

JUNE AND DECEMBER 2009 EXAM SESSIONS TAX

ES4	Fees, Remuneration and Evaluation Policies, Litigation, Gifts and Hospitality (Revised)	F8	P7
ES5	Non-audit Services Provided to Audit Clients (Revised)		
ESRA	Ethical Standard for Reporting Accountants Glossary		

Bulletins

2001/03	E-business: Identifying Financial Statement Risks	F8	P7
2006/5	The Combined Code on Corporate Governance: Requirements of Auditors Under the Listing Rules of the Financial Services Authority and the Irish Stock Exchange		
2006/6	Auditor's Reports on Financial Statements in the United Kingdom		
2007/1	Example Reports by Auditors Under Company Legislation in Great Britain		
2008/03	The Auditor's Statement on the Summary Financial Statement in the United Kingdom		
2008/04	The Special Auditor's Report on Abbreviated Accounts in the United Kingdom		
2008/05	Auditor's Reports on Revised Accounts and Reports in the United Kingdom		
2008/06	The 'Senior Statutory Auditor' Under the United Kingdom Companies Act 2006		
2008/08	Auditor's Reports for Short Accounting Periods in Compliance with the United Kingdom Companies Act 2006		

Statement of Standards for Reporting Accountants (SSRAs)

	Audit Exemption Reports	F8	P7
ISRE (UK and Ireland) 2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity		

Exposure Drafts (EDs) (UK and Ireland)

Topics of Exposure Drafts are examinable to the extent that relevant articles about them are published in *student accountant*.

ISA 700	The Auditor's Report on Financial Statements (Revised)	F8	P7
ISA 720	(Revised)		
	Consultation Papers: Guidance for Smaller Entity Audits		
	Consultation Papers: Auditing Standards Relevant to Group Audits		
	Discussion Paper: The Auditor's Report: A Time For Change		

Other Documents

	ACCA's 'Code of Ethics and Conduct'	F8	P7
	IFAC's 'Code of Ethics for Professional Accountants'		
	Scope and Authority of APB Pronouncements 2008 (Revised)		
	ACCA's Technical Factsheet 94 – Anti-money Laundering (Proceeds of Crime and Terrorism)		
	IAASB Clarity Project – Background and Current Status		
	IAASB Clarity Project – The APB's Approach to IAASB 'Clarified' EDs		
	Background Information on the Clarity Project of the International Auditing and Assurance Standards Board (IAASB Document)		

TAX

PAPER F6, TAXATION (UK)

The following notes refer to Paper F6 (UK) only. Guidance for other variant papers – where available – will be published on the ACCA website.

EXAMINABLE LEGISLATION

Legislation which received Royal Assent on or before 30 September annually, will be assessed in the following year. Therefore, examinations in June 2009 and December 2009 will be assessed on legislation which received Royal Assent on or before 30 September 2008.

FINANCE ACT

The latest Finance Act which will be examined in Paper F6 (UK) at the June 2009 and December 2009 sessions is the Finance Act 2008. 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

JUNE AND DECEMBER 2009 EXAM SESSIONS

TAX

rule applies to the effective date of the provisions of an Act introduced by statutory instrument.

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

- Finance Act 2008 – June/July 2008
- examiner's approach to Paper F6 (UK) – January 2007.

In addition, make sure you read the article on capital gains, which starts on page 42.

The capital allowance tax rules that applied up to 5 April 2008 (1 April 2008 or companies) and the capital gains tax rules that applied up to 5 April 2008 are no longer examinable.

SUPPLEMENTARY INSTRUCTIONS

The following supplementary instructions will be included in the June 2009 and December 2009 exams:

- calculations and workings need only be made to the nearest £
- all apportionments should be made to the nearest month
- all workings should be shown.

TAX RATES AND ALLOWANCES

The following tax rates and allowances will be reproduced in the exam paper for Paper F6 (UK). In addition, other specific information necessary for candidates to answer individual questions will be given as part of the question. For example, in the case of corporate chargeable gains, the relevant retail prices index for particular dates will be given at the end of the relevant question.

Income Tax

		%
Basic rate	£1–£34,800	20
Higher rate	£34,801 and above	40

A starting rate of 10% applies to savings income where it falls within the first £2,320 of taxable income.

Personal Allowances

Standard	£6,035
65–74	£9,030
75 and over	£9,180
Income limit for age-related allowances	£21,800

Car Benefit Percentage

The base level of CO₂ emissions is 135 grams per kilometre. A lower rate of 10% applies to cars with CO₂ emissions of 120 grams per kilometre or less.

Car Fuel Benefit

The base figure for calculating the car fuel benefit is £16,900.

Pension Scheme Limits

Annual allowance £235,000

The maximum contribution that can qualify for tax relief without any earnings is £3,600.

Authorised Mileage Allowances: Cars

Up to 10,000 miles	40p
Over 10,000 miles	25p

Capital Allowances

Plant and Machinery

	%
Writing-down allowance – General rate	20
– Special rate pool	10
First-year allowance – Low emission motor cars (CO ₂ emissions of less than 110 grams per kilometre)	100
Annual investment allowance for the first £50,000 of expenditure	100

Industrial Buildings Allowance

Writing-down allowance 3

Corporation Tax

Financial Year	2006	2007	2008
Small companies rate	19%	20%	21%
Full rate	30%	30%	28%
Lower limit (£)	300,000	300,000	300,000
Upper limit (£)	1,500,000	1,500,000	1,500,000
Marginal relief fraction	11/400	1/40	7/400

Marginal Relief

$(M - P) \times I/P \times \text{Marginal relief fraction}$

Value Added Tax

Standard rate	17.5%
Registration limit	£67,000
Deregistration limit	£65,000

Capital Gains Tax

Rate of tax	18%
Annual exemption	£9,600
Entrepreneurs' relief – Lifetime limit	£1,000,000
– Relief factor	4/9ths

National Insurance Contributions (not contracted out rates)

		%
Class 1 Employee	£1–£5,435 per year	Nil
	£5,436–£40,040 per year	11.0
	£40,041 and above per year	1.0
Class 1 Employer	£1–£5,435 per year	Nil
	£5,436 and above per year	12.8
Class 1A		12.8
Class 2	£2.30 per week	
Class 4	£1–£5,435 per year	Nil
	£5,436–£40,040 per year	8.0
	£40,041 and above per year	1.0

Rates of Interest

Official rate of interest	6.25%
Rate of interest on underpaid tax	7.5% (assumed)
Rate of interest on overpaid tax	3% (assumed)

PAPER P6, ADVANCED TAXATION (UK)

The following notes refer to Paper P6 (UK) only. Guidance for other variant papers – where available – will be published on the ACCA website.

EXAMINABLE LEGISLATION

Legislation which received Royal Assent on or before 30 September annually, will be assessed in the following year. Therefore, examinations in June 2009 and December 2009 will be assessed on legislation which received Royal Assent on or before 30 September 2008.

FINANCE ACT

The latest Finance Act which will be examined in Paper P6 (UK) at the June 2009 and December 2009 sessions is the Finance Act 2008. 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 following relevant articles have been published in *student accountant* and are also available on the ACCA website:

- Finance Act 2008 – June/July 2008
- examiner's approach to Paper P6 (UK) – June/July 2007

In addition, make sure you read the following articles which are scheduled for publication:

- trusts and tax for P6 (UK) – March 2009
- corporation tax for P6 (UK) – March 2009
- capital gains tax and inheritance tax for P6 (UK) – April 2009
- international aspects of personal taxation for P6 (UK) – April 2009
- corporation tax for groups for P6 (UK) – April 2009

These articles will also be available on the ACCA website soon.

SUPPLEMENTARY INSTRUCTIONS

The following supplementary instructions will be included in the June 2009 and December 2009 exams:

- you should assume that the tax rates and allowances for the tax year 2008/09, and for the financial year to 31 March 2009, will continue to apply for the foreseeable future, unless you are instructed otherwise
- calculations and workings need only be made to the nearest £
- all apportionments should be made to the nearest month
- all workings should be shown.

TAX RATES AND ALLOWANCES

The following tax rates and allowances will be reproduced in the exam paper for Paper P6 (UK). In addition, other specific information necessary for candidates to answer individual questions will be given as part of the question.

Income Tax

		%
Basic rate	£1–£34,800	20
Higher rate	£34,801 and above	40

A starting rate of 10% applies to savings income where it falls within the first £2,320 of taxable income.

Personal Allowances

Standard	£6,035
65–74	£9,030
75 and over	£9,180
Income limit for age-related allowances	£21,800

Car Benefit Percentage

The base level of CO₂ emissions is 135 grams per kilometre. A lower rate of 10% applies to cars with CO₂ emissions of 120 grams per kilometre or less.

Car Fuel Benefit

The base figure for calculating the car fuel benefit is £16,900.

Pension Scheme Limits

Annual allowance	£235,000
Lifetime allowance	£1,650,000

The maximum contribution that can qualify for tax relief without any earnings is £3,600.

Authorised Mileage Allowances: Cars

Up to 10,000 miles	40p
Over 10,000 miles	25p

Capital Allowances

Plant and Machinery

Annual investment allowance	£50,000
Writing-down allowance	%
Main pool	20
Special rate pool	10
First-year allowance	– Low emission motor cars (CO ₂ emissions of less than 110 grams per kilometre)
	100

Industrial Buildings Allowance

Writing-down allowance	3
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Corporation Tax

Financial Year	2006	2007	2008
Small companies rate	19%	20%	21%
Full rate	30%	30%	28%
Small companies rate lower limit (£)	300,000	300,000	300,000
Small companies rate upper limit (£)	1,500,000	1,500,000	1,500,000
Marginal relief fraction			
Small companies rate	11/400	1/40	7/400

Marginal Relief

$(M - P) \times I/P \times \text{Marginal relief fraction}$

Value Added Tax

Standard rate	£ 17.5%
Registration limit	£67,000
Deregistration limit	£65,000

Inheritance Tax

£1–£312,000	Nil
Excess	40%

Capital Gains Tax

Rate of tax	18%
Annual exemption	£9,600
Entrepreneurs' relief	
– Lifetime limit	£1,000,000
– Relief factor	4/9ths

National Insurance Contributions (not contracted out rates)

		%
Class 1 Employee	£1–£5,435 per year	Nil
	£5,436–£40,040 per year	11.0
	£40,041 and above per year	1.0
Class 1 Employer	£1–£5,435 per year	Nil
	£5,436 and above per year	12.8
Class 1A		12.8
Class 2	Small earnings exception limit – £4,825	
	£2.30 per week	
Class 4	£1–£5,435 per year	Nil
	£5,436–£40,040 per year	8.0
	£40,041 and above per year	1.0

Rates of Interest

Official rate of interest	6.25%
Rate of interest on underpaid tax	7.5% (assumed)
Rate of interest on overpaid tax	3% (assumed)

Stamp Duty Land Tax

Ad Valorem duty

Residential property	Rate
£175,000 or less ¹	Nil
£175,001–£250,000	1%
£250,001–£500,000	3%
£500,001 or more	4%

¹ For non-residential property, the nil rate is restricted to £150,000.

Stamp duty

Shares	0.5%
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**FINANCIAL REPORTING – INTERNATIONAL STREAM
PAPER 3, MAINTAINING FINANCIAL RECORDS (INT)
PAPER 6, DRAFTING FINANCIAL STATEMENTS (INT)**

Knowledge of new examinable regulations issued by 30 September will be required in exam sessions being held in the following calendar year. Documents may be examinable even if the effective date is in the future.

The documents listed as being examinable are the latest that were issued prior to 30 September 2008 and will be examinable at the June and December 2009 sessions.

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