

Taxation (F6) Poland (POL) December 2009

This syllabus and study guide is designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

THE STRUCTURE OF THE SYLLABUS AND STUDY GUIDE

Relational diagram of paper with other papers

This diagram shows where any direct and indirect links between this paper and other papers preceding or following it. Some papers are directly underpinned by other papers such as Advanced Performance Management by Performance Management. These links are shown as solid line arrows. Other papers only have indirect relationships with each other, such as links existing between the accounting and auditing papers. The links between these are shown as dotted line arrows. This diagram indicates where you are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall aim of the syllabus

This explains briefly the overall objective of the paper and indicates in the broadest sense the capabilities to be developed within the paper

Main capabilities

This paper's aim is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Relational diagram of the main capabilities

This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

Syllabus rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities are linked. The rationale also explains in further detail what the examination intends to assess and why.

Detailed syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

Approach to examining the syllabus

This section briefly explains the structure of the examination and how it is assessed.

Study Guide

This is the main document that students, tuition providers and publishers should use as the basis of their studies, instruction and materials. Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed in any examination session. The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations. These outcomes are described using verbs indicating what exams may require students to demonstrate and the broad intellectual level at which these may need to be demonstrated (*See intellectual levels below)

Reading lists

ACCA examiners will recommend study texts and text books where these are available, which students may read as part of their preparation for the exam. Relevant articles will also be published in *student accountant*.

INTELLECTUAL LEVELS

The syllabus is designed to progressively broaden and deepen the knowledge, skills and professional values demonstrated by the student on their way through the qualification.

The specific capabilities within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

Level 1: Knowledge and comprehension

Level 2: Application and analysis

Level 3: Synthesis and evaluation

Very broadly, these intellectual levels relate to the three cognitive levels at which the Knowledge module, the Skills module and the Professional level are assessed.

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant line. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with the Knowledge module, level 2 equates to the Skills module and level 3 to the Professional level, some lower level skills can continue to be assessed as the student progresses through each module and level. This reflects that at each stage of study there will be a requirement to broaden as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

LEARNING HOURS

The ACCA qualification does not prescribe or recommend any particular number of learning hours because increasingly study and learning patterns and styles vary greatly between people and organisations and in different personal, professional and educational circumstances.

Each syllabus contains between 23 and 35 main subject area headings depending on the nature of the subject and how these areas have been broken down in those particular papers.

GUIDE TO EXAM STRUCTURE

The structure of examinations varies within and between modules and levels.

The Fundamentals level examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

The Knowledge module is assessed by equivalent two-hour paper based and computer based examinations.

The Skills module examinations are all paper based three-hour papers. The structure of papers varies from ten questions in the *Corporate and Business Law* (F4) paper to four 25 mark questions in *Financial Management* (F9). Individual questions within all Skills module papers will attract between 10 and 30 marks.

The Professional level papers are all three-hour paper based examinations, all containing two sections. Section A is compulsory, but there will be some choice offered in Section B.

For all three hour examination papers, ACCA has introduced 15 minutes reading and planning time.

This additional time is allowed at the beginning of each three-hour examination to allow candidates to read the questions and to begin planning their answers before they start writing in their answer books. This time should be used to ensure that all the information and exam requirements are properly read and understood.

During reading and planning time candidates may only annotate their question paper. They may not write anything in their answer booklets until told to do so by the invigilator.

The Essentials module papers all have a Section A containing a major case study question with all requirements totalling 50 marks relating to this case. Section B gives students a choice of two from three 25 mark questions.

Section A of each of the Options papers contains 50-70 compulsory marks from two questions, each attracting between 25 and 40 marks. Section B will offer a choice of two from three questions totalling 30-50 marks, with each question attracting between 15 and 25 marks

GUIDE TO EXAMINATION ASSESSMENT

ACCA reserves the right to examine anything contained within the study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For the financial accounting, audit and assurance, law and tax papers except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions..

For paper based examinations regulation **issued** or legislation **passed** on or before 30th September annually, will be assessed from June 1st of the following year to May 31st of the year after. Therefore, paper based examinations in June 2009, December 2009 (and March 2010 where applicable) will be assessed on regulations issued and legislation passed on or before 30 September 2008.

Regulation issued or legislation passed in accordance with the above dates may be examinable even if the **effective** date is in the future.

The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to an entity transactions and business practices.

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

Syllabus

(F6) POL

AIM

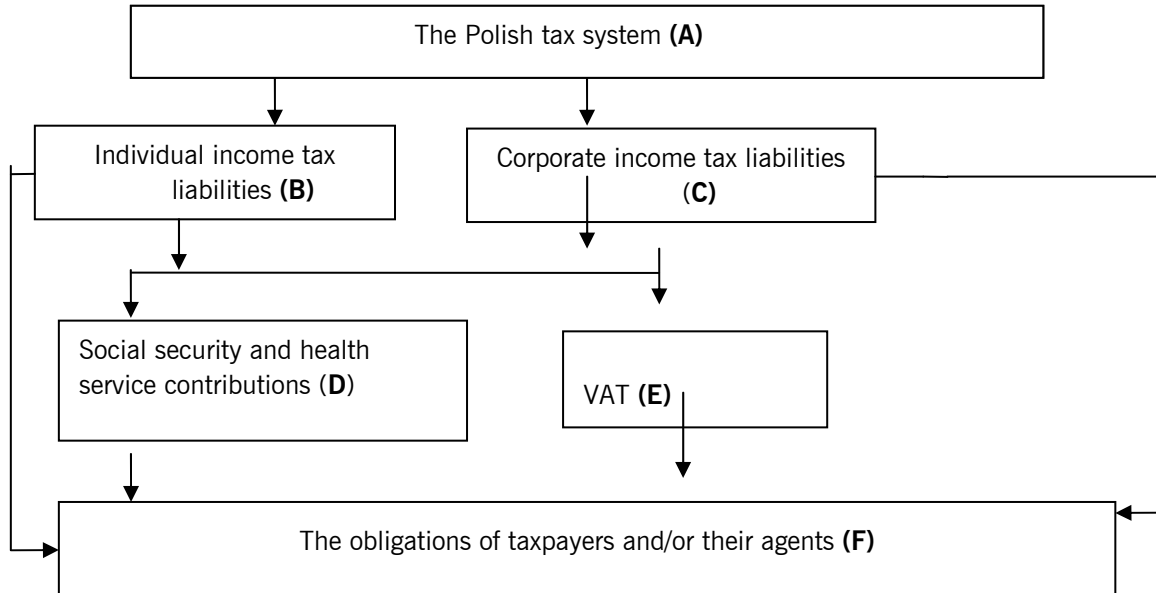
To develop knowledge and skills relating to the Polish tax system as applicable to individuals and companies.

MAIN CAPABILITIES

After completing this examination paper students should be able to:

- A** Explain the operation and scope of the Polish tax system
- B** Explain and compute the income tax liabilities of individuals
- C** Explain and compute the corporate income tax liabilities of individual companies
- D** Explain and compute the effect of social security and health service contributions on employees, employers and the self employed
- E** Explain and compute the effects of value added tax on incorporated and unincorporated businesses
- F** Identify and explain the obligations of taxpayers and/or their agents and the implications of non-compliance.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

This syllabus introduces candidates to the subject of taxation and provides the core knowledge of the underlying principles and major technical areas of taxation, as they affect the activities of individuals and businesses.

In this syllabus, candidates are introduced to the rationale behind and the functions of the tax system. The syllabus then considers the separate taxes that an accountant would need to have a detailed knowledge of, such as income tax from self employment, employment and investments; the corporate income tax liability of companies; the social security and health insurance contribution liabilities of both employed and self employed persons; and the value added tax liability of businesses.

Having covered the core areas of the basic taxes, the candidate should be able to compute tax liabilities, explain the basis of their calculations, apply tax planning techniques for individuals and companies and identify the compliance issues for each major tax through a variety of business and personal scenarios and situations.

DETAILED SYLLABUS

A. The Polish tax system

1. The overall function and purpose of taxation in a modern economy
2. Different types of taxes
3. The tax regulatory framework
4. Tax avoidance and tax evasion

B. Income tax liabilities

1. The scope of personal income tax
2. Income from employment
3. Income from the provision of independent services by individuals
4. Income from business activities
5. Property, investment and other sources of

income

6. Gains and losses on the disposal of moveable and immovable property
7. The comprehensive computation of taxable income and income tax liability
8. The use of exemptions and reliefs in deferring and minimising income tax liabilities

C. Corporate income tax liabilities

1. The scope of corporate income tax
2. Profits chargeable to corporate income tax
3. The comprehensive computation of corporate income tax liability
4. The use of exemptions and reliefs in deferring and minimising corporate income tax liabilities

D. Social security and health service contributions

1. The scope of social security contributions
2. Contributions for employed persons, made by employees and employers
3. Contributions for persons other than employees
4. Health service contributions

E. Value added tax

1. The scope of value added tax (VAT)
2. The VAT registration requirements
3. The computation of VAT liabilities
4. Documentation requirements and compliance

F. The obligations of taxpayers and/or their agents

1. The systems for assessment and the making of returns
2. The time limits for the submission of information, claims and payment of tax, tax prepayments/advances
3. The procedures relating to enquiries, rulings, appeals and disputes
4. Penalties for non-compliance

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a three hour paper based examination.

The paper will be mainly computational and will have five questions, all of which will be compulsory.

- Questions one and two will be for a total of 55 marks with one of the questions being for 30 marks and the other for 25 marks. One of these two questions will focus on personal income tax and the other question will focus on corporate income tax.
- Question three will be for 15 marks, and will focus on value added tax.
- Questions four and five will be on any area of the syllabus and will be for 15 marks each.

Value added tax may also be examined in questions other than Question 3, for example as part of a corporate income tax or business income tax scenario, for up to 5 marks.

Social security and health insurance contributions will not be examined as a separate question, but may be examined in any question involving personal or corporate income tax.

Any of the five questions might include the consideration of issues relating to the minimisation or deferral of tax liabilities.

Study Guide

A THE POLISH TAX SYSTEM

1. The overall function and purpose of taxation in a modern economy

- a) Describe the purpose (economic, social etc) of taxation in a modern economy.^[2]

2. Different types of taxes

- a) Identify the different types of capital and revenue tax.^[1]
- b) Explain the difference between direct and indirect taxation.^[2]

3. The tax regulatory framework

- a) Describe the overall structure of the Polish tax system.^[1]
- b) State the different sources of taxation law and tax regulations.^[1]
- c) Appreciate the interaction of the Polish tax system with that of other tax jurisdictions.^[2]

4. Tax avoidance and tax evasion

- a) Explain the difference between tax avoidance and tax evasion.^[1]
- b) Explain the need for an ethical and professional approach.^[2]

B INCOME TAX LIABILITIES

1. The scope of personal income tax

- a) Describe the scope of personal income tax.^[2]
- b) Explain how the residence of an individual is determined.^[2]
- c) Recognise the income that is taxable in the case of tax residents and tax non-residents.^[2]

- d) Explain the Polish tax treatment of foreign income earned by tax residents.^[2]

- e) Explain the Polish tax treatment of income from sources in Poland of tax non-residents.^[1]

- f) Explain how a double tax agreement can affect the liability to taxation of different types of income.^[1]

Excluded topics:

- Income from agricultural activities, including specialised production

2. Income from employment

- a) Recognise the income that falls within the category of employment income and explain how the tax base is calculated.^[2]
- b) Recognise the allowable deductions.^[2]
- c) Distinguish between the benefits in kind which have to be taken into account and those which are exempt.^[2]
- d) Explain how benefits in kind are assessed and compute relevant amounts.^[2]
- e) Distinguish between activities/engagements which are treated as employment as opposed to independent activity.^[2]

3. Income from the provision of independent services by individuals

- a) Recognise the income that falls within this category of income and explain how the tax base is calculated.^[2]
- b) Recognise the allowable deductions.^[2]

Excluded topics:

- Religious activity
- Social and civil functions
- Management contracts

4. Income from business activities

- a) Recognise the income that falls within this category of income and explain how the tax base is calculated. ^[2]
- b) Recognise the expenditures that are allowable in computing taxable income, using both the actual and flat rate expense allowances. ^[2]
- c) Depreciation allowances
 - i) State the conditions that must be met for an asset to be included for depreciation purposes. ^[2]
 - ii) List the types of asset (tangible and intangible) that are and are not depreciated. ^[2]
 - iii) Explain how assets are valued for depreciation purposes. ^[2]
 - iv) Compute depreciation allowances, using all available methods including (where applicable) the one off deduction available to small taxpayers and those commencing business activity ^[2]
 - v) Understand the specific rules applying to expensive motor cars. ^[2]
 - vi) Understand the specific rules applying to used non-residential buildings ^[2]
 - vii) Explain the treatment of used and improved assets. ^[2]
 - viii) Distinguish the treatment of operational and financial leases. ^[2]
- d) Explain how relief for losses can be claimed and compute relevant amounts. ^[2]
- e) Explain the tax treatment of a partnership of individuals. ^[2]
- f) Compute the tax charge that can arise on closing stock when a business ceases trading.
- g) Explain how to apply the straight line method to taxable business income.

5. Property, investment and other sources of income

- a) Recognise the income that falls within the category income from immovable property

(rental income) and explain how the tax base is calculated. ^[2]

- b) Recognise and compute the allowable deductions against rental income using both the actual and flat rate methods. ^[2]
- c) Recognise the income that falls within the category income from investments and property rights (investment income) and explain how the tax base is calculated. ^[2]
- d) Recognise the income that falls within the category of other income and explain how the tax base is calculated. ^[2]

6. Gains and losses on the disposal of moveable and immovable property

- a) Explain the treatment of the sale of immovable (real) property. ^[2]
- b) Explain the treatment of the sale of other non-business assets, including shares and securities. ^[2]

7. The comprehensive computation of taxable income and income tax liability

- a) Prepare a basic income tax computation involving different categories of income. ^[2]
- b) Distinguish between income/gains forming part of the aggregated tax base and those subject to tax on a different tax base. ^[2]
- c) Recognise the deductions (reliefs) from aggregate income available to individuals. ^[2]
- d) Recognise the credits deductible in computing the final tax payable on the aggregated tax base. ^[2]
- e) Compute the double tax relief available against the Polish income tax payable on the foreign income of tax residents. ^[2]
- f) Compute the amount of tax payable with the year end (annual) declaration. ^[2]
- g) Identify income subject to deduction of final tax at source and compute the tax payable.

- h) Identify income subject to payments of tax on account (“advances”) and compute the tax payable. ^[2]
- i) Compute the monthly tax advances deducted by employers in the case of employees. ^[2]

8. Flat rate Methods

- a) Flat rate tax on revenue
- (i) Recognise the types of activity eligible to pay tax under the flat rate method, including rental. ^[2]
 - (ii) Explain how tax is paid under the flat rate method and compute the tax payable. ^[2]
- b) Tax card system
- (i) State the conditions that must be satisfied for tax to be paid under the tax card system. ^[1]
 - (ii) Explain how taxpayers are taxed under the tax card system, and compute the tax payable. ^[1]

9. The use of exemptions and reliefs in deferring and minimising income tax liabilities

- a) Recognise the income that is exempt from personal income tax. ^[2]
- b) Explain and compute the relief for contributions to social security and health service contributions. ^[2]
- c) Explain and compute all reliefs available.
- d) Explain how a married couple can minimise their tax liabilities, through the use of joint taxation. ^[2]
- e) Explain when a single parent can be taxed beneficially. ^[2]
- f) Identify, compute and apply the right reduction/relief in given circumstances. ^[2]

Excluded topics

- Remaining balances of formerly available reliefs.
- The 1 % of tax transfer to public benefit organisations.

C. CORPORATE INCOME TAX LIABILITIES

1. The scope of corporate income tax

- a) Describe the scope of corporate income tax. ^[2]
- b) Define the term “tax year”^[1]
- c) Explain how the residence of a company is determined. ^[2]
- d) Recognise the income that is taxable in the case of tax resident and tax non-resident companies. ^[2]
- e) Define the term ‘permanent establishment’ and explain the consequences of an activity being so classified. ^[1]

Excluded topics

- Reorganisations
- Companies in liquidation
- Not for profit organisations
- Co-operatives
- State enterprises
- Investment, pension and share funds
- Income from agricultural activities, including specialised production
- Income from sea and air transport activities
- Foreign source income received by non-resident companies
- Redemption (buy back) of shares

2. Profits chargeable to corporate income tax

- a) Recognise the adjustments made to the accounting profit for the purpose of calculating the corporate tax base. ^[2]
- b) Identify revenue which is not taxable. ^[2]
- c) Identify the expenditure which is generally allowable in computing the tax-adjusted profit. ^[2]
- d) Identify items which are not tax deductible. ^[2]
- e) Explain how receipts in kind of goods and services are valued. ^[2]

- f) Depreciation allowances (as for personal income tax).^[2]
- g) Transfer pricing
- i) Recognise the circumstances in which the transfer pricing rules will be applied.^[2]
 - ii) Explain the implications of the tax office applying the transfer pricing rules and compute relevant amounts.^[2]
- h) Explain the thin capitalisation rules and compute relevant amounts.^[2]
- i) Explain how relief for losses can be claimed and compute relevant amounts.^[2]

Excluded items:

- Special economic zone/regional aid incentives/reliefs

3. The comprehensive computation of corporate income tax liability

- a) Recognise the allowances and credits available to corporations and compute relevant amounts.^[2]
- b) Compute the double tax relief available against the Polish income tax payable on the foreign income of tax residents.^[2]
- c) Explain the obligations to withhold tax on interest, royalty and dividend distribution payments made to Polish tax residents, tax residents of other EU states and foreign (non-EU)tax residents.^[2]
- d) Identify revenue subject to deduction of tax at source and compute relevant amounts.^[2]
- e) Identify the circumstances in which tax is levied on a turnover basis and compute the tax.^[1]

4. The use of exemptions and reliefs in deferring and minimising corporate income tax liabilities

The use of exemptions and reliefs is implicit within all of the above sections 1 to 3 of part C

of the syllabus, concerning corporate income tax.

D. SOCIAL SECURITY AND HEALTH SERVICE CONTRIBUTIONS

1. The scope of social security contributions (ZUS)

- a) Explain who and in what circumstances is liable to pay social security contributions.^[1]

2. Contributions for employed persons, made by employees and employers.

- a) Explain and compute the assessment base used for employed persons.^[2]
- b) Calculate the contributions payable by employees, and their employers.^[2]
- c) Describe the procedures and state the deadlines for submission of returns and the payment of contributions , including year end procedures^[1]

3. Contributions for persons other than employees

- a) Recognise the circumstances in which a liability to social security contributions arises in respect of work done outside an employment relationship.^[2]
- b) Explain how the assessment base is determined and compute the contributions payable.^[2]
- c) Explain the treatment of agency workers, contractors and co-operants.^[2]
- d) Describe the procedures and state the deadlines for the submission of returns and the payment of contributions, including year end procedures.^[1]

4. Health service contributions

- a) Explain the scope of health service contributions.^[1]
- b) Compute the contributions payable.^[2]

- c) Describe the procedures and state the deadlines for payment of contributions. ^[1]
- d) Understand the relationship between personal income tax and health service contributions. ^[2]

E. VALUE ADDED TAX

1. The scope of value added tax (VAT)

- a) Describe the scope of VAT. ^[2]
- b) Explain the VAT accounting on import and export of goods and services.
- c) Explain the VAT accounting on trade within the EU.
- d) List the principal reduced rate, zero-rated and exempt supplies. ^[1]

Excluded topics:

- Precise definitions of intra-EU trade (chapter 3 of VAT law)
- Non-resident entrepreneurs
- International transport
- Margin method for antiques etc.

2. The VAT registration requirements

- a) Recognise the circumstances in which a person (individual or legal entity) must register for VAT. ^[2]
- b) Explain the advantages of voluntary VAT registration. ^[2]
- c) Describe the VAT registration procedure including the relevant deadlines. ^[1]
- d) Explain the circumstances in which pre-registration VAT can be recovered. ^[2]
- e) State the conditions that must be met for input VAT to be recovered on capital assets bought before the commencement of taxable activity. ^[2]
- f) Explain when a person can and must deregister for VAT. ^[1]

3. The computation of VAT liabilities

- a) Explain how VAT is accounted for and administered. ^[2]
- b) Explain how the tax point and place of supply are determined. ^[2]
- c) Explain the alternative treatments available to small entrepreneurs. ^[2]
- d) Explain and apply the principles regarding the valuation of goods and services. ^[2]
- d) Recognise the circumstances in which input VAT is non-deductible. ^[2]
- e) State the conditions that must be met for input VAT to be recovered on capital assets bought before the commencement of trade. ^[2]
- f) Explain how input VAT is recovered in respect of leases. ^[2]
- g) Understand the implications of being partially exempt in calculating VAT liability.
- h) Explain how excess input VAT is recovered when it relates to fixed asset purchases or where there are lower rated sales. ^[2]
- i) Explain how a reduction in output VAT can be obtained in the case of bad debts. ^[2]
- j) Calculate the VAT due to/from the tax authorities. ^[2]

4. Documentation requirements and compliance

- a) List the information that must be given on a VAT invoice and on a simplified bill/ticket. ^[1]
- b) State what records must be kept for VAT purposes. ^[1]
- c) Explain the notification obligations and procedures of VAT payers. ^[1]
- d) State the deadlines for the filing of VAT returns and payment of VAT. ^[2]

e) State the alternative deadlines for the receipt of a VAT refund and their related pre-conditions. ^[2]

f) Explain the circumstances in which penalties will be charged in respect of incorrect returns and/or underpaid tax. ^[2]

F. THE OBLIGATIONS OF TAX PAYERS AND/OR THEIR AGENTS

1. The systems for assessment and the making of returns

a) Explain and apply the features of the assessment system and the tax return filing procedures for individuals. ^[2]

b) Explain and apply the features of the assessment system and the tax returns filing procedures for companies. ^[2]

2. The time limits for the submission of information, claims and payment of tax, including tax prepayments/advances

a) Recognise the time limits that apply to the filing of returns and the making of claims. ^[2]

b) Recognise the due dates for the payment of tax and explain how taxes are paid. ^[2]

c) Compute the tax on account payments (advances) applicable to individuals and state the due dates for making such prepayments. ^[2]

d) Explain the year end (annual) declaration procedures for individuals and compute the year end tax payable. ^[2]

e) Explain the responsibilities of employers in respect of the deduction of income tax from the wages and salaries of employees. ^[1]

f) Explain and compute the advances of corporate income tax payable under the normal method and the optional (simplified) methods. ^[2]

g) Explain the year end (annual) declaration procedures for companies and compute the year end tax payable. ^[2]

h) Explain the exemption available to small entrepreneurs (corporate and unincorporated). ^[2]

i) Explain the relevant procedures and due payment dates for tax deducted at source.

j) List the information and records that taxpayers need to retain for tax purposes. ^[1]

Excluded topics

- Tax registration procedures
- Procedure for the recovery of tax claims
- The internal organisation and functions determination of the tax administration bodies

3. The procedures relating to enquiries, rulings, appeals and disputes

a) Explain the system whereby a taxpayer can obtain a ruling from the tax authorities on a given transaction. ^[1]

b) Explain the procedures for dealing with appeals and disputes, including deadlines and competent authorities. ^[1]

c) Explain the tax audit procedures, including the rights and obligations of a taxpayer. ^[1]

d) Explain the treatment of undeclared income. ^[2]

4. Penalties for non-compliance

a) State the circumstances in which a penalty or interest can be charged. ^[2]

b) Calculate interest on overdue tax and the penalties that can be charged. ^[2]

READING LIST

BPP

BPP Polska Sp. z o.o

ul. Nowogrodzka 68

Prima Court

02-014 Warsaw

Contact number: + 22 50 40 700.

Website: www.bpp.com

The following are also suitable as study material for this paper:

Ernst & Young Academy of Business sp. z o.o.

00-609 Warszawa, al. Armii Ludowej 26, Poland

Contact number: +48 22 579 82 13

Fax: +48 22 579 8001

The study of relevant articles in the ACCA's *student accountant* magazine is also recommended.