

## **EXAMINABLE DOCUMENTS – Exams in the period 1 April 2015 to 30 June 2016**

### **Papers F6 (UK) Taxation and P6 (UK) Advanced Taxation**

The following notes refer to Papers F6 (UK) and P6 (UK) only. Guidance for other variant papers – where available – is published on the ACCA website.

Examinations falling within the exam year 1 April to 31 March will examine the Finance Act which was passed in the previous July. Therefore, exams falling in the period 1 April 2015 to 31 March 2016 will examine the Finance Act 2014. In addition, due to the uncertainty over the timing of the Finance Acts in 2015 as a result of the General Election, the June 2016 exam will also examine the Finance Act 2014.

#### **Finance Act**

The latest Finance Act which will be examined in Papers F6 (UK) and P6 (UK) in examinations falling within the period 1 April 2015 to 30 June 2016 is the Finance Act 2014.

With regard to prospective legislation where, 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.

#### **Articles**

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

##### **F6 (UK):**

- Finance Act 2014
- Examiner's approach to Paper F6 (UK)
- Adjustment of profit questions

The following articles are updated each year for changes in the Finance Act

- Inheritance tax (Parts 1 & 2)
- Chargeable gains (Parts 1 & 2)
- Value added tax (Parts 1 & 2)
- Groups
- Benefits
- Motor cars
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##### **P6 (UK):**

- Finance Act 2014
- Examiner's approach to Paper P6 (UK)
- Stepping up from Paper F6 to Paper P6
- Guidance on answering Section A questions in Paper P6 (UK)
- Improving your performance in Paper P6 (UK) – in 5 parts
- Exam technique and fundamental technical issues for Paper P6 (UK)

The following articles are updated each year for changes in the Finance Act

- Trusts and tax for P6 (UK) – in 4 parts
- Inheritance tax and capital gains tax for P6 (UK) – in 4 parts
- International aspects of personal taxation for P6 (UK) – in 4 parts
- Corporation tax for P6 (UK) – in 4 parts
- Corporation tax– group relief for P6 (UK) – in 4 parts
- Corporation tax – groups and chargeable gains for P6 (UK) – in 4 parts
- Taxation of the unincorporated business – the new business – in 4 parts
- Taxation of the unincorporated business – the existing business – in 4 parts

## Supplementary Instructions and Tax Rates and Allowances

The following supplementary instructions and tax rates and allowances will be reproduced in the exam paper in examinations in the period 1 April 2015 to 30 June 2016. The tick (✓) indicates whether this information is included, and therefore examinable, in Paper F6 (UK) and Paper P6 (UK). In addition, other specific information necessary for candidates to answer individual questions will be given as part of the question.

SUPPLEMENTARY INSTRUCTIONS				F6	P6	
1.	You should assume that the tax rates and allowances for the tax year 2014/15 and for the financial year to 31 March 2015 will continue to apply for the foreseeable future unless you are instructed otherwise.				✓	
2.	Calculations and workings need only be made to the nearest £.			✓	✓	
3.	All apportionments should be made to the nearest month.			✓	✓	
4.	All workings should be shown in Section B.			✓	✓	
Income tax						
			Normal rates	Dividend rates	✓	✓
Basic rate			£1 – £31,865	20%	10%	
Higher rate			£31,866 to £150,000	40%	32.5%	
Additional rate			£150,001 and over	45%	37.5%	
A starting rate of 10% applies to savings income where it falls within the first £2,880 of taxable income.						
Personal allowances						
			£		✓	✓
Personal allowance						
Born on or after 6 April 1948				10,000		
Born between 6 April 1938 and 5 April 1948				10,500		
Born before 6 April 1938				10,660		
Income limit						
Personal allowance				100,000		
Personal allowance (born before 6 April 1948)				27,000		
Residence status						
Days in UK		Previously resident	Not previously resident		✓	✓
Less than 16		Automatically not resident	Automatically not resident			
16 to 45		Resident if 4 UK ties (or more)	Automatically not resident			
46 to 90		Resident if 3 UK ties (or more)	Resident if 4 UK ties			
91 to 120		Resident if 2 UK ties (or more)	Resident if 3 UK ties (or more)			
121 to 182		Resident if 1 UK tie (or more)	Resident if 2 UK ties (or more)			
183 or more		Automatically resident	Automatically resident			
Child benefit income tax charge						
Where income is between £50,000 and £60,000, the charge is 1% of the amount of child benefit received for every £100 of income over £50,000				✓	✓	
Car benefit percentage						
The relevant base level of CO <sub>2</sub> emissions is 95 grams per kilometre.				✓	✓	
The percentage rates applying to petrol cars with CO <sub>2</sub> emissions up to this level are:						
75 grams per kilometre or less			5%			
76 grams to 94 grams per kilometre			11%			
95 grams per kilometre			12%			
Car fuel benefit						
The base figure for calculating the car fuel benefit is £21,700.				✓	✓	
New individual savings accounts (NISAs)						
The overall investment limit is £15,000.				✓	✓	

<b>Pension scheme limits</b>					
Annual allowance	– 2014/15	£40,000		✓	✓
	– 2011/12 to 2013/14	£50,000		✓	✓
Lifetime allowance		£1,250,000			✓
The maximum contribution that can qualify for tax relief without any earnings is £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		18%			
Special rate pool		8%			
<b>Motor cars</b>					
New cars with CO <sub>2</sub> emissions up to 95 grams per kilometre		100%			
CO <sub>2</sub> emissions between 96 and 130 grams per kilometre		18%			
CO <sub>2</sub> emissions over 130 grams per kilometre		8%			
<b>Annual investment allowance</b>					
Rate of allowance		100%			
Expenditure limit		£500,000			
<b>Cap on income tax reliefs</b>					
Unless otherwise restricted, reliefs are capped at the higher of £50,000 or 25% of income.				✓	✓
<b>Corporation tax</b>					
<b>Financial year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	✓	✓
Small profits rate	20%	20%	20%		
Main rate	24%	23%	21%		
Lower limit	£300,000	£300,000	£300,000		
Upper limit	£1,500,000	£1,500,000	£1,500,000		
Standard fraction	1/100	3/400	1/400		
<b>Marginal relief</b>					
Standard fraction x (U – A) x N/A				✓	✓
<b>Patent box – deduction from net patent profit</b>					
Net patent profit x ((main rate – 10%)/main rate)					✓
<b>Value added tax (VAT)</b>					
Standard rate		20%		✓	✓
Registration limit		£81,000			
Deregistration limit		£79,000			
<b>Inheritance tax: tax rates</b>					
£1 – £325,000		Nil		✓	
Excess	– Death rate	40%			
	– Lifetime rate	20%			
<b>Inheritance tax: nil rate bands and tax rates</b>					
		£			✓
6 April 2014 to 5 April 2015		325,000			
6 April 2013 to 5 April 2014		325,000			
6 April 2012 to 5 April 2013		325,000			
6 April 2011 to 5 April 2012		325,000			
6 April 2010 to 5 April 2011		325,000			
6 April 2009 to 5 April 2010		325,000			
6 April 2008 to 5 April 2009		312,000			
6 April 2007 to 5 April 2008		300,000			
6 April 2006 to 5 April 2007		285,000			
6 April 2005 to 5 April 2006		275,000			
6 April 2004 to 5 April 2005		263,000			
6 April 2003 to 5 April 2004		255,000			

6 April 2002 to 5 April 2003	250,000		
6 April 2001 to 5 April 2002	242,000		
6 April 2000 to 5 April 2001	234,000		
Rate of tax on excess over nil rate band	– Lifetime rate – Death rate	20% 40%	
<b>Inheritance tax: taper relief</b>			
Years before death:	Percentage reduction	✓	✓
Over 3 but less than 4 years	20%		
Over 4 but less than 5 years	40%		
Over 5 but less than 6 years	60%		
Over 6 but less than 7 years	80%		
<b>Capital gains tax</b>			
Rates of tax – Lower rate	18%	✓	✓
– Higher rate	28%		
Annual exempt amount	£11,000		
Entrepreneurs' relief – Lifetime limit	£10,000,000		
– Rate of tax	10%		
<b>National insurance contributions (not contracted out rates)</b>			
Class 1 Employee	£1 – £7,956 per year £7,957 – £41,865 per year £41,866 and above per year	Nil 12% 2%	✓
Class 1 Employer	£1 – £7,956 per year £7,957 and above per year Employment allowance	Nil 13.8% £2,000	✓
Class 1A		13.8%	
Class 2	£2.75 per week Small earnings exception limit	£5,885	
Class 4	£1 – £7,956 per year £7,957 – £41,865 per year £41,866 and above per year	Nil 9% 2%	
<b>Rates of interest (assumed)</b>			
Official rate of interest	3.25%	✓	✓
Rate of interest on underpaid tax	3%		
Rate of interest on overpaid tax	0.5%		
<b>Stamp duty land tax</b>			
£150,000 or less (1)	Nil		✓
£150,001 – £250,000	1%		
£250,001 – £500,000	3%		
£500,001 – £1,000,000	4%		
£1,000,001 – £2,000,000 (2)	5%		
£2,000,001 or more (2)	7%		
(1) For residential property, the nil rate is restricted to £125,000. (2) The 5% and 7% rates apply to residential properties only. The 4% rate applies to all non-residential properties where the consideration is in excess of £500,000.			
<b>Stamp duty</b>			
Shares	0.5%		✓