of taxable income.			
<b>Personal allowances</b>			
			£
Personal allowance			7,475
Income limit for standard personal allowance			100,000
<b>Car benefit percentage</b>			
The base level of CO <sub>2</sub> emissions is 125 grams per kilometre.			
A rate of 5% applies to petrol cars with CO <sub>2</sub> emissions of 75 grams per kilometre or less, and a rate of 10% applies to petrol cars with CO <sub>2</sub> emissions between 76 and 120 grams per kilometre.			
<b>Car fuel benefit</b>			
The base figure for calculating the car fuel benefit is £18,800.			
<b>Pension scheme limits</b>			
The maximum contribution that can qualify for tax relief without evidence of earnings			£3,600
<b>Authorised mileage allowances: cars</b>			
Up to 10,000 miles			45p
Over 10,000 miles			25p
<b>Capital allowances: rates of allowance</b>			
<b>Plant and machinery</b>			%
Main pool			20
Special rate pool			10
<b>Motor cars (purchases since 6 April 2009 (1 April 2009 for limited companies))</b>			
New cars with CO <sub>2</sub> emissions up to 110 grams per kilometre			100
CO <sub>2</sub> emissions between 111 and 160 grams per kilometre			20
CO <sub>2</sub> emissions over 160 grams per kilometre			10
<b>Annual investment allowance</b>			
First £100,000 of expenditure			100
<b>Corporation tax</b>			
Financial year	2009	2010	2011
Small companies rate	21%	21%	20%
Main rate	28%	28%	26%
	£	£	£
Lower limit	300,000	300,000	300,000
Upper limit	1,500,000	1,500,000	1,500,000
Standard fraction	7/400	7/400	3/200
<b>Marginal relief</b>			
Standard fraction x (U – A) x N/A			

<b>Value added tax</b>		
Standard rate		20%
Registration limit		£73,000
Deregistration limit		£71,000
<b>Capital gains tax</b>		
		%
Rates of tax – Lower rate		18
– Higher rate		28
Annual exemption		£10,600
Entrepreneurs' relief – Lifetime limit		£10,000,000
– Rate of tax		10%
<b>National insurance contributions (not contracted out rates)</b>		
		%
Class 1 Employee	£1 – £7,225 per year	Nil
	£7,226 – £42,475 per year	12.0
	£42,476 and above per year	2.0
Class 1 Employer	£1 – £7,072 per year	Nil
	£7,073 and above per year	13.8
Class 1A		13.8
Class 2	£2.50 per week Small earnings exception limit – £5,315	
Class 4	£1 – £7,225 per year	Nil
	£7,226 – £42,475 per year	9.0
	£42,476 and above per year	2.0
Where weekly or monthly calculations are required the Class 1 limits shown above should be divided by 52 (weekly) or 12 (monthly) as applicable.		
<b>Official rate of interest (assumed)</b>		4%