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Hello!

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REVIEW OF PAST EXAMS

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F6 TAXATION EXAM PAPER STRUCTURE

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EXAM PAPER STRUCTURE

- The paper will be mainly computational and will have five compulsory questions.
- Question 1 will be on income tax
- Question 2 will be on corporation tax
- These 2 questions will total 55 marks, with one being for 30 marks and the other 25 marks
- Question 3 will be on capital gains tax for 20 marks,
- Questions 4 and 5 will be on any area of the syllabus and are for 15 and 10 marks respectively.

EXAM PAPER STRUCTURE

- There will always be at a minimum of 10 marks on value added tax on any paper. These marks might be included as part of a question or there might be a separate question on value added tax.
- Social insurance contributions will not be examined as a separate question, but may be examined in any question involving income tax or corporation tax.

EXAM PAPER STRUCTURE

- Groups and overseas aspects will only be examined in question two, and will account for no more than 8 marks in total on any one examination paper.
- Capital gains tax may be examined in questions other than question 3, for example as part of a corporation tax or income tax scenario.
- Any of the five questions might include the consideration of issues relating to the minimisation or deferral of tax liabilities.

What was done well?

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WHAT WAS DONE WELL?

December 2007

- Preparation of a capital statement for a self-employed individual .
- Corporation tax computation, adjustments on income and expenditure including the computation of a balancing statement.
- Calculation of the group tax position including losses and ability to explain the conditions which must be met in order for group relief to be obtained.

WHAT WAS DONE WELL?

- Computation of capital gains tax payable on sale of shares.
- Knowledge on the definition of the term person under the capital gains tax law.
- Knowledge on the conditions which must be met in order for the principal dwelling house and agricultural land exemptions to apply.
- The circumstances in which returns of income must be submitted.
- The methods by which returns of income may be submitted.

WHAT WAS DONE WELL?

June 2008

- Computation of the tax payable by an individual with various sources of income such as (employment, self employment, rental, dividends etc).
- Computation of the Special Defence Contribution payable, on dividends, interest and rental income.
- The obligations of a self-employed person under the Social Insurance system and the penalties and/or interest chargeable as a result of the non payment.

What wasn't done well?

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WHAT WASN'T DONE WELL?

December 2007

- The circumstances in which the VAT Commissioner may postpone or refuse the refund of VAT paid.
- The circumstances in which a refund of VAT paid may be claimed. Candidates confused the requirement with the conditions which must be met for input VAT to be deductible.

WHAT WASN'T DONE WELL?

- Candidates failed to understand the computation of Special Contribution for the Defence tax imposed on undistributed profit after the completion of the second year from the year in which they arise.
- Not able to make the necessary adjustments on the accounting profit in order to arrive at the profit which is subject to Special Contribution for the Defence.

WHAT WASN'T DONE WELL?

June 2008

- Lack of knowledge on the conditions for granting of capital allowances on qualifying assets.
- Poor knowledge in relation to capital gains tax, arising on the exchange of shares between two individuals who are joint owners (50% each) of two companies.

WHAT WASN'T DONE WELL?

- Poor Knowledge in defining the term “restated value of acquisition”. Candidates confused the term “restated value of acquisition” with the indexation adjustment as at 1.1.1980.
- Candidates failed to apportion the amounts to 50% for each individual in arriving to the taxable profit.
- Poor knowledge on the subject of employment income compared to income from a contract of services.

LESSONS LEARNED

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What to focus on?

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WHAT TO FOCUS ON

Students must focus on the provisions of the collection and assessment law such as

- Consequences on delayed submission of tax returns
- Consequences on delayed payments of tax
- Powers of the Director of the IRD

HOW TO IMPROVE?

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FOCUS ON FUTURE EXAMS

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WHAT IS NEW?

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WILL THINGS CHANGE?

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WILL THINGS CHANGE

No immediate plans

No additional topics under consideration

Additional depth on current topics may be considered.

Thanks!

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Thank you for your attention.

Click, next slide, please.

Questions?

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