



Agenda

- Examiner duties
- From F6 to P6 – objectives and syllabus
- Examinable legislation
- The exam format
- Setting the exam
- Areas where candidates do well
- Areas where candidates struggle
- How to pass P6 CYP
- Useful tips for tutors
- Questions

Hello!

The overall aim of this presentation is to provide useful information that will help you prepare candidates for success at P6 CYP.

It is important for me to clarify at the outset my duties as an examiner. I will then talk about the objectives of the P6 CYP syllabus compared to the F6 CYP syllabus and briefly address examinable legislation.

I will then talk about the exam format and how the exam is set. I will talk about areas where candidates do well and where they struggle and end with some useful tips on how to pass P6 CYP.

We will have time at the end for questions and to discuss what I have said.

Examiner duties

Preparation of the exam paper, answers and marking scheme in line with the syllabus

- My draft document is reviewed by a local assessor – he has been doing this for over six years.
- My draft document is also reviewed by an external tax co-ordinator, and then ACCA staff, in all respects for appropriateness of content, level of difficulty, consistency, clarity, etc.
- I address all comments/suggestions and review the paper another four times before it is printed, with ACCA staff also doing a further review.

I was appointed Examiner of P6 CYP in September 2015 and to date I have set the June 2016 and December 2016 exams.

As examiner, I have overall responsibility for setting the P6 CYP exam, preparing suggested solutions and marking schemes in line with the syllabus. As you will see later I also head the marking of the exam and prepare the examiner's report.

I am not alone in this task as I have the assistance of the assessor who reviews my draft exam paper. He independently prepares his own answers to each of the questions, adds his comments and suggestions to the draft exam and also assists in the marking of the exam. He has been doing this for over six years now.

The draft paper is also reviewed by an external tax co-ordinator and then by ACCA staff in all respects for appropriateness of content, level of difficulty, consistency and clarity. I address all of their comments and suggestions. I review the paper another four times before it is printed, with ACCA staff also doing a further review.

Examiner duties

Administration of the marking process and moderation of exam scripts

- 50% of the scripts are marked by me and 50% by the assessor
- Online system
- Marking is standardised across myself and the assessor at the very start of the marking process
- I can review the assessor's work and the system compares our marking of random scripts
- I prepare the examiner's report at the end of the marking process

During standardisation, the assessor re-marks a number of scripts which I have already marked (without knowing how I have marked them), and we compare marks and discuss any differences. This is so that we can agree a standardised approach before we begin marking. There are also seeding scripts which are marked by both of us, to check that we are continuing to mark consistently.

At the end of the marking process, I prepare the examiner's report. The examiner's report is a useful resource for candidates to refer to as it highlights areas that candidates performed well in, and perhaps more usefully, it highlights any problem areas and tips for how to improve performance in these areas.

Examiner duties

Administration of the marking process and moderation of exam scripts

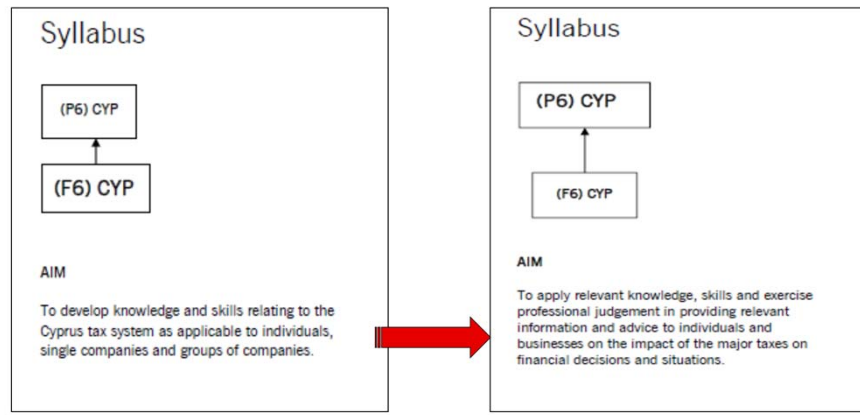
I have personally marked:

55% of the June 2016 exam scripts
and

68% of the Dec 2016 exam scripts

I consider it very important for you to appreciate that I have first hand in marking scripts and what I am going to say next is the result of this experience for the June and December 2016 exams.

Objective / Syllabus F6 vs P6 – Aim comparison



P6 is not a re-examination of F6

It is important to note that P6 is not a re-examination of F6. The aims are completely different as you can appreciate. A candidate passing P6 CYP will be a qualified professional addressing client tax problems. F6 CYP is a stepping stone to this objective.

Candidates must have a good knowledge of the whole syllabus. The syllabus and study guide for P6 CYP can be found at the following link:

<http://www.accaglobal.com/uk/en/student/exam-support-resources/professional-exams-study-resources/p6/syllabus-study-guide/p6-syllabus-and-study-guide-cyprus-cyp.html#>

Objective / Syllabus F6 vs P6 – Main capabilities

MAIN CAPABILITIES

After completing this examination paper students should be able to:

- A Explain the operation and scope of the Cyprus tax system and the obligations of taxpayers and/or their agents
- B Explain and compute the income tax liabilities of individuals
- C Explain and compute the corporation tax liabilities of individual and groups of companies
- D Explain and compute the special contribution for the defence (SCD) liabilities of individuals and companies
- E Explain and compute the capital gains tax liabilities of Individuals and companies
- F Explain and compute the effect of social insurance contributions on employees, employers and the self employed
- G Explain and compute the effects of value added tax on incorporated and unincorporated businesses

MAIN CAPABILITIES

After completing this examination paper students should be able to:

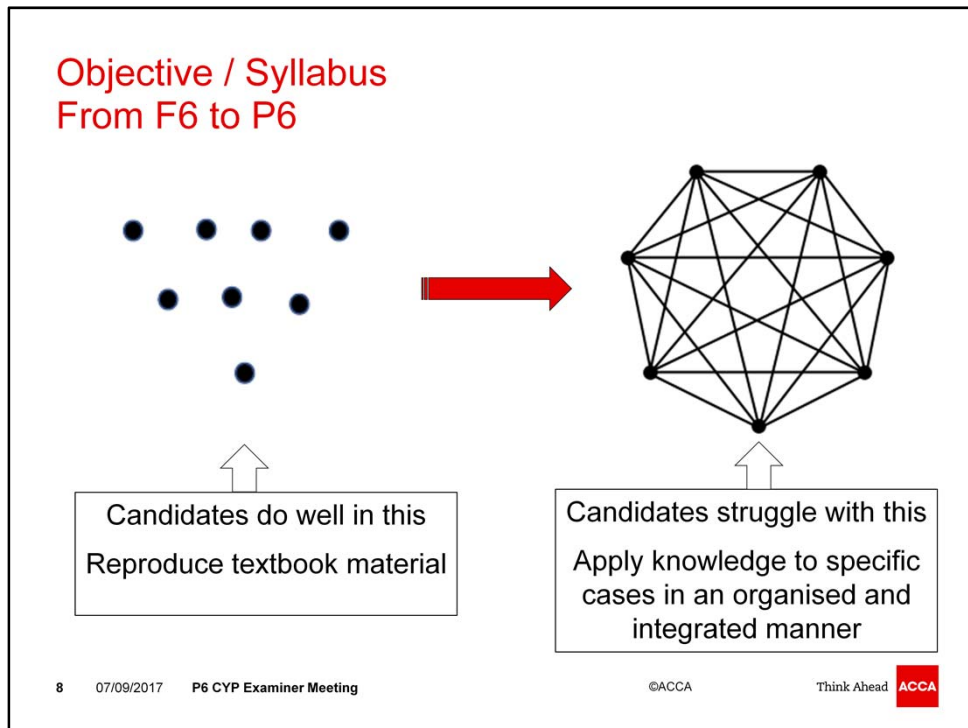
- A Apply further knowledge and understanding of the Cyprus tax system through the study of further capital taxes, together with more advanced topics within the taxes studied previously
- B Identify and evaluate the impact of relevant taxes on various situations and courses of action, including the interaction of taxes
- C Provide advice on minimising and/or deferring tax liabilities by the use of standard tax planning measures
- D Communicate with clients, the Department of Taxation and the VAT service and other professionals in an appropriate manner.

At P6 CYP candidates are not expected to concentrate on the computational aspects of taxation but there will be computational elements – calculations and numbers are just another language.

P6 CYP seeks to develop candidates' skills of analysis, interpretation and communication. Candidates are expected to be able to use established tax planning methods and consider current issues in taxation.

Calculations at P6 level therefore will generally not be in isolation, but part of a bigger question in support of some advice.

Questions will be bigger in the form of a mini case assuming that candidates are faced with a client requiring advice and they will involve the interaction of taxes rather than one tax in isolation as would be the case of F6.



The slide above should be self-explanatory.

Here is an example:

Q5- P6 CYP Dec 2016 – (a) Explain in general terms the circumstances in which a company is considered tax resident of Cyprus and advise whether the appointment of Stelios as a director could make Grapejuice Ltd a tax resident of Cyprus and how this risk might be reduced.

Candidates gave an almost perfect answer for the first part – but their attempt to advise showed that they did not understand the principles.

Candidates often throw in their answer of a VAT question – “reverse charge to be applied” – but they explain something completely different when they are faced with a scenario.

Examinable legislation

CUT-OFF DATE:

30 September 2016
for
June & December
2017 sittings

- In Cyprus we are blessed with very simple legislation that changes rarely
- Legislative cut-off date of 30 September for exams in the June and December of the following year
- Law passed after 30 September in a year shall not be examined in the following tax year
- Always apply the tax rates given in the examinable documents (at the front of the exam and published on the website)
- Immovable property tax abolished from 1 January 2017

It is important to emphasise that the legislative cut-off-date is 30 September of the previous year for June and December examinations. Thus, when answering questions in the June and December 2017 sittings, candidates may be tested on legislation passed before 30 September 2016, even if it enters into force at a later date. Candidates are advised to use this legislation, no matter the year which a question refers to.

There may be cases where there could be reason to consider an exception to the cut-off rule, but if that occasion ever arose we would communicate clearly in the study guide and also communicate this to tuition providers.

The examinable documents for P6 CYP exams in June and December 2017 can be found at the following link:

<http://www.accaglobal.com/content/dam/acca/global/PDF-students/acca/p6/examdocs/p6-cyp-examdocs-2017.pdf>

The exam format

- No changes to exam format in 2017
- 5 questions in total

Section A – both questions compulsory

Question 1 – 35 marks

Question 2 – 25 marks

Section B – a choice of two from three

All questions worth 20 marks

There are no changes to the exam format in 2017. There are five questions in total. Section A consists of two compulsory questions; question one for 35 marks and question two for 25 marks. Section B consists of three questions, each worth 20 marks and candidates must choose two of the questions to answer.

From June 2019 the exam format of P6 CYP will change. There will be no optional questions in Section B. Instead there will be two compulsory questions each worth 20 marks.

Setting the exam

- Same level as the previous examiner
- Does not allow misinterpretation of requirements
- The text volume of a question is kept small
- Simple names
- Parts are broken down
- Unclear / grey areas of legislation are avoided
- Areas of possible change in the legislation are avoided
- Large number of marks for specific area of knowledge are avoided
- Areas where candidates can go off on a tangent are avoided
- Unrealistic scenarios / cases are avoided
- Not unfair to candidates without work experience

I work hard to maintain the same level as the previous examiner so that candidates are not faced with a completely new style, content and level of difficulty.

Names are carefully chosen so that:

- They are easy to abbreviate
- Easy to remember
- Both male and female
- Not repeated in other parts of the exam paper
- Difficult to confuse

Parts are broken down to help candidates and provide a guide of marks / time that should be spent.

Dependency on a specific area of knowledge for a large number of marks is avoided.

Areas where candidates do well

- Plan their time correctly
- Order of answering questions
- Generally the international aspects of the legislation
- VAT registration
- SDC on rental and dividend income
- Basic capital gains tax computations
- Residency rules

This slide shows some of the main areas where candidates tend to do quite well.

I have not seen evidence of time pressure.

Very often candidates attempt the easy parts first.

Candidates are also good in international aspects but often in isolation.

Areas where candidates struggle

- Candidates do not mark clearly which part and sub-part of a question they are answering. This can sometimes lead to difficulty in following through a candidate's answer.
- Repeating the facts of the question in the answer and wasting valuable examination time.
- Using the facts of the question and addressing the taxation of transactions outside the scope of the requirements.
- Extremely poor format of answers.
- Illegible handwriting.
- Answering the question in point format.
- Vague or improper use of words to specifically explain the application of the legislation. Phrases like "eligible for taxation", "may be taxed", "logical to assume" when a definitive answer is required do not help.
- Instead of applying the legislation to the facts of the questions and giving a simple answer candidates just repeat the legislation and ignore the facts.

This slide shows some of the main areas where candidates struggle.

Sometimes candidates simply repeat the facts of the question in the answer wasting valuable examination time. This should only be done if is considered necessary for the markers to understand their answer.

How to pass P6 CYP

- To acquire the required skills it is not enough to study the textbook over and over again – candidates should practice mini-scenarios of transactions and be capable of addressing all tax issues.
- Past exam papers with answers and marking scheme are an excellent source of such material and it is evident that candidates who make use of the past exam papers perform significantly better than those who don't.
- A candidate that passes P6 will be capable of addressing clients as a qualified professional.
- **A quick pass is not possible.**

Candidates should make sure they do plenty of question practice before the real exam. There are lots of past exam papers with answers and marking schemes available on the ACCA website and it is evident that candidates who make good use of these perform significantly better than those who don't.

Candidates must be able to give professional advice. It is not enough to explain to a businessman that the corporation tax he will pay on his company's taxable profits is 12.5% and forget about the deemed dividend distribution payable in two years bringing the cost to 22.5%, for example.

A quick pass is not possible in this exam – just learning to reiterate some parts of the syllabus and hoping to repeat them in a theoretical kind of an answer just to reach 50% is not a good approach.

Useful tips for tutors

- Use current learning materials based on the examinable legislation and current exam format
- Allow time to learn
- Study for exams at this level should not be squeezed into too short a timeframe
- Practice of exam standard questions is essential
- Consider whether candidates have had any lengthy delay between F6 and P6 that might require refresher work.

It is important to ensure that tutors and candidates are using materials which are based on the legislation and syllabus applicable to the exam sitting for which they are preparing. Tutors and candidates should also ensure they familiarise themselves with the information in the tax rates and allowances tables for their exam sitting, as mentioned earlier.

I would also like to note the importance of allowing enough time for candidates to learn. Studying for P6 CYP should not be squeezed into too short a timeframe as it takes time to acquire the additional knowledge and develop the skills to be able to apply it in the way that P6 CYP requires.

It is essential that candidates practice many exam standard questions. As mentioned previously, there are a number of past exams on the website which can be used.

Tutors should also consider whether candidates have had any lengthy delay between F6 CYP and P6 CYP that might require them to do some refresher work before tackling P6 CYP. This is particularly relevant if there has been a particularly long delay and if candidates only scraped through F6 CYP level.

Question Time